

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

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

**1599285 ONTARIO LIMITED, RICK BERWICK, 2702749 ONTARIO INC., PETER ADAMO, CROCETTA ADAMO, ANJAY LIMITED, A-ONE AUTO INVESTMENTS INC., CINZIA SORRENTI, ELCRM HOLDINGS INC., SERGIO MOLELLA, DONALD IERFINO, PIERINA PIZZARDI, PIZZARDI INVESTMENTS, AMOND MANAGEMENT INC., SALISI INVESTMENTS LTD., LORENZO ANTONINI, CARMEN ANTONINI, TINA BETTI, ANTHONY BONDI, GIUSEPPA BONDI, C.P.M.C MARQUEZ HOLDINGS INC., FREDY ROSSI, 2438747 ONTARIO LIMITED, 2205633 ONTARIO LIMITED, 1620375 ONTARIO LIMITED, 1288601 ONTARIO LIMITED, AMSTEL MANUFACTURING (1993) INC., BRUCE MCKINLAY, M ANTONINI HOLDINGS INC., GABRIELE PIZZARDI, IMPERIO SA HOLDINGS INC., RONALD CHEMIJ, MARY CHEMIJ, TERRY CHEMIJ, LUBA CHEMIJ, and TAXMART INC.**

Applicants

- and -

**1000195736 ONTARIO LTD., 1000193772 ONTARIO LTD., and MORGIS CORPORATION**

Respondents

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

**APPLICATION RECORD**  
**(RETURNABLE MAY 28, 2024)**

April 19, 2024

**RAR LITIGATION LAWYERS**  
Professional Corporation  
1 West Pearce Street, Suite 505  
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L4B 3K3

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**LSO No.: 67864K**

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Lawyers for the Applicants



## SERVICE LIST

(as at April 19, 2024)

<p><b>RAR LITIGATION LAWYERS</b> Professional Corporation 1 West Pearce Street, Suite 505 Richmond Hill, Ontario L4B 3K3</p> <p><b>Ian Cantor</b> Tel: 905-731-8100 ext. 227 icantor@rarlitigation.com</p> <p><b>Sara Mosadeq</b> Tel: 905-731-8100 ext. 213 sara@rarlitigation.com</p> <p><b>Lawyers for the Applicants</b></p>	<p><b>TYR LAW LLP</b> 488 Wellington Street West, Suite 300-302 Toronto, Ontario M5V 1E3</p> <p><b>Jason Wadden</b> Tel: 416-627-9815 jwadden@tyrllp.com</p> <p><b>Simon Sherrington</b> Tel: 587-777-0637 ssherrington@tyrllp.com</p> <p><b>Lawyers for the Respondents</b></p>
<p><b>TDB RESTRUCTURING LIMITED</b> 11 King Street West, Suite 700 Toronto, Ontario M5H 4C7</p> <p><b>Bryan Tannenbaum</b> Tel: 516-238-5055 btannenbaum@tdbadvisory.ca</p> <p><b>Proposed Receiver</b></p>	<p><b>HIS MAJESTY THE KING IN RIGHT OF THE PROVINCE OF ONTARIO AS REPRESENTED BY THE MINISTER OF FINANCE</b> Insolvency Unit 33 King Street West, 6<sup>th</sup> Floor Oshawa, Ontario L1H 8H5</p> <p>Email: insolvency.unit@ontario.ca</p>
<p><b>DEPARTMENT OF JUSTICE</b> Tax Law Services Division 120 Adelaide Street West, Suite 400 Toronto, Ontario M5H 1T1</p> <p>Email: <a href="mailto:AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca">AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca</a></p> <p><b>Lawyers for Canada Revenue Agency</b></p>	

## Email Service List:

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# TAB 1



Court File No.

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SUPERIOR COURT OF JUSTICE  
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**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 pages.

**THIS APPLICATION** will come on for a hearing (*choose one of the following*)

- ☐ In person
- ☐ By telephone conference
- ☒ By video conference

at the following location: the Ontario Superior Court of Justice courthouse located at 330 University Av. Toronto, ON, M5G1R7.

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on a date to be determined by the Court (TBA).

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

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

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

Date March 6, 2024

Issued by:

.....  
Local registrar

Address of Superior Court of Justice  
court office: 330 University Avenue 9<sup>th</sup> Floor  
Toronto, Ontario, M5G 1R7

**TO: TYR LLP**  
488 Wellington Street West, Suite 300-302  
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M5V 1E3

**Jason Wadden**  
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Lawyers for the Respondents



**AND TO: CHRISTOPHER MORGIS**

18 Doctors Lane, Suite 760

King City, Ontario

L7B 1A8

cmorgis@morgis.ca

Guarantor

## APPLICATION

### 1. THE APPLICANTS MAKE AN APPLICATION FOR:

- (a) An order substantially in the form attached as Tab 3 of the Application Record (the “**Receivership Order**”) pursuant to Section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”) and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C43 (the “**CJA**”), seeking, *inter alia*:
  - (i) if necessary, an order abridging the time for and validating the service of this Notice of Application and the Application Record and dispensing with further service thereof;
  - (ii) appointing TDB Restructuring Limited (“**TDB**”) as the Receiver (“**Receiver**”), without security, of the real property legally described in Schedule “A” to the proposed Receivership Order (the “**Real Property**”) and all of the assets, and undertakings of 1000195736 Ontario Ltd. (“**736 Ont**”), 1000193772 Ontario Ltd. (“**772 Ont**”), and Morgis Corporation (“**Morgis Corp**” and collectively with 736 Ont and 772 Ont, the “**Debtors**”);
  - (iii) granting a charge over the Real Property in favour of the Receiver and the Receiver’s counsel to secure their fees and disbursements in respect of this proceeding on the terms as set out in the proposed Receivership Order (the “**Receiver’s Charge**”); and
- (b) Such further and other relief as this Honourable Court may deem just.

### 2. THE GROUNDS FOR THE APPLICATION ARE:

#### *The Parties, the Real Property and the Project*

- (a) Each of the Applicants is either an individual residing in Ontario or a corporation incorporated pursuant to the *Business Corporations Act*, R.S.O. 1990, c. B. 16 (the “**OBCA**”);
- (b) The Applicants are the secured lenders of the Debtors in connection with three syndicated mortgage loans, more particularly set out as follows:

Loan	Applicant/Lender	Respondent/Borrower
Loan 1: \$15,500,000.00	1599285 Ontario Limited. Rick Berwick 2702749 Ontario Inc. Peter Adamo Crocetta Adamo Anjay Limited A-One Auto Investments Inc. Cinzia Sorrenti ELCRM Holdings Inc. Sergio Molella Donald Ierfino Pierina Pizzardi Pizzardi Investments Amond Management Inc. Salisi Investments Ltd. Lorenzo Antonini Carmen Antonini Tina Betti Anthony Bondi Giuseppa Bondi C.P.M.C Marquez Holdings Inc. (collectively the “ <b>Loan 1 Lenders</b> ”)	Morgis Corp
Loan 2: \$33,000,000.00	Fredy Rossi 2438747 Ontario Limited 2205633 Ontario Limited 1620375 Ontario Limited 1288601 Ontario Limited Amstel Manufacturing (1993) Inc. Bruce McKinlay Salisi Investments Ltd. M Antonini Holdings Inc. Gabriele Pizzardi (collectively the “ <b>Loan 2 Lenders</b> ”)	Morgis Corp 772 Ont 736 Ont
Loan 3: \$4,500,000.00	Imperio SA Holdings Inc. Ronald Chemij Mary Chemij Terry Chemij Luba Chemij Donald Ierfino Taxmart Inc. (collectively the “ <b>Loan 3 Lenders</b> ”)	Morgis Corp 772 Ont 736 Ont

- (c) Each of the Debtors is a company incorporated pursuant to the *OBCA*, with the same registered head office located at 18 Doctors Lane, Suite 760, King City, Ontario, L7B 1A8;
- (d) The Debtors are part of the “Morgis Group of Companies” that operate as a real estate development company;
- (e) Mr. Christopher Morgis (“**Mr. Morgis**”) is the sole officer and director of each of the Debtors;
- (f) The Debtors are the registered owners of the Real Property, comprising of four adjoining parcels along Eglinton Avenue West and Avenue Road, in Toronto as further particularized:
  - a. 350 Eglinton Avenue West, Toronto bearing PIN: 21169-0184 (“**Parcel 1**”);
  - b. 356 Eglinton Avenue West, Toronto bearing PIN: 21169-0183 (“**Parcel 2**”);
  - c. 366 Eglinton Avenue West, Toronto bearing PIN: 21169-0182 (“**Parcel 3**”); and
  - d. 368, 378 Eglinton Avenue West, Toronto bearing PIN: 21169-0181 (“**Parcel 4**”);
- (g) The Real Property was intended for a proposed redevelopment project consisting of a 10-storey mixed-use residential building with a retail component on the ground floor (the “**Project**”);
- (h) The Project remains in the initial plan approval stage with the City of Toronto. The Real Property is currently tenanted;

### ***The Loans and Security***

#### **Loan 1: \$15,500,000.00**

- (i) Pursuant to a commitment letter dated April 6, 2021 (the “**Loan 1 Commitment Letter**”) between the Loan 1 Lenders, as lender, and Morgis Corp, as borrower, the Loan 1 Lenders agreed to advance a mortgage loan in the principal amount of \$15,500,000.00 to Morgis Corp (“**Loan 1**”);
- (j) As security for its obligations to the Loan 1 Lenders, Morgis Corp provided security in favour of the Loan 1 Lenders, including, *inter alia*:

- a. a first-ranking Charge/Mortgage registered on July 16, 2021, as Instrument No. AT5801727 for the principal sum of \$15,500,000.00 against title to Parcel 1 and Parcel 2;
  - b. a General Security Agreement dated July 15, 2021, which was registered by the Loan 1 Lenders under the *Personal Property Security Act* (the “**PPSA**”) on July 16, 2021, by means of a Financing Statement with Registration No. 20210716093918622882; and
  - c. a General Assignment of Rents registered on July 16, 2021, as Instrument No. AT5801728 against Parcel 1 and Parcel 2;
- (k) The obligations of Morgis Corp to the Loan 1 Lenders were also guaranteed by Mr. Morgis pursuant to a Guarantee dated July 15, 2021;
- (l) Pursuant to the Guarantee, Mr. Morgis agreed unconditionally to pay all amounts owed by Morgis Corp to the Loan 1 Lenders together with interest thereon, and all costs, charges and expenses which may be incurred to enforce payment;
- (m) As of March 6, 2024, the amount outstanding to the Loan 1 Lenders is \$16,691,836.98 with interest accruing at a rate of 10% per annum, plus legal fees;

**Loan 2: \$33,000,000.00**

- (n) Pursuant to a commitment letter dated April 6, 2022 (the “**Loan 2 Commitment Letter**”) between the Loan 2 Lenders, as lender, and the Debtors, as borrower, the Loan 2 Lenders agreed to advance a mortgage loan in the principal amount of \$33,000,000.00 to the Debtors (“**Loan 2**”);
- (o) As security for its obligations to the Loan 2 Lenders, the Debtors provided security in favour of the Loan 2 Lenders, including, *inter alia*:
- a. a first-ranking Charge/Mortgage registered on May 13, 2022, as Instrument No. AT6078517 for the principal sum of \$33,000,000.00 against title to Parcel 3;

- b. a first-ranking Charge/Mortgage registered on May 18, 2022, as Instrument No. AT6082633 for the principal sum of \$33,000,000 against title to Parcel 4;
  - c. a second-ranking Charge/Mortgage registered on May 13, 2022, as Instrument No. AT6078076 for the principal sum of \$33,000,000.00 against title to Parcel 1 and Parcel 2;
  - d. a General Security Agreement dated May 12, 2022, which was registered by the Loan 2 Lenders under the *PPSA* on May 13, 2022, by means of a Financing Statement with Registration No. 2022051315471590 2385;
  - e. a General Assignment of Rents registered on May 13, 2022, as Instrument No. AT6078518 against title to Parcel 3; and
  - f. a General Assignment of Rents registered on May 13, 2022, as Instrument No. AT6082634 against title to Parcel 4;
- (p) The obligations of the Debtors to the Loan 2 Lenders were also guaranteed by Mr. Morgis pursuant to a Guarantee dated May 12, 2022;
- (q) Pursuant to the Guarantee, Mr. Morgis agreed unconditionally to pay all amounts owed by the Debtors to the Loan 2 Lenders together with interest thereon, and all costs, charges and expenses which may be incurred to enforce payment;
- (r) As of March 6, 2024, the amount outstanding to the Loan 2 Lenders is \$35,618,316.40 with interest accruing at a rate of 10.5% per annum, plus legal fees;

**Loan 3: \$4,500,000.00**

- (s) Pursuant to a commitment letter dated March 1, 2023 (the “**Loan 3 Commitment Letter**”) between the Loan 3 Lenders, as lender, and Morgis Corp and 736 Ont, as borrower, the Loan 3 Lenders agreed to advance a mortgage loan in the principal amount of \$4,500,000.00 to the Debtors (“**Loan 3**”);
- (t) As security for its obligations to the Loan 3 Lenders, the Debtors provided security in favour of the Loan 3 Lenders, including, *inter alia*:

- a. a third-ranking Charge/Mortgage registered on March 17, 2023, as Instrument No. AT6297859 for the principal sum of \$4,500,000.00 against title to Parcel 1 and Parcel 2;
  - b. a second-ranking Charge/Mortgage registered on March 17, 2023, as Instrument No. AT6297857 for the principal sum of \$4,500,000.00 against title to Parcel 3 and Parcel 2;
  - c. a second-ranking Charge/Mortgage registered on March 17, 2023, as Instrument No. AT6297857 for the principal sum of \$4,500,000.00 against title to Parcel 4;
  - d. a General Security Agreement dated March 17, 2023, which was registered by the Loan 1 Lenders under the *PPSA* on March 17, 2023, by means of a Financing Statement with Registration No. 20230317 1453 1590 5219;
  - e. a General Assignment of Rents registered on March 17, 2023, as Instrument No. AT6297860 against title to Parcel 1 and Parcel 2;
  - f. a General Assignment of Rents registered on March 17, 2023, as Instrument No. AT6297858 against title to Parcel 3; and
  - g. a General Assignment of Rents registered on March 17, 2023, as Instrument No. AT6297856 against title to Parcel 4;
- (u) The obligations of Morgis Corp to the Loan 3 Lenders were guaranteed by Mr. Morgis pursuant to a Guarantee dated March 17, 2023;
- (v) Pursuant to the Guarantee, Mr. Morgis agreed unconditionally to pay all amounts owed by Morgis Corp to the Loan 3 Lenders together with interest thereon, and all costs, charges and expenses which may be incurred to enforce payment;
- (w) As of March 6, 2024, the amount outstanding to the Loan 3 Lenders is \$4,923,521.60 with interest accruing at a rate of 12.5% per annum, plus legal fees;

***The Extension Agreements and Demands***

- (x) On September 1, 2023, the Debtors failed to deliver the monthly interest payments due in connection with Loan 1, Loan 2 and Loan 3 (collectively the “**Loans**”);
- (y) Thereafter, the Debtors and the Loan 1 Lenders, Loan 2 Lenders, and Loan 3 Lenders (collectively the “**Lenders**”) agreed to extend the term of the Loans to a maturity date of October 1, 2023;
- (z) On October 1, 2023, the Debtors were still not in a position to redeem the Loans and as such the parties agreed to extend the term of the Loans to a maturity date of November 1, 2023;
- (aa) By November 1, 2023, the Debtors were still not in a position to redeem the Loans;
- (bb) On November 3, 2023, the Loan 3 Lenders issued and delivered to the Debtors, a demand letter dated November 3, 2023, and a Notice of Intention to Enforce Security in accordance with section 244 of the *BIA*;
- (cc) On January 7, 2024, the Debtors and the Lenders, agreed to suspend the enforcement efforts commenced by the Loan 3 Lenders and again extend the term of the Loans to a maturity date of February 1, 2024;
- (dd) Since September 1, 2023, and to date, the Debtors have failed to pay any interest under the Loans;
- (ee) The Loans matured on February 1, 2024;
- (ff) On February 5, 2024, the Loan 1 Lenders issued a demand letter and a Notice of Intention to Enforce Security in accordance with section 244 of the *BIA* (the “**Loan 1 Demand**”). The ten-day period afforded to Morgis Corp under the Loan 1 Demand has expired;
- (gg) On February 5, 2024, the Loan 2 Lenders issued a demand letter and a Notice of Intention to Enforce Security in accordance with section 244 of the *BIA* (the “**Loan 2 Demand**”). The ten-day period afforded to the Debtors under the Loan 2 Demand has expired;



(hh) On February 5, 2024, the Loan 3 Lenders issued a demand letter and a Notice of Intention to Enforce Security in accordance with section 244 of the *BIA* (the “**Loan 3 Demand**”). The ten-day period afforded to the Debtors under the Loan 3 Demand has expired;

(ii) The Lenders have received no payment from the Debtors since demand was made;

***Appointment of the Receiver***

(jj) The Debtors are unable to fulfil their obligations to the Lenders and are unable to complete the Project;

(kk) Pursuant to the loan and security documents, the Debtors have contractually agreed to the appointment of a receiver upon an event of default under the Loans;

(ll) The Lenders have commenced the receivership proceedings to protect their respective investments and preserve and maximize the value of the Real Property;

(mm) TDB is a licenced insolvency trustee and has consented to be appointed as Receiver, without security, of the Real Property;

***Other Grounds***

(nn) Section 243(1) and 244 of the *BIA*;

(oo) Section 101 of the *CJA*;

(pp) Rules 1.04, 2.03, 3.02, 14.05(2), 16.08, and 38 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended; and

(qq) Such further and other grounds as counsel may advise and this Honourable Court may permit.

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

(a) The affidavit of Donald Ierfino, and any exhibits attached thereto;

(b) The Consent of TDB to act as the Receiver; and

(c) Such further and other evidence as counsel may advise and this Honourable Court may permit.

Date: March 6, 2024

**RAR LITIGATION LAWYERS**

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Richmond Hill, Ontario  
L4B 3K3

**Sara Mosadeq**  
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sara@rarlitigation.com

Lawyers for the Applicants

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Respondents

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

Proceeding commenced at Toronto

**NOTICE OF APPLICATION**

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1 West Pearce Street, Suite 505  
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sara@rarlitigation.com

Lawyers for the Applicants

# TAB 2

**ONTARIO  
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(COMMERCIAL LIST)**

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

**1599285 ONTARIO LIMITED, RICK BERWICK, 2702749 ONTARIO INC., PETER ADAMO, CROCETTA ADAMO, ANJAY LIMITED, A-ONE AUTO INVESTMENTS INC., CINZIA SORRENTI, ELCRM HOLDINGS INC., SERGIO MOLELLA, DONALD IERFINO, PIERINA PIZZARDI, PIZZARDI INVESTMENTS, AMOND MANAGEMENT INC., SALISI INVESTMENTS LTD., LORENZO ANTONINI, CARMEN ANTONINI, TINA BETTI, ANTHONY BONDI, GIUSEPPA BONDI, C.P.M.C MARQUEZ HOLDINGS INC., FREDY ROSSI, 2438747 ONTARIO LIMITED, 2205633 ONTARIO LIMITED, 1620375 ONTARIO LIMITED, 1288601 ONTARIO LIMITED, AMSTEL MANUFACTURING (1993) INC., BRUCE MCKINLAY, M ANTONINI HOLDINGS INC., GABRIELE PIZZARDI, IMPERIO SA HOLDINGS INC., RONALD CHEMIJ, MARY CHEMIJ, TERRY CHEMIJ, LUBA CHEMIJ, and TAXMART INC.**

Applicants

- and -

**1000195736 ONTARIO LTD., 1000193772 ONTARIO LTD., and MORGIS CORPORATION**

Respondents

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

**AFFIDAVIT OF DONALD IERFINO,  
SWORN APRIL 19, 2024**

**I, DONALD IERFINO, of the City of Richmond Hill, in the Province of Ontario, MAKE OATH AND SAY:**

1. I am an officer and director of Trilend Inc. (“**Trilend**”). The facts to which I hereinafter depose are within my personal knowledge or from the documents appended to this affidavit

and information provided to me by others. When the matters set out below are based upon information from others, I identify the source and verily believe same to be true.

2. This affidavit is sworn in support of the application of the Applicants for the appointment of TDB Restructuring Limited as receiver (“**Receiver**”) of the property, assets and undertakings of 1000195736 Ontario Ltd. (“**736 Ont**”), 1000193772 Ontario Ltd. (“**772 Ont**”), and Morgis Corporation (“**Morgis Co**”).

### **The Parties**

3. Trilend is an Ontario corporation that syndicates development financing to commercial borrowers. The financing is sourced from private lenders. Trilend is also a licensed mortgage brokerage and mortgage administrator.
4. The Applicants herein collectively comprise of the private lenders that advanced the Loans (defined below) to the Respondents, 736 Ont, 772 Ont, and Morgis Co.
5. The Applicants comprise of Ontario corporations or individual residents of the Province of Ontario.
6. 736 Ont is an Ontario corporation. A copy of the Corporate Profile of 736 Ont is attached hereto as **Exhibit “A”**.
7. 772 Ont is an Ontario corporation. A copy of the Corporate Profile of 772 Ont is attached hereto as **Exhibit “B”**.
8. Morgis Co is an Ontario corporation, formerly 2744746 Ontario Ltd. A copy of the Corporate Profile of Morgis Co is attached hereto as **Exhibit “C”**.
9. 736 Ont, 772 Ont and Morgis Co (collectively the “**Debtors**”) all share the same registered head office at 18 Doctors Lane, Suite 760, King City, Ontario, L7B 1A8.
10. The Debtors are part of the “Morgis Group of Companies” that operate as a real estate development company.

11. Mr. Christopher Morgis (“**Mr. Morgis**”) is the sole officer and director of each of the Debtors.

12. The chart below more particularly sets out the parties to each of the Loans:

<b>Loan</b>	<b>Applicant/Lender</b>	<b>Respondent/Borrower</b>
Loan 1: \$15,500,000.00	1599285 Ontario Limited. Rick Berwick 2702749 Ontario Inc. Peter Adamo Crocetta Adamo Anjay Limited A-One Auto Investments Inc. Cinzia Sorrenti ELCRM Holdings Inc. Sergio Molella Donald Ierfino Pierina Pizzardi Pizzardi Investments Amond Management Inc. Salisi Investments Ltd. Lorenzo Antonini Carmen Antonini Tina Betti Anthony Bondi Giuseppa Bondi C.P.M.C Marquez Holdings Inc. (collectively the “ <b>Loan 1 Lenders</b> ”)	Morgis Corp
Loan 2: \$33,000,000.00	Fredy Rossi 2438747 Ontario Limited 2205633 Ontario Limited 1620375 Ontario Limited 1288601 Ontario Limited Amstel Manufacturing (1993) Inc. Bruce McKinlay Salisi Investments Ltd. M Antonini Holdings Inc. Gabriele Pizzardi (collectively the “ <b>Loan 2 Lenders</b> ”)	772 Ont 736 Ont
Loan 3: \$4,500,000.00	Imperio SA Holdings Inc. Ronald Chemij	Morgis Corp 736 Ontex

	Mary Chemij Terry Chemij Luba Chemij Donald Ierfino Taxmart Inc. (collectively the “ <b>Loan 3 Lenders</b> ”)	
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### **The Real Property and Project**

13. The Real Property (defined below) comprises of four adjacent parcels along Eglinton Avenue West, Toronto, Ontario.
- a. 350 Eglinton Avenue West, Toronto, bearing PIN: 21169-0184 (“**Parcel 1**”);
  - b. 356 Eglinton Avenue West, Toronto, bearing PIN: 21169-0183 (“**Parcel 2**”);
  - c. 366 Eglinton Avenue West, Toronto, bearing PIN: 21169-0182 (“**Parcel 3**”); and
  - d. 368, 378 Eglinton Avenue West, Toronto, bearing PIN: 21169-0181 (“**Parcel 4**” and collectively with Parcel 1, Parcel 2 and Parcel 3, the “**Real Property**”).
14. Morgis Co is the registered owner of Parcel 1 and Parcel 2, 772 Ont is the registered owner of Parcel 3, and 736 Ont is the registered owner of Parcel 4. Attached hereto as **Exhibit “D”** are the Parcel Abstracts for the Real Property.
15. The Real Property was intended for a redevelopment project consisting of a 10-storey mixed-use residential building with a retail component on the ground floor (the “**Project**”).
16. The Project remains in the initial plan approval stage with the City of Toronto. The Real Property is currently tenanted. Despite repeated requests, the Debtors have refused to provide any information regarding the tenancies of the Real Property.



## Other Encumbrances and Creditors

17. I have reviewed the Parcel Abstracts for the Real Property and they do not disclose any liens, charges, or mortgages other than the registrations in favour of the Loan 1 Lenders, Loan 2 Lenders, and Loan 3 Lenders.
18. I am advised by RAR Litigation Lawyers, lawyers for the Lenders, that it conducted searches under the *Personal Property Security Act* (Ontario) (“**PPSA**”) against the Debtors on April 19, 2024, which disclosed no registration other than the registrations in favour of the Lenders. Attached hereto as **Exhibit “E”** is a copy of the PPSA search against Morgis Co. Attached hereto as **Exhibit “F”** are copies of the PPSA searches for 772 Ont and 736 Ont.

## The Loans and Security

### Loan 1: \$15.5 Million

19. Pursuant to a commitment letter dated April 6, 2021 (the “**Loan 1 Commitment Letter**”) between the Loan 1 Lenders, as lender, and Morgis Corp, as borrower, the Loan 1 Lenders advanced a mortgage loan in the principal amount of \$15,500,000.00 to Morgis Corp (“**Loan 1**”). A copy of the Loan 1 Commitment Letter is attached hereto as **Exhibit “G”**.
20. As security for its obligations to the Loan 1 Lenders, Morgis Corp provided the following security in favour of the Loan 1 Lenders:
  - a. a first-ranking Charge/Mortgage registered on July 16, 2021, as Instrument No. AT5801727 for the principal sum of \$15,500,000.00 against title to Parcel 1 and Parcel 2, a copy of which is attached hereto as **Exhibit “H”**;
  - b. a General Security Agreement dated July 15, 2021, which was registered by the Loan 1 Lenders under the *Personal Property Security Act* (the “**PPSA**”) on July 16, 2021, by means of a Financing Statement with Registration No. 20210716093918622882, a copy of which is attached hereto as **Exhibit “I”**; and

- c. a General Assignment of Rents registered on July 16, 2021, as Instrument No. AT5801728 against Parcel 1 and Parcel 2, a copy of which is attached hereto as **Exhibit “J”**.

21. The obligations of Morgis Corp to the Loan 1 Lenders were also guaranteed by Mr. Morgis pursuant to a Guarantee dated July 15, 2021, a copy of which is attached hereto as **Exhibit “K”**.

## **Loan 2: \$33 Million**

22. Pursuant to a commitment letter dated April 6, 2022 (the “**Loan 2 Commitment Letter**”) and amended on May 12, 2022, as between the Loan 2 Lenders, as lender, and 772 Ont and 736 Ont, as borrower, the Loan 2 Lenders agreed to advance a mortgage loan in the principal amount of \$33,000,000.00 to the Debtors (“**Loan 2**”). A copy of the Loan 2 Commitment Letter is attached hereto as **Exhibit “L”**.

23. As security for its obligations to the Loan 2 Lenders, the Debtors provided the following security in favour of the Loan 2 Lenders:

- a. a first-ranking Charge/Mortgage registered on May 13, 2022, as Instrument No. AT6078517 for the principal sum of \$33,000,000.00 against title to Parcel 3, a copy of which is attached hereto as **Exhibit “M”**;
- b. a first-ranking Charge/Mortgage registered on May 18, 2022, as Instrument No. AT6082633 for the principal sum of \$33,000,000 against title to Parcel 4, a copy of which is attached hereto as **Exhibit “N”**; and
- c. a second-ranking Charge/Mortgage registered on May 13, 2022, as Instrument No. AT6078076 for the principal sum of \$33,000,000.00 against title to Parcel 1 and Parcel 2, a copy of which is attached hereto as **Exhibit “O”**;
- d. a General Security Agreement dated May 12, 2022, which was registered by the Loan 2 Lenders under the *PPSA* on May 13, 2022, by means of a Financing Statement with Registration No. 2022051315471590 2385, a copy of which is attached hereto as **Exhibit “P”**;

- e. a General Assignment of Rents registered on May 13, 2022, as Instrument No. AT6078518 against title to Parcel 3, a copy of which is attached hereto as **Exhibit “Q”**; and
  - f. a General Assignment of Rents registered on May 13, 2022, as Instrument No. AT6082634 against title to Parcel 4, a copy of which is attached hereto as **Exhibit “R”**.
24. The obligations of the Debtors to the Loan 2 Lenders were also guaranteed by Mr. Morgis pursuant to a Guarantee dated May 12, 2022, a copy of which is attached hereto as **Exhibit “S”**.
25. Pursuant to the Guarantee, Mr. Morgis agreed unconditionally to pay all amounts owed by the Debtors to the Loan 2 Lenders together with interest thereon, and all costs, charges and expenses which may be incurred to enforce payment.

### **Loan 3: \$4.5 Million**

26. Pursuant to a commitment letter dated March 1, 2023 (the “**Loan 3 Commitment Letter**”) between the Loan 3 Lenders, as lender, and Morgis Corp and 736 Ont, as borrower, the Loan 3 Lenders agreed to advance a mortgage loan in the principal amount of \$4,500,000.00 to the Debtors (“**Loan 3**”). A copy of the Loan 3 Commitment Letter is attached hereto as **Exhibit “T”**.
27. As security for its obligations to the Loan 3 Lenders, the Debtors provided the following security in favour of the Loan 3 Lenders:
- a. a third-ranking Charge/Mortgage registered on March 17, 2023, as Instrument No. AT6297859 for the principal sum of \$4,500,000.00 against title to Parcel 1 and Parcel 2, a copy of which is attached hereto as **Exhibit “U”**;
  - b. a second-ranking Charge/Mortgage registered on March 17, 2023, as Instrument No. AT6297857 for the principal sum of \$4,500,000.00 against title to Parcel 3 and Parcel 2, a copy of which is attached hereto as **Exhibit “V”**;

- c. a second-ranking Charge/Mortgage registered on March 17, 2023, as Instrument No. AT6297855 for the principal sum of \$4,500,000.00 against title to Parcel 4, a copy of which is attached hereto as **Exhibit “W”**;
  - d. a General Security Agreement dated March 17, 2023, which was registered by the Loan 1 Lenders under the *PPSA* on March 17, 2023, by means of a Financing Statement with Registration No. 20230317 1453 1590 5219, a copy of which is attached hereto as **Exhibit “X”**;
  - e. a General Assignment of Rents registered on March 17, 2023, as Instrument No. AT6297860 against title to Parcel 1 and Parcel 2, a copy of which is attached hereto as **Exhibit “Y”**;
  - f. a General Assignment of Rents registered on March 17, 2023, as Instrument No. AT6297858 against title to Parcel 3, a copy of which is attached hereto as **Exhibit “Z”**; and
  - g. a General Assignment of Rents registered on March 17, 2023, as Instrument No. AT6297856 against title to Parcel 4, a copy of which is attached hereto as **Exhibit “AA”**.
28. The obligations of Morgis Corp to the Loan 3 Lenders were guaranteed by Mr. Morgis pursuant to a Guarantee dated March 17, 2023, a copy of which is attached hereto as **Exhibit “BB”**.
29. Pursuant to the Guarantee, Mr. Morgis agreed unconditionally to pay all amounts owed by Morgis Corp to the Loan 3 Lenders together with interest thereon, and all costs, charges and expenses which may be incurred to enforce payment.

### **The Extension Agreements**

30. In accordance with the Loan 1 Commitment Letter, the Loan 2 Commitment Letter, and the Loan 3 Commitment Letter, the Loans were due to mature on September 1, 2023.

31. On May 30, 2023, I wrote, via email, to Mr. Morgis, advising him that the Loans were maturing on September 1, 2023 and that the Lenders did not intend to renew the Loans. Attached hereto as **Exhibit “CC”** is a copy of the email dated May 30, 2023.

***Extension 1***

32. On September 1, 2023, the Debtors failed to payout the Loans and also failed to deliver the monthly interest payments in connection with Loan 1, Loan 2 and Loan 3 (collectively the “**Loans**”).
33. On September 7, 2023, the Debtors and the Lenders executed extension agreements, extending the term of the Loans to October 1, 2023 (“**Extension 1**”). Attached hereto as **Exhibit “DD”** are copies of Extension 1.
34. By October 1, 2023, the Debtors were still not in a position to redeem the Loans and still hadn’t delivered the September 1, 2023 and October 1, 2023 interest payments due in respect of each of the Loans.

***Extension 2***

35. On October 5, 2023, the Debtors and the Lenders executed extension agreements, extending the term of the Loans to December 1, 2023 (“**Extension 2**”). Attached hereto as **Exhibit “EE”** are copies of Extension 2.
36. By November 3, 2023, the Debtors still had not remitted the monthly interest payments due on September 1, 2023, October 1, 2023 or November 1, 2023.
37. On November 3, 2023, the Loan 3 Lenders issued and delivered to the Debtors, a demand letter dated November 3, 2023, and a Notice of Intention to Enforce Security in accordance with section 244 of the *BIA* in connection with Loan 3. Attached hereto as **Exhibit “FF”** are copies of the Demand Letter and Notice of Intention to Enforce Security.

**Extension 3**

38. On January 7, 2024, the Debtors and the Lenders, agreed to suspend the enforcement efforts commenced by the Loan 3 Lenders and signed extension agreements extending the term of the Loans to a maturity date of February 1, 2024. Attached hereto as **Exhibit “GG”** are copies of Extension 3.

**Demands**

39. The Debtors failed to redeem the Loans on their maturity on February 1, 2024
40. On February 5, 2024, the Loan 1 Lenders issued a demand letter and a Notice of Intention to Enforce Security in accordance with section 244 of the *BIA* (the “**Loan 1 Demand**”). The ten-day period afforded to Morgis Corp under the Loan 1 Demand has expired. Attached hereto as **Exhibit “HH”** is a copy of the Loan 1 Demand.
41. On February 5, 2024, the Loan 2 Lenders issued a demand letter and a Notice of Intention to Enforce Security in accordance with section 244 of the *BIA* (the “**Loan 2 Demand**”). The ten-day period afforded to the Debtors under the Loan 2 Demand has expired. Attached hereto as **Exhibit “II”** is a copy of the Loan 2 Demand.
42. On February 5, 2024, the Loan 3 Lenders issued a demand letter and a Notice of Intention to Enforce Security in accordance with section 244 of the *BIA* (the “**Loan 3 Demand**”). The ten-day period afforded to the Debtors under the Loan 3 Demand has expired. Attached hereto as **Exhibit “JJ”** is a copy of the Loan 3 Demand.
43. The Lenders have received no payment from the Debtors since demand was made and as of April 19, 2024:
- a. Morgis Co is indebted to the Loan 1 Lenders in the amount of **\$16,873,101.71**;
  - b. The Debtors are indebted to the Loan 2 Lenders in the amount of **\$36,027,369.85**;  
and
  - c. The Debtors are indebted to the Loan 3 Lenders in the amount of **\$5,234,184.00**.

**Just and Convenient to appoint a Receiver**

44. The Debtors are unable to fulfil their obligations to the Lenders and are unable to complete the Project.
45. Pursuant to the terms of the Loan and security documents, upon an event of default, that hasn't been cured, the Lenders are entitled to appoint a receiver in writing and/or make an application for the court appointment of a receiver of the property, assets and undertakings of the Debtors.
46. The Lenders have commenced the receivership proceedings to protect their respective investments and preserve and maximize the value of the Real Property for all stakeholders.
47. TDB is a licenced insolvency trustee and has consented to be appointed as Receiver, without security, of the Real Property. A copy of the Consent is attached hereto as **Exhibit "KK"**.
48. I make this affidavit in support of an order appointing TDB as Receiver and for no other or improper purpose.

**SWORN REMOTELY BY** Donald Ierfino  
of the City of Richmond Hill, in the Province )  
of **ONTARIO**, before me in the Town of )  
**Oakville** in the Province of **ONTARIO** on )  
this the 19<sup>th</sup> day of April, 2024, in accordance )  
with O. Reg. 431/20, Administering Oath or )  
Declaration Remotely )  
) )  
) )  
) )

\_\_\_\_\_  
Commissioner for taking Affidavits, etc.

\_\_\_\_\_  
**DONALD IERFINO**

# TAB A



This is **Exhibit “A”** referred to  
in the Affidavit of Donald Ierfino  
sworn before me, the 19th day of April, 2024.



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A Commissioner etc.

Sara Mosadeq  
LSO No.: 67864K



Ministry of Public and  
Business Service Delivery

## Profile Report

1000195736 ONTARIO LTD. as of October 18, 2023

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	1000195736 ONTARIO LTD.
Ontario Corporation Number (OCN)	1000195736
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	May 05, 2022
Registered or Head Office Address	18 Doctors Lane, Suite 760, King City, Ontario, Canada, L7B 1A8

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

**Active Director(s)**

Minimum Number of Directors	1
Maximum Number of Directors	10

Name	CHRISTOPHER A. MORGIS
Address for Service	18 Doctors Lane, Suite 760, King City, Ontario, Canada, L7B 1A8
Resident Canadian	Yes
Date Began	May 05, 2022

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

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**Active Officer(s)**

<b>Name</b>	CHRISTOPHER A. MORGIS
<b>Position</b>	President
<b>Address for Service</b>	18 Doctors Lane, Suite 760, King City, Ontario, Canada, L7B 1A8
<b>Date Began</b>	May 05, 2022

<b>Name</b>	CHRISTOPHER A. MORGIS
<b>Position</b>	Secretary
<b>Address for Service</b>	18 Doctors Lane, Suite 760, King City, Ontario, Canada, L7B 1A8
<b>Date Began</b>	May 05, 2022

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

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### Corporate Name History

Name

1000195736 ONTARIO LTD.

Effective Date

May 05, 2022

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

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#### Active Business Names

This corporation does not have any active business names registered under the Business Names Act in Ontario.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

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### Expired or Cancelled Business Names

This corporation does not have any expired or cancelled business names registered under the Business Names Act in Ontario.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

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## Document List

Filing Name	Effective Date
CIA - Initial Return PAF: Christopher A. MORGIS	May 06, 2022
BCA - Articles of Incorporation	May 05, 2022

All "PAF" (person authorizing filing) information is displayed exactly as recorded in the Ontario Business Registry. Where PAF is not shown against a document, the information has not been recorded in the Ontario Business Registry.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

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# TAB B

This is **Exhibit “B”** referred to  
in the Affidavit of Donald Ierfino  
sworn before me, the 19th day of April, 2024.



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A Commissioner etc.

Sara Mosadeq  
LSO No.: 67864K



Ministry of Public and  
Business Service Delivery

## Profile Report

1000193772 ONTARIO LTD. as of February 16, 2024

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	1000193772 ONTARIO LTD.
Ontario Corporation Number (OCN)	1000193772
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	May 03, 2022
Registered or Head Office Address	18 Doctors Lane, Suite 760, King City, Ontario, Canada, L7B 1A8

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

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**Active Director(s)**

Minimum Number of Directors	1
Maximum Number of Directors	10

Name	CHRISTOPHER A. MORGIS
Address for Service	18 Doctors Lane, Suite 760, King City, Ontario, Canada, L7B 1A8
Resident Canadian	Yes
Date Began	May 03, 2022

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

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**Active Officer(s)**

<b>Name</b>	CHRISTOPHER A. MORGIS
<b>Position</b>	President
<b>Address for Service</b>	18 Doctors Lane, Suite 760, King City, Ontario, Canada, L7B 1A8
<b>Date Began</b>	May 03, 2022

<b>Name</b>	CHRISTOPHER A. MORGIS
<b>Position</b>	Secretary
<b>Address for Service</b>	18 Doctors Lane, Suite 760, King City, Ontario, Canada, L7B 1A8
<b>Date Began</b>	May 03, 2022

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

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### Corporate Name History

Name

1000193772 ONTARIO LTD.

Effective Date

May 03, 2022

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

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### Active Business Names

This corporation does not have any active business names registered under the Business Names Act in Ontario.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

### Expired or Cancelled Business Names

This corporation does not have any expired or cancelled business names registered under the Business Names Act in Ontario.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.



## Document List

Filing Name	Effective Date
CIA - Initial Return PAF: Christopher A. MORGIS	May 06, 2022
BCA - Articles of Incorporation	May 03, 2022

All "PAF" (person authorizing filing) information is displayed exactly as recorded in the Ontario Business Registry. Where PAF is not shown against a document, the information has not been recorded in the Ontario Business Registry.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

# TAB C

This is **Exhibit “C”** referred to  
in the Affidavit of Donald Ierfino  
sworn before me, the 19th day of April, 2024.



---

A Commissioner etc.

Sara Mosadeq  
LSO No.: 67864K



Ministry of Public and  
Business Service Delivery

## Profile Report

MORGIS CORPORATION as of November 03, 2023

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	MORGIS CORPORATION
Ontario Corporation Number (OCN)	2744746
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	February 25, 2020
Registered or Head Office Address	18 Doctors Lane, Suite 760, King City, Ontario, Canada, L7B 1G2

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

**Active Director(s)**

Minimum Number of Directors	1
Maximum Number of Directors	10

Name	CHRISTOPHER A. MORGIS
Address for Service	24 Eversley Hall, King City, Ontario, Canada, L7B 1L8
Resident Canadian	Yes
Date Began	February 25, 2020

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

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**Active Officer(s)**

**Name**

**Position**

**Address for Service**

**Date Began**

CHRISTOPHER A. MORGIS

Secretary

24 Eversley Hall, King City, Ontario, Canada, L7B 1L8

February 25, 2020

**Name**

**Position**

**Address for Service**

**Date Began**

CHRISTOPHER A. MORGIS

President

24 Eversley Hall, King City, Ontario, Canada, L7B 1L8

February 25, 2020

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

### Corporate Name History

Name	MORGIS CORPORATION
Effective Date	June 29, 2022
Previous Name	2744746 ONTARIO LTD.
Effective Date	February 25, 2020

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

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#### Active Business Names

This corporation does not have any active business names registered under the Business Names Act in Ontario.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.



### Expired or Cancelled Business Names

This corporation does not have any expired or cancelled business names registered under the Business Names Act in Ontario.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

## Document List

Filing Name	Effective Date
BCA - Articles of Amendment	June 29, 2022
CIA - Initial Return PAF: CHRISTOPHER A. MORGIS - DIRECTOR	August 04, 2021
BCA - Articles of Incorporation	February 25, 2020

All "PAF" (person authorizing filing) information is displayed exactly as recorded in the Ontario Business Registry. Where PAF is not shown against a document, the information has not been recorded in the Ontario Business Registry.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

# TAB D

This is **Exhibit “D”** referred to  
in the Affidavit of Donald Ierfino  
sworn before me, the 19th day of April, 2024.



---

A Commissioner etc.

Sara Mosadeq  
LSO No.: 67864K



LAND  
REGISTRY  
OFFICE #66

21169-0184 (LT)

PAGE 1 OF 10  
PREPARED FOR Sara1234  
ON 2024/02/01 AT 13:16:47

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

PROPERTY DESCRIPTION:

PCL 1-1 SEC M380; PT LT 1 PL M380 TORONTO; PT LT 2 PL M380 TORONTO; PT LT 3 PL M380 TORONTO , IF ANY, COMM AT A POINT IN THE SLY LIMIT OF SAID LT 2 DISTANT 5 FT MEASURED ELY THEREON FROM THE S WLY ANGLE OF SAID LT; THENCE ELY ALONG THE SLY LIMIT OF SAID LT 2, BEING THE NLY LIMIT OF EGLINTON AV W, 45 FT MORE OR LESS TO A POINT DISTANT 78 FT 10 INCHES MEASURED WLY FROM THE SE ANGLE OF LT 3 ON SAID PL; THENCE NLY IN A STRAIGHT LINE 113 FT 4 1/2 INCHES MORE OR LESS TO A POINT IN THE NLY LIMIT OF SAID LT 2 DISTANT 80 FT 6 3/4 INCHES MEASURED WLY THEREON FROM THE N ELY ANGLE OF SAID LT 3; THENCE WLY ALONG THE NLY LIMITS OF SAID LOTS 2 AND 1, 39 FT 7 1/2 INCHES MORE OR LESS TO A POINT IN THE SAID NLY LIMIT OF SAID LT 1 DISTANT 1 FT 6 3/4 INCHES MEASURED WLY THEREON FROM THE N ELY ANGLE OF SAID LT; THENCE SLY IN A STRAIGHT LINE 113 FT 5 3/4 INCHES MORE OR LESS TO THE POC; 1. S/T THE RIGHT OF THE OWNERS OF PCL 2664, SEC L TORONTO, TO USE THE WLY WALL OF THE BRICK STORE BUILDINGS, INCLUDING THE FOOTINGS THEREOF SITUATED ON THE LANDS IN THE ABOVE PCL OR ANY PT THEREOF AS A PARTY WALL , TO FORM THE ELY WALL OR A PT THEREOF OF ANY BUILDING OR BUILDINGS WHICH ARE NOW OR MAY HEREAFTER BE ERECTED ON THE LANDS KNOWN AS PCL 2664, SEC L TORONTO, CONTIGUOUS WITH THE SAID WLY WALL OR ANY PT THEREOF; 2. T/W THE RIGHT TO MAINTAIN THE WLY WALL OF THE BRICK STORE BUILDINGS (INCLUDING THE FOOTINGS THEREOF) SITUATE ON THE LANDS IN THE ABOVE PCL OVER THE LANDS IMMEDIATELY ADJOINING TO THE W OF THESE LANDS IN THE POSITION NOW OCCUPIED BY THE SAID WLY WALL; THE OWNER OR OWNERS FROM TIME TO TIME EITHER OF THE PARCELS AFOREMENTIONED MAY EXTEND THE SAID WLY WALL IN A NLY DIRECTION OR ADD TO THE HEIGHT THEREOF, AND MAY REBUILD THE SAME IN CASE OF THE PARTIAL OR TOTAL DESTRUCTION THEREOF AND WHEN ALL OR ANY PORTION OF THE SAID WLY WALL INCLUDING ANY EXT THEREOF AND ADDITION THERETO, SHALL BE USED BY SUCH AN OWNER OR OWNERS BY WHOM OR BY ANY OF WHOSE PREDECESSORS IN TITLE, THE PROPER SHARE OF THE COSTS OF CONSTRUCTION OF THE PORTION OF THE WALL SO USED WAS NOT PAID, HE, SHE OR THEY SHALL PAY TO THE PERSON OR PERSONS WHO CONSTRUCTED THE SAME OR TO HIS, OR THEIR HER, OR THEIR HEIRS, EXECUTORS, ADMINISTRATORS OR ASSIGNS, ONE-HALF OF THE VALUE AT THE TIME OF SUCH USE AND THEREAFTER ONE-HALF OF THE COST OF MAINTENANCE OF THE WHOLE THICKNESS OF THE PORTION OF SUCH WALL SO USED BY HIM, HER OR THEM, AND THE SUM SO TO BE PAID SHALL, UNTIL PAID, REMAIN A CHARGE UPON THE LAND OF THE PERSON OR PERSONS LIABLE TO PAY THE SAME. AND IT IS AGREED THAT THE COVENANTS HEREIN CONTAINED SHALL RUN WITH THE LAND, BUT NO COVENANT HEREIN CONTAINED SHALL BE PERSONALLY BINDING ON ANY PERSON EXCEPT IN RESPECT OF BREACHES, DURING HIS, HER OR THEIR SEISEN OR TITLE TO THE SAID LANDS; AND IT IS FURTHER AGREED THAT WHENEVER THE SAID WLY WALL SHALL BE EXTENDED IN HEIGHT THE CHIMNEYS, IF ANY, PREVIOUSLY BUILT IN SUCH WALL SHALL BE CARRIED UP TO A PROPER HEIGHT AND ANY INJURY CAUSED BY SUCH EXT SHALL BE MADE GOOD AND SUCH EXT OF THE WALL AND CHIMNEYS SHALL BE AT THE EXPENSE OF THE PARTY MAKING THE EXT. AND IT IS AGREED THAT IF THE PARTIES CANNOT AGREE AS TO ANY VALUE ABOVE MENTIONED, THE AMOUNT THEREOF SHALL BE REFERRED TO THREE DISINTERESTED PERSONS AS VALUATORS OF WHOM THE OWNER OR OWNERS FROM TIME TO TIME OF EACH OF THE SAID PARCELS SHALL APPOINT ONE AND THESE TWO VALUATORS SHALL APPOINT A THIRD AND THE DECISION OF THE THREE SAID VALUATORS OR OF ANY TWO OF THEM IN WRITING UNDER THEIR HANDS SHALL BE BINDING ON THE PARTIES HERETO, THEIR RESPECTIVE HEIRS, EXECUTORS, ADMINISTRATORS AND ASSIGNS; AND IT IS FURTHER AGREED THAT ANY REPAIRS, ADDITIONS OR EXTENSIONS TO THE SAID WLY WALL SHALL BE OF GOOD MATERIALS AND WORKMANSHIP AND WHEN BUILT SHALL BE AND REMAIN A PARTY WALL; 3. S/T A FREE AND UNINTERRUPTED ROW FOR THE USE OF THE OWNER OF PARCELS 2664, SEC L TORONTO, 3887, SEC K TORONTO AND 1-1-A, SEC M256, THEIR HEIRS AND ASSIGNS, INGRESS AND EGRESS FOR PERSONS, ANIMALS AND VEHICLES, THROUGH OVER AND ALONG THOSE PARTS OF LOTS 1 AND 2 ON PL M380, DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE NLY LIMIT OF LT 1, 1 FT 6 3/4 INCHES WLY FROM THE N ELY ANGLE OF LT 1; THENCE SLY ALONG A LINE, WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2 AT A POINT 5 FT ELY FROM THE SW ANGLE OF LT 2, 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM A POINT IN THE W LIMIT OF LT 1 DISTANT 96 FT NLY FROM THE N LIMIT OF EGLINTON AV AS WIDENED; THENCE N ELY IN A STRAIGHT LINE 19 FT 6 INCHES TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF LT 2 AND DISTANT 16 FT 01/2 INCH ELY FROM THE N WLY ANGLE THEREOF TO A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED 25 FT ELY FROM ITS INTERSECTION WITH THE WLY LIMIT OF LT 2, THE SAID POINT BEING 10 FT 6 INCHES MORE OR LESS SLY ON THE SAID LINE FROM THE SAID NLY LIMIT OF LT 2; THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF LT 2, 22 FT 3 1/2 INCHES MORE OR LESS TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED 78 FT 10 INCHES WLY FROM THE SE ANGLE OF LT 3 ON SAID PL TO A POINT IN THE N LIMIT OF LT 2, 80 FT 6 3/4 INCHES WLY FROM THE NE ANGLE OF LT 3; THENCE NLY ALONG THE SAID LAST MENTIONED LINE 10 FT 6 INCHES MORE OR LESS TO THE NLY LIMIT OF LT 2; THENCE WLY ALONG THE NLY LIMIT OF LOTS 2 AND 1, 39 FT 7 1/2 INCHES MORE OR LESS TO THE POC AS IN LT346559; 4. T/W A FREE AND UNINTERRUPTED ROW, INGRESS AND EGRESS, FOR PERSONS, ANIMALS AND VEHICLES, THROUGH, ALONG AND OVER THOSE PARTS OF LOTS 1 AND 2 BLK 'A', PL M256, DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE E LIMIT OF LT 1, 96 FT NLY THEREON FROM THE NLY LIMIT OF EGLINTON AV AS WIDENED BY BY-LAW 11494; THENCE WLY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV AS WIDENED 125 FT; THENCE NLY PARALLEL TO THE E LIMIT OF LT 1, 12 FT; THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV AS WIDENED 125 FT TO THE SAID E LIMIT OF LT 1; THENCE SLY ALONG THE SAID E LIMIT 12 FT TO THE POC; PROVIDED THAT THE PROJECTIONS, INCLUDING THE PROJECTION OF THE SECOND STOREY OF THE BUILDING SITUATE ON PCL 1-1-A, SEC M256, EXISTING ON THIS DATE AND A FIRE ESCAPE TO BE ERECTED IN CONNECTION THEREWITH, OVER THE SAID ROW OR ANY PT THEREOF SHALL BE DEEMED NOT TO BE AN ENCROACHMENT UPON THE SAID ROW; 5. T/W A FREE AND UNINTERRUPTED ROW, INGRESS AND EGRESS, FOR PERSONS ANIMALS AND VEHICLES, THROUGH, ALONG AND OVER THOSE PARTS OF LOTS 1 AND 2 ON PL M380, DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE WLY LIMIT OF SAID LT 1 DISTANT 96 FT NLY THEREON FROM EGLINTON AV AS WIDENED UNDER BY-LAW 11494; THENCE NLY ALONG THE SAID WLY LIMIT OF LT 1, 18 FT MORE OR LESS TO THE N WLY ANGLE THEREOF; THENCE ELY ALONG THE NLY LIMIT OF LT 1, 48 FT 5 1/4 INCHES MORE OR LESS TO A POINT 1 FT 6 3/4 INCHES WLY THEREON FROM THE NE ANGLE OF LT 1; THENCE SLY ALONG A LINE, WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2 AT A POINT THEREIN DISTANT 5 FT ELY FROM THE SW ANGLE OF LT 2, A DISTANCE OF 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM THE POC; THENCE WLY ALONG THE SAID MENTIONED LINE 49 FT 4 3/4 INCHES MORE OR LESS TO THE POC; 6. T/W A FREE AND UNINTERRUPTED ROW OVER THE WLY 4 FT 6 INCHES OF LT 90 AND THE ELY 5 FT 6 INCHES OF LT 91 ON PL M512; 7. S/T THE RIGHT OF THE OWNER OF PCL 2664, SEC L TORONTO, TO USE (FOR THE PURPOSE OF ACCESS AND INGRESS TO AND EGRESS FROM THE LANDS COMPRISED IN SAID PCL 2664 OR ANY PT THEREOF, AND/OR THE BUILDINGS THEREON AND FOR THE TURNING OF VEHICLES USING THE ROW 3RDLY, 4THLY, 5THLY AND 6THLY ABOVE DESCRIBED) THE SPACE AT THE REAR OF THE BUILDINGS NOW SITUATED UPON THE LANDS COMPRISED IN ABOVE PCL EXTENDING NLY FROM THE NLY LIMIT AND ITS PRODUCTION ELY AND WLY OF THE SAID BUILDINGS TO THE SLY LIMIT OF THE SAID ROW 3RDLY, 4THLY, 5THLY AND 6THLY. PROVIDED ALWAYS THAT THE RIGHTS THEREBY GRANTED SHALL BE EXERCISED IN SUCH MANNER AS NOT UNREASONABLY TO INTERFERE WITH THE REASONABLE AND PROPER USE OF THE SPACE AT THE REAR OF THE RESPECTIVE BUILDINGS AFORESAID BY THE OWNER AND/OR ANY TENANT OR OCCUPANT OF ANY OF THE SAID BUILDINGS RESPECTIVELY AND/OR BY PERSONS HAVING DEALINGS

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.

WITH SUCH OWNER AND/OR ANY SUCH TENANT OR OCCUPANT AS IN LT350268; 8. T/W THE RIGHT TO USE (FOR THE PURPOSE OF ACCESS AND INGRESS TO AND EGRESS FROM THE LANDS COMPRISED IN PCL 2665, SEC L TORONTO, OR ANY PT THEREOF AND/OR THE BUILDINGS THEREON FOR THE TURNING OF VEHICLES USING THE ROW DESCRIBED IN THE ABOVE 3RDLY, 4THLY, 5THLY AND 6THLY) THE SPACE AT THE REAR OF THE BUILDINGS NOW SITUATED UPON THE LANDS COMPRISED IN PCL 2664, SEC L TORONTO, EXTENDING NLY FROM THE NLY LIMIT OF THE SAID BUILDINGS TO THE SLY LIMIT OF THE SAID ROW DESCRIBED IN THE SAID 3RDLY, 4THLY, 5THLY AND 6THLY. PROVIDED ALWAYS THAT THE RIGHTS THEREBY GRANTED SHALL BE EXERCISED IN SUCH MANNER AS NOT UNREASONABLY TO INTERFERE WITH THE REASONABLE THE AND PROPER USE OF THE SPACE AT THE REAR OF THE RESPECTIVE BUILDINGS AFORESAID BY THE OWNER AND/OR ANY TENANT OR OCCUPANT OF ANY OF THE SAID BUILDINGS RESPECTIVELY AND/OR BY PERSONS HAVING DEALINGS WITH SUCH OWNER AND/OR ANY SUCH TENANT OR OCCUPANT; TORONTO ; SUBJECT TO A TEMPORARY EASEMENT AS SET OUT IN EXPROPRIATION PLAN AS IN AT4214429; CITY OF TORONTO

PROPERTY REMARKS:

ESTATE/QUALIFIER:  
FEE SIMPLE  
ABSOLUTE

RECENTLY:  
FIRST CONVERSION FROM BOOK

PIN CREATION DATE:  
2001/03/26

OWNERS' NAMES  
MORGIS CORPORATION

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2001/03/23 **						
LT263283	1929/04/12	AGREEMENT			THE CORPORATION OF THE CITY OF TORONTO	C
REMARKS: INDEMNITY						
LT347505	1939/12/16	NOTICE OF LEASE		*** COMPLETELY DELETED ***	HONEY DEW LIMITED	
REMARKS: THIS DOCUMENT WAS RE-INSTATED ON 2011/10/17 AT 15:39 BY KHODABOCUS, ABDOOL.						
LT360421	1941/09/25	NOTICE OF LEASE		*** COMPLETELY DELETED ***	LETROS, CHRISTOPHER	
REMARKS: THIS DOCUMENT WAS RE-INSTATED ON 2011/10/17 AT 15:40 BY KHODABOCUS, ABDOOL.						
LT412968	1946/06/21	NOTICE OF LEASE		*** COMPLETELY DELETED ***	JOHNSON, HAROLD JOSEPH	
LT576274	1954/12/30	NOTICE OF LEASE		*** COMPLETELY DELETED ***	H. J. JOHNSON SHOES LIMITED JOHNSON, MELVILLE H.	
REMARKS: THIS DOCUMENT WAS RE-INSTATED ON 2011/10/17 AT 15:41 BY KHODABOCUS, ABDOOL.						
B77269	1962/01/02	ASSIGNMENT LEASE		*** COMPLETELY DELETED ***	NATIONAL TRUST COMPANY LIMITED	
REMARKS: LT576274 THIS DOCUMENT WAS RE-INSTATED ON 2011/10/17 AT 15:41 BY KHODABOCUS, ABDOOL.						
B229851	1968/11/01	APL DEV/HEIR-LAND		*** COMPLETELY DELETED ***	CURRERI, MARIE	
REMARKS: THIS DOCUMENT WAS RE-INSTATED ON 2011/10/17 AT 15:39 BY KHODABOCUS, ABDOOL.						

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.  
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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
B246968	1969/08/26	NOTICE OF LEASE		*** COMPLETELY DELETED ***	CARA OPERATIONS LIMITED	
REMARKS: THIS DOCUMENT WAS RE-INSTATED ON 2011/10/17 AT 15:42 BY KHODABOCUS, ABDOOL.						
A655814	1977/11/08	CHARGE		*** COMPLETELY DELETED ***	THE TORONTO-DOMINION BANK	
E371886	2000/11/14	NOTICE OF LEASE		*** COMPLETELY DELETED ***	Y & M FOOD SERVICE INC.	
AT1487238	2007/06/27	DISCH OF CHARGE		*** COMPLETELY DELETED *** THE TORONTO-DOMINION BANK		
REMARKS: RE: A655814						
AT1497403	2007/07/04	TRANSMISSION-LAND		*** COMPLETELY DELETED *** CURRERI, MARIE-DECEASED	CURRERI, FRED CURRERI, MARIE-ESTATE	
AT1497404	2007/07/04	APL (GENERAL)		*** COMPLETELY DELETED *** CURRERI, FRED		
REMARKS: RE: LT347505, LT360421, LT412968, LT576274, B77269 AND B246968						
AT1497405	2007/07/04	TRANS PERSONAL REP		*** COMPLETELY DELETED *** CURRERI, FRED	CURRERI, FRED	
AT1499410	2007/07/06	CHARGE		*** COMPLETELY DELETED *** CURRERI, FRED	B AND M HANDELMAN INVESTMENTS LTD. M. HIMEL HOLDINGS INC. BRENKIDS INC. FLORDALE HOLDINGS LIMITED SULAX HOLDINGS LTD. ORENBACH INVESTMENTS LTD. LEDMAR INVESTMENTS LIMITED SHARJOD HOLDINGS INC. CANADIAN JONOMI CORP. LTD. RABARDO CORPORATION HERBERT, DAVID	
AT1499417	2007/07/06	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** CURRERI, FRED	B AND M HANDELMAN INVESTMENTS LTD. M. HIMEL HOLDINGS INC. BRENKIDS INC. FLORDALE HOLDINGS LIMITED	

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

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PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

LAND  
REGISTRY  
OFFICE #66

21169-0184 (LT)

PAGE 4 OF 10  
PREPARED FOR Sara1234  
ON 2024/02/01 AT 13:16:47

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
					SULAX HOLDINGS LTD. ORENBACH INVESTMENTS LTD. LEDMAR INVESTMENTS LIMITED SHARJOD HOLDINGS INC. CANADIAN JONOMI CORP. LTD. RABARDO CORPORATION HERBERT, DAVID	
AT1803020	2008/06/11	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** RABARDO CORPORATION	B & M HANDELMAN INVESTMENTS LTD.	
AT1954994	2008/11/20	CHARGE		*** COMPLETELY DELETED *** CURRERI, FRED	POURGHANDEHARI, MAHIN	
AT2052115	2009/04/21	CAUTION-LAND		*** COMPLETELY DELETED *** DIRECTOR OF TITLES		
AT2842567	2011/10/17	DIR TITLES ORDER		DIRECTOR OF TITLES		C
AT3332097	2013/06/21	TRANSMISSION-LAND		*** COMPLETELY DELETED *** CURRERI, MARIE	ZADOROZNIAK, MARY CURRERI, MARIE - ESTATE	
AT3332167	2013/06/21	NO DET/SURR LEASE		*** COMPLETELY DELETED *** ZADOROZNIAK, MARY		
AT3332188	2013/06/21	NO DET/SURR LEASE		*** COMPLETELY DELETED *** ZADOROZNIAK, MARY		
AT3332189	2013/06/21	NO DET/SURR LEASE		*** COMPLETELY DELETED *** ZADOROZNIAK, MARY		
AT3332190	2013/06/21	NO DET/SURR LEASE		*** COMPLETELY DELETED *** ZADOROZNIAK, MARY		

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.  
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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT3332191	2013/06/21	NO DET/SURR LEASE		*** COMPLETELY DELETED *** ZADOROZNIAK, MARY		
	REMARKS: LT576274.					
AT3334262	2013/06/25	TRANS PERSONAL REP		*** COMPLETELY DELETED *** ZADOROZNIAK, MARY	EGLINTON AVENUE PROPERTIES INC.	
	REMARKS: PLANNING ACT STATEMENTS.					
AT3648121	2014/07/30	TRANSFER		*** COMPLETELY DELETED *** EGLINTON AVENUE PROPERTIES INC.	346-350 EGLINTON AVENUE WEST HOLDINGS LTD.	
	REMARKS: PLANNING ACT STATEMENTS.					
AT3648122	2014/07/30	CHARGE		*** COMPLETELY DELETED *** 346-350 EGLINTON AVENUE WEST HOLDINGS LTD.	FIRST NATIONAL FINANCIAL GP CORPORATION	
AT3648123	2014/07/30	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** 346-350 EGLINTON AVENUE WEST HOLDINGS LTD.	FIRST NATIONAL FINANCIAL GP CORPORATION	
	REMARKS: AT3648122					
AT4078585	2015/11/27	LR'S ORDER		LAND REGISTRAR, TORONTO LAND REGISTRY OFFICE		C
	REMARKS: AMEND	THUMBNAIL DESCRIPTION				
66R28383	2015/12/02	PLAN REFERENCE				C
AT4187210	2016/04/07	CERTIFICATE		METROLINX		C
	REMARKS: CERTIFICATE OF APPROVAL					
AT4214429	2016/05/10	PLAN EXPROPRIATION			METROLINX	C
	REMARKS: 1, 2, 3					
AT4727696	2017/11/07	APL COURT ORDER		*** DELETED AGAINST THIS PROPERTY *** ONTARIO SUPERIOR COURT OF JUSTICE	BTIG, LLC	
AT4734830	2017/11/16	APL COURT ORDER		*** DELETED AGAINST THIS PROPERTY *** ONTARIO SUPERIOR COURT OF JUSTICE	BTIG, LLC	
AT4755897	2017/12/08	APL COURT ORDER		*** DELETED AGAINST THIS PROPERTY *** ONTARIO SUPERIOR COURT OF JUSTICE	BTIG, LLC	
AT4802244	2018/02/13	APL COURT ORDER		*** DELETED AGAINST THIS PROPERTY *** ONTARIO SUPERIOR COURT OF JUSTICE	BTIG, LLC	

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT4880942	2018/06/07	APL COURT ORDER		*** DELETED AGAINST THIS PROPERTY *** ONTARIO SUPERIOR COURT OF JUSTICE	BTIG, LLC	
AT4891345	2018/06/21	APL COURT ORDER		*** DELETED AGAINST THIS PROPERTY *** ONTARIO SUPERIOR COURT OF JUSTICE	BTIG, LLC	
AT4914344	2018/07/19	APL COURT ORDER		*** DELETED AGAINST THIS PROPERTY *** ONTARIO SUPERIOR COURT OF JUSTICE	BTIG, LLC	
AT4974964	2018/10/03	APL COURT ORDER		*** DELETED AGAINST THIS PROPERTY *** ONTARIO SUPERIOR COURT OF JUSTICE	BTIG, LLC	
AT4974977	2018/10/03	APL AMEND ORDER		*** COMPLETELY DELETED *** ONTARIO SUPERIOR COURT OF JUSTICE	BTIG, LLC	
REMARKS: DELETE		AT4727696, AT4734830, AT4755897, AT4802244, AT4880942, AT4891345, AT4914344 AND AT4974964.				
AT4975168	2018/10/04	CHARGE		*** COMPLETELY DELETED *** 346-350 EGLINTON AVENUE WEST HOLDINGS LTD. 352-356 EGLINTON AVENUE WEST HOLDINGS LTD.	CAMERON STEPHENS MORTGAGE CAPITAL LTD.	
AT4978439	2018/10/10	DISCH OF CHARGE		*** COMPLETELY DELETED *** FIRST NATIONAL FINANCIAL GP CORPORATION		
REMARKS: AT3648122.						
AT5599207	2020/12/15	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** DALY, PAUL		
AT5602473	2020/12/17	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** 10760919 CANADA INC.		
AT5615301	2021/01/06	CERTIFICATE		*** COMPLETELY DELETED *** 10760919 CANADA INC.		
REMARKS: CERTIFICATE OF ACTION AT5602473						
AT5616755	2021/01/07	APL DEL CONST LIEN		*** COMPLETELY DELETED *** CROSSLINX TRANSIT SOLUTIONS CONSTRUCTORS		
REMARKS: AT5599207.						
AT5622484	2021/01/14	APL DEL CONST LIEN		*** COMPLETELY DELETED *** CROSSLINX TRANSIT SOLUTIONS CONSTRUCTORS		
REMARKS: AT5602473.						
AT5801725	2021/07/16	TRANSFER	\$6,000,000	346-350 EGLINTON AVENUE WEST HOLDINGS LTD.	2744746 ONTARIO LTD.	C

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
REMARKS: PLANNING ACT STATEMENTS.						
AT5801727	2021/07/16	CHARGE	\$15,500,000	2744746 ONTARIO LTD.	1599285 ONTARIO LIMITED BERWICK, RICK 2702749 ONTARIO INC. ADAMO, PETER ADAMO, CROCETTA 2494789 ONTARIO INC. A-ONE AUTO INVESTMENTS INC. SORRENTI, CINZIA ELCRM HOLDINGS INC. MOLELLA, SERGIO TRILEND INC. IERFINO, DONALD IMPERIO SA HOLDINGS INC. 2810056 ONTARIO LIMITED SALISI INVESTMENTS INC. ANTONINI, LORENZO ANTONINI, CARMEN BETTI, TINA 1545695 ONTARIO INC. BONDI, ANTHONY BONDI, GIUSEPPA C.P.M.C MARQUEZ HOLDINGS INC.	C
AT5801728	2021/07/16	NO ASSGN RENT GEN		2744746 ONTARIO LTD.	1599825 ONTARIO LIMITED BERWICK, RICK 2702749 ONTARIO INC. ADAMO, PETER 2494789 ONTARIO INC. A-ONE AUTO INVESTMENTS INC. SORRENTI, CINZIA ELCRM HOLDINGS INC. MOLELLA, SERGIO TRILEND INC. IERFINO, DONALD IMPERIO SA HOLDINGS INC. 2810056 ONTARIO LIMITED SALISI INVESTMENTS INC. ANTONINI, LORENZO BETTI, TINA 1545695 ONTARIO INC. BONDI, ANTHONY	C

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT5801830	2021/07/16	DISCH OF CHARGE		*** COMPLETELY DELETED *** CAMERON STEPHENS MORTGAGE CAPITAL LTD.	C.P.M.C. MARQUEZ HOLDINGS INC. ADAMO. CROCETTA ANTONINI, CARMEN BONDI, GIUSEPPA	
AT5901855	2021/11/03	TRANSFER OF CHARGE		IMPERIO SA HOLDINGS INC. TRILEND INC.	PIZZARDI, PIERINA PIZZARDI INVESTMENTS AMOND MANAGEMENT INC.	C
AT6078076	2022/05/13	CHARGE	\$33,000,000	2744746 ONTARIO LTD.	1288601 ONTARIO LIMITED AMSTEL MANUFACTURING (1993) INC. MCKINLAY, BRUCE SALISI INVESTMENTS LTD. M ANTONINI HOLDINGS INC. PIZZARDI, GABRIELE ROSSI, FREDY 2438747 ONTARIO LIMITED 2205633 ONTARIO LIMITED 1620375 ONTARIO LIMITED	C
AT6117821	2022/06/28	TRANSFER OF CHARGE		1545695 ONTARIO INC.	IERFINO, DONALD 1545695 ONTARIO INC.	C
AT6123686	2022/07/05	TRANSFER OF CHARGE		2494789 ONTARIO INC.	ANJAY LIMITED	C
AT6124974	2022/07/07	TRANSFER OF CHARGE		2810056 ONTARIO LIMITED	ANJAY LIMITED	C
AT6206451	2022/10/20	TRANSFER OF CHARGE		1599285 ONTARIO LIMITED BERWICK, RICK 2702749 ONTARIO INC. ADAMO, PETER ADAMO, CROCETTA 2494789 ONTARIO INC. A-ONE AUTO INVESTMENTS INC. SORRENTI, CINZIA	1599285 ONTARIO LIMITED BERWICK, RICK 2702749 ONTARIO INC. ADAMO, PETER ADAMO, CROCETTA ANJAY LIMITED A-ONE AUTO INVESTMENTS INC. SORRENTI, CINZIA	C

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
				ELCRM HOLDINGS INC. MOLELLA, SERGIO TRILEND INC. IERFINO, DONALD IMPERIO SA HOLDINGS INC. 2810056 ONTARIO LIMITED SALISI INVESTMENTS INC. ANTONINI, LORENZO ANTONINI, CARMEN BETTI, TINA 1545695 ONTARIO INC. BONDI, ANTHONY BONDI, GIUSEPPA C.P.M.C MARQUEZ HOLDINGS INC.	ELCRM HOLDINGS INC. MOLELLA, SERGIO PIZZARDI, PIERINA PIZZARDI INVESTMENTS AMOND MANAGEMENT INC. IERFINO, DONALD SALISI INVESTMENTS INC. ANTONINI, LORENZO ANTONINI, CARMEN BETTI, TINA BONDI, ANTHONY BONDI, GIUSEPPA C.P.M.C MARQUEZ HOLDINGS INC.	
AT6276238	2023/02/03	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** ADVANCED PLUMBING INC.		
AT6290945	2023/03/06	APL DEL CONST LIEN		*** COMPLETELY DELETED *** ADVANCED PLUMBING INC.		
AT6296777	2023/03/16	APL CH NAME OWNER		2744746 ONTARIO LTD.	MORGIS CORPORATION	C
AT6297854	2023/03/17	NOTICE	\$10	MORGIS CORPORATION	1599285 ONTARIO LIMITED BERWICK, RICK 2702749 ONTARIO INC. ADAMO, PETER ADAMO, CROCETTA ANJAY LIMITED A-ONE AUTO INVESTMENTS INC. SORRENTI, CINZIA ELCRM HOLDINGS INC. MOLELLA, SERGIO PIZZARDI, PIERINA PIZZARDI INVESTMENTS AMOND MANAGEMENT INC. IERFINO, DONALD SALISI INVESTMENTS INC. ANTONINI, LORENZO ANTONINI, CARMEN BETTI, TINA	C

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT6297859	2023/03/17	CHARGE	\$4,500,000	MORGIS CORPORATION	BONDI, ANTHONY BONDI, GIUSEPPA C.P.M.C MARQUEZ HOLDINGS INC.  IMPERIO SA HOLDINGS CHEMIJ, RONALD CHEMIJ, MARY CHEMIJ, TERRY CHEMIJ, LUBA IERFINO, DONALD TRILEND INC.	C
AT6297860	2023/03/17	NO ASSGN RENT GEN		MORGIS CORPORATION	IMPERIO SA HOLDINGS CHEMIJ, RONALD CHEMIJ, MARY CHEMIJ, TERRY CHEMIJ, LUBA IERFINO, DONALD TRILEND INC.	C
AT6449687	2023/10/30	CAUTION-LAND		*** COMPLETELY DELETED *** MORGIS CORPORATION	MORRIS GROUP FINANCIAL, INC.	
AT6489346	2024/01/03	NOTICE	\$2	MORRIS GROUP FINANCIAL, INC		

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PROPERTY DESCRIPTION:

PCL 1-2 SEC M380; PT LT 1 PL M380 TORONTO; PT LT 2 PL M380 TORONTO COMM AT THE S WLY ANGLE OF SAID LT 1; THENCE ELY ALONG THE SLY LIMITS OF LOTS 1 AND 2 - 55 FT MORE OR LESS TO A POINT IN THE SAID SLY LIMIT OF SAID LT 2 DISTANT 5 FT MEASURED ELY THEREON FROM THE S WLY ANGLE OF SAID LT 2; THENCE NLY IN A STRAIGHT LINE 113 FT 5 3/4 INCHES MORE OR LESS TO A POINT IN THE NLY LIMIT OF SAID LT 1 DISTANT 1 FT 6 3/4 INCHES MEASURED WLY THEREON FROM THE N ELY ANGLE OF SAID LT; THENCE WLY ALONG THE NLY LIMIT OF SAID LT 1 - 48 FT 5 1/4 INCHES MORE OR LESS TO THE N WLY ANGLE OF SAID LT; THENCE SLY ALONG THE WLY LIMIT OF SAID LT 1 -114 FT MORE OR LESS TO THE POC; S/T LT345020; T/W LT345020; S/T LT346559; T/W LT346559 (S/T LT263283); S/T LT350268; T/W LT350268; TORONTO ; SUBJECT TO A TEMPORARY EASEMENT AS SET IN EXPROPRIATION PLAN AS IN AT4214430; CITY OF TORONTO

PROPERTY REMARKS:

ESTATE/QUALIFIER:  
FEE SIMPLE  
ABSOLUTE

RECENTLY:  
FIRST CONVERSION FROM BOOK

PIN CREATION DATE:  
2001/03/26

OWNERS' NAMES  
MORGIS CORPORATION

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
B309956	1972/01/12	NOTICE AGREEMENT			THE CORPORATION OF THE CITY OF TORONTO	C
		CORRECTIONS: 'REGN. NUMBER' CHANGED FROM 'B209956' TO 'B309956' ON 2004/10/13 BY BARRY DONALDSON.				
B309957	1972/01/12	NOTICE AGREEMENT			THE CORPORATION OF THE CITY OF TORONTO	C
66R28383	2015/12/02	PLAN REFERENCE				C
AT4187210	2016/04/07	CERTIFICATE		METROLINX		C
		REMARKS: CERTIFICATE OF APPROVAL				
AT4214430	2016/05/10	PLAN EXPROPRIATION			METROLINX	C
		REMARKS: 1, 2, 3				
AT5801726	2021/07/16	TRANSFER	\$6,000,000	352-356 EGLINTON AVENUE WEST HOLDINGS LTD.	2744746 ONTARIO LTD.	C
		REMARKS: PLANNING ACT STATEMENTS.				
AT5801727	2021/07/16	CHARGE	\$15,500,000	2744746 ONTARIO LTD.	1599285 ONTARIO LIMITED BERWICK, RICK 2702749 ONTARIO INC. ADAMO, PETER ADAMO, CROCETTA 2494789 ONTARIO INC. A-ONE AUTO INVESTMENTS INC. SORRENTI, CINZIA ELCRM HOLDINGS INC. MOLELLA, SERGIO TRILEND INC. IERFINO, DONALD	C

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT5801728	2021/07/16	NO ASSGN RENT GEN		2744746 ONTARIO LTD.	IMPERIO SA HOLDINGS INC. 2810056 ONTARIO LIMITED SALISI INVESTMENTS INC. ANTONINI, LORENZO ANTONINI, CARMEN BETTI, TINA 1545695 ONTARIO INC. BONDI, ANTHONY BONDI, GIUSEPPA C.P.M.C MARQUEZ HOLDINGS INC.  1599825 ONTARIO LIMITED BERWICK, RICK 2702749 ONTARIO INC. ADAMO, PETER 2494789 ONTARIO INC. A-ONE AUTO INVESTMENTS INC. SORRENTI, CINZIA ELCRM HOLDINGS INC. MOLELLA, SERGIO TRILEND INC. IERFINO, DONALD IMPERIO SA HOLDINGS INC. 2810056 ONTARIO LIMITED SALISI INVESTMENTS INC. ANTONINI, LORENZO BETTI, TINA 1545695 ONTARIO INC. BONDI, ANTHONY C.P.M.C. MARQUEZ HOLDINGS INC. ADAMO. CROCETTA ANTONINI, CARMEN BONDI, GIUSEPPA	C
AT5901855	2021/11/03	TRANSFER OF CHARGE		IMPERIO SA HOLDINGS INC. TRILEND INC.	PIZZARDI, PIERINA PIZZARDI INVESTMENTS AMOND MANAGEMENT INC.	C
AT6078076	2022/05/13	CHARGE	\$33,000,000	2744746 ONTARIO LTD.	1288601 ONTARIO LIMITED AMSTEL MANUFACTURING (1993) INC. MCKINLAY, BRUCE SALISI INVESTMENTS LTD.	C

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT6117821	2022/06/28	TRANSFER OF CHARGE		1545695 ONTARIO INC.	M ANTONINI HOLDINGS INC. PIZZARDI, GABRIELE ROSSI, FREDY 2438747 ONTARIO LIMITED 2205633 ONTARIO LIMITED 1620375 ONTARIO LIMITED  IERFINO, DONALD 1545695 ONTARIO INC.	C
AT6123686	2022/07/05	TRANSFER OF CHARGE		2494789 ONTARIO INC.	ANJAY LIMITED	C
AT6124974	2022/07/07	TRANSFER OF CHARGE		2810056 ONTARIO LIMITED	ANJAY LIMITED	C
AT6206451	2022/10/20	TRANSFER OF CHARGE		1599285 ONTARIO LIMITED BERWICK, RICK 2702749 ONTARIO INC. ADAMO, PETER ADAMO, CROCETTA 2494789 ONTARIO INC. A-ONE AUTO INVESTMENTS INC. SORRENTI, CINZIA ELCRM HOLDINGS INC. MOLELLA, SERGIO TRILEND INC. IERFINO, DONALD IMPERIO SA HOLDINGS INC. 2810056 ONTARIO LIMITED SALISI INVESTMENTS INC. ANTONINI, LORENZO ANTONINI, CARMEN BETTI, TINA 1545695 ONTARIO INC. BONDI, ANTHONY BONDI, GIUSEPPA C.P.M.C MARQUEZ HOLDINGS INC.	1599285 ONTARIO LIMITED BERWICK, RICK 2702749 ONTARIO INC. ADAMO, PETER ADAMO, CROCETTA ANJAY LIMITED A-ONE AUTO INVESTMENTS INC. SORRENTI, CINZIA ELCRM HOLDINGS INC. MOLELLA, SERGIO PIZZARDI, PIERINA PIZZARDI INVESTMENTS AMOND MANAGEMENT INC. IERFINO, DONALD SALISI INVESTMENTS INC. ANTONINI, LORENZO ANTONINI, CARMEN BETTI, TINA BONDI, ANTHONY BONDI, GIUSEPPA C.P.M.C MARQUEZ HOLDINGS INC.	C
AT6296777	2023/03/16	APL CH NAME OWNER		2744746 ONTARIO LTD.	MORGIS CORPORATION	C

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AT6297854	2023/03/17	NOTICE	\$10	MORGIS CORPORATION	1599285 ONTARIO LIMITED BERWICK, RICK 2702749 ONTARIO INC. ADAMO, PETER ADAMO, CROCETTA ANJAY LIMITED A-ONE AUTO INVESTMENTS INC. SORRENTI, CINZIA ELCRM HOLDINGS INC. MOLELLA, SERGIO PIZZARDI, PIERINA PIZZARDI INVESTMENTS AMOND MANAGEMENT INC. IERFINO, DONALD SALISI INVESTMENTS INC. ANTONINI, LORENZO ANTONINI, CARMEN BETTI, TINA BONDI, ANTHONY BONDI, GIUSEPPA C.P.M.C MARQUEZ HOLDINGS INC.	C
AT6297859	2023/03/17	CHARGE	\$4,500,000	MORGIS CORPORATION	IMPERIO SA HOLDINGS CHEMIJ, RONALD CHEMIJ, MARY CHEMIJ, TERRY CHEMIJ, LUBA IERFINO, DONALD TRILEND INC.	C
AT6297860	2023/03/17	NO ASSGN RENT GEN		MORGIS CORPORATION	IMPERIO SA HOLDINGS CHEMIJ, RONALD CHEMIJ, MARY CHEMIJ, TERRY CHEMIJ, LUBA IERFINO, DONALD TRILEND INC.	C
AT6489346	2024/01/03	NOTICE	\$2	MORRIS GROUP FINANCIAL, INC		

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LAND  
REGISTRY  
OFFICE #66

21169-0182 (LT)

PAGE 1 OF 5  
PREPARED FOR Sara1234  
ON 2024/02/01 AT 13:28:52

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

PROPERTY DESCRIPTION:

PCL 1-3-A SEC M256; PT LT 1 BLK A PL M256 TORONTO COMM AT A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED BY BY-LAW # 11494 OF THE CORPORATION OF THE CITY OF TORONTO AT THE INTERSECTION WITH THE ELY LIMIT OF THE SAID LT 1. THENCE WLY ALONG THE SAID NLY LIMIT OF EGLINTON AV 34 FT 6 1/2 INCHES MORE OR LESS TO THE INTERSECTION WITH THE PRODUCTION SLY OF THE CENTRE LINE OF THE PARTY WALL BTN THE BUILDINGS ERECTED ON THESE LANDS AND ON LAND LYING WLY AND ADJACENT THERETO. THENCE NLY ALONG THE SAID PRODUCTION TO AND ALONG THE SAID CENTRE LINE OF WALL AND ITS PRODUCTION NLY IN ALL 96 FT. THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV 34 FT 6 1/2 INCHES TO THE INTERSECTION WITH THE SAID ELY LIMIT OF LT 1. THENCE SLY ALONG THE SAID ELY LIMIT OF LT 1, 96 FT TO THE FRONT OF COMMENCEMENT; T/W A ROW OVER PARTS OF LOTS 1 AND 2 IN BLK A ON PL M256; COMM AT A POINT IN THE ELY LIMIT OF LT 1 DISTANT 96 FT MEASURED NLY THEREON FROM THE SAID NLY LIMIT OF EGLINTON AV AS WIDENED. THENCE WLY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV AS WIDENED 125 FT. THENCE NLY PARALLEL TO THE SAID ELY LIMIT OF LT 1, 12 FT. THENCE ELY PARALLEL TO THE NLY LIMIT OF EGLINTON AV 125 FT TO ITS INTERSECTION WITH THE SAID ELY LIMIT OF LT 1. THENCE SLY ALONG THE SAID ELY LIMIT OF LT 1, 12 FT TO THE POC. PROVIDED THAT THE PROJECTIONS INCLUDING THE PROJECTIONS OF THE SECOND STORY OF THE BUILDING SITUATE ON THE LANDS DESCRIBED IN PCL 3021 SEC K TORONTO EXISTING AT THIS DATE JULY 5, 1943 T/W THE FIRE ESCAPE ERECTED IN CONNECTION HERewith OVER THE SAID ROW OR ANY PT THEREOF SHALL BE DEEMED NOT TO BE AN ENCROACHMENT UPON THE SAID ROW; T/W A ROW OVER THAT PT OF LT 125 ON PL M512; COMM AT A POINT IN THE ELY LIMIT OF LT 125 DISTANT 96 FT MEASURED NLY THEREON FROM THE SE ANGLE OF SAID LT. THENCE WLY PARALLEL TO THE SLY LIMIT OF SAID LT 22 FT 4 INCHES MORE OR LESS TO A POINT 77 FT 8 INCHES MEASURED ELY FROM THE WLY LIMIT OF LT 124 ON SAID PL. THENCE NLY IN A STRAIGHT LINE 14 FT MORE OR LESS TO A POINT IN THE NLY LIMIT OF THE SAID LT 125 DISTANT 77 FT 8 INCHES MEASURED ELY THEREON FROM THE NW ANGLE OF LT 124. THENCE ELY ALONG THE NLY LIMIT OF LT 125, 22 FT 4 INCHES MORE OR LESS TO THE NE ANGLE THEREOF. THENCE SLY ALONG THE ELY LIMIT OF LT 125 A DISTANCE OF 14 FT MORE OR LESS TO THE POB; T/W A ROW OVER THE WLY 4 FT 6 INCHES OF LT 90 AND THE ELY 5 FT 6 INCHES OF LT 91 ON PL M512; T/W A ROW OVER PARTS OF LOTS 1 AND 2 ON PL M380; COMM AT A POINT IN THE WLY LIMIT OF LT 1 DISTANT 96 FT NLY THEREON FROM EGLINTON AV AS WIDENED BY BY-LAW # 11494. THENCE NLY ALONG THE SAID WLY LIMIT OF LT 1,18 FT MORE OR LESS TO THE N WLY ANGLE THEREOF. THENCE ELY ALONG THE NLY LIMIT OF LT 1, 48 FT 5 1/4 INCHES MORE OR LESS TO A POINT 1 FT 6 3/4 INCHES WLY THEREON FROM THE NE ANGLE OF SAID LT 1. THENCE SLY ALONG A LINE WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2 AT A POINT THEREIN DISTANT 5 FT ELY FROM THE SW ANGLE OF LT 2 A DISTANCE OF 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM THE POC. THENCE WLY ALONG THE SAID MENTIONED LINE 49 FT 4 3/4 INCHES MORE OR LESS TO THE POC; T/W A ROW OVER PARTS OF LOTS 1 AND 2 ON PL M380; COMM AT A POINT IN THE NLY LIMIT OF LT 1 DISTANT 1 FT 6 3/4 INCHES WLY THEREON FROM THE N ELY ANGLE OF LT 1. THENCE SLY ALONG A LINE WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2 AT A POINT THEREON 5 FT ELY FROM THE SW ANGLE OF LT 2 AT A DISTANCE OF 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM A POINT IN THE W LIMIT OF LT 1 DISTANT 96 FT NLY FROM THE N LIMIT OF EGLINTON AV AS WIDENED. THENCE N ELY IN A STRAIGHT LINE 19 FT 6 INCHES TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF LT 2 AND DISTANT 16 FT 1/2 AN INCH MEASURED ELY THEREON FROM THE N WLY ANGLE THEREOF TO A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED, DISTANT 25 FT MEASURED ELY THEREON FROM ITS INTERSECTION WITH THE WLY LIMIT OF LT 2, THE SAID POINT BEING DISTANT 10 FT 6 INCHES MORE OR LESS MEASURED SLY ON THE SAID LINE FROM THE SAID NLY LIMIT OF LT 2. THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF LT 2, 22 FT 3 1/2 INCHES MORE OR LESS TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED DISTANT 78 FT 10 INCHES MEASURED WLY FROM THE SE ANGLE OF LT 3 ON SAID PL TO A POINT IN THE N LIMIT OF SAID LT 2 DISTANT 80 FT 6 3/4 INCHES MEASURED WLY THEREON FROM THE NE ANGLE OF LT 3. THENCE NLY ALONG THE SAID LAST MENTIONED LINE 10 FT 6 INCHES MORE OR LESS TO THE NLY LIMIT OF LT 2. THENCE WLY ALONG THE NLY LIMIT OF SAID LT 2 AND 1, 39 FT 7 1/2 INCHES MORE OR LESS TO THE POC; CITY OF TORONTO

PROPERTY REMARKS:  
FEE SIMPLE  
ABSOLUTE

RECENTLY:  
FIRST CONVERSION FROM BOOK

PIN CREATION DATE:  
2001/03/26

OWNERS' NAMES  
1000193772 ONTARIO LTD.

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT	INCLUDES ALL	DOCUMENT TYPES AND	DELETED INSTRUMENTS	SINCE 2001/03/23 **		
LT263283	1929/04/12	AGREEMENT			THE CORPORATION OF THE CITY OF TORONTO	C
	REMARKS: INDEMNITY					
LT346561	1939/10/31	LEASE		*** DELETED AGAINST THIS PROPERTY ***	KARRYS, WILLIAM	
LT347261	1939/12/04	CHARGE		*** COMPLETELY DELETED ***		

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
LT347328	1939/12/07	NOTICE		*** DELETED AGAINST THIS PROPERTY ***	THE CORPORATION OF THE CITY OF TORONTO	C
REMARKS: CONDITIONAL SALE						
LT376804	1943/07/05	NOTICE OF LEASE		*** DELETED AGAINST THIS PROPERTY ***	WALTER COLES' SON LIMITED CO.	
LT376889	1943/07/07	TRANSFER		*** COMPLETELY DELETED ***	MEANCHOFF, THOMAS MEANCHOFF, PHILLIP	
LT500879	1951/07/04	NOTICE OF LEASE		*** COMPLETELY DELETED ***	WALTER COLES' SON LIMITED	
LT505509	1956/08/02	NOTICE OF SUBLEASE		*** COMPLETELY DELETED ***	MEANCHOFF, THOMAS MEANCHOFF, PHILLIP	
LT637296	1957/01/04	NOTICE OF LEASE		*** COMPLETELY DELETED ***	WALTER COLES' SON LIMITED	
B155923	1965/06/04	NOTICE OF LEASE		*** COMPLETELY DELETED ***	WALTER COLES' SON LIMITED	
B217743	1968/03/29	TRANSMISSION-LAND		*** COMPLETELY DELETED ***	MEANCHOFF, MILKA MEANCHOFF, THOMAS ESTATE OF	
B255202	1970/01/09	NOTICE			THE CORPORATION OF THE CITY OF TORONTO THE MUNICIPALITY OF METROPOLITAN TORONTO	
C850285	1993/08/11	CONSTRUCTION LIEN		*** COMPLETELY DELETED ***		
AT184175	2003/06/02	TRANSMISSION-LAND		*** COMPLETELY DELETED *** MEANCHOFF, PHILIP - ESTATE	MEANCHOFF, PHILIP - ESTATE MEANCHOFF, FREDERICK PHILLIP MEANCHOFF, RONALD LAZO	
AT184176	2003/06/02	TRANSFER		*** COMPLETELY DELETED *** MEANCHOFF, PHILLIP	MEANCHOFF, FREDERICK PHILLIP	

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT6076167	2022/05/12	TRANSMISSION-LAND		MEANCHOFF, FREDERICK PHILLIP MEANCHOFF, RONALD LAZO  *** COMPLETELY DELETED *** MEANCHOFF, THOMAS	MEANCHOFF, RONALD LAZO  MEANCHOFF, JOHN ROBERT MEANCHOFF, THOMAS - ESTATE	
AT6078516	2022/05/13	TRANS PERSONAL REP	\$6,000,000	MEANCHOFF, JOHN ROBERT MEANCHOFF, FREDERICK PHILLIP MEANCHOFF, RONALD LAZO	1000193772 ONTARIO LTD.	C
REMARKS: PLANNING ACT STATEMENTS.						
AT6078517	2022/05/13	CHARGE	\$33,000,000	1000193772 ONTARIO LTD.	1288601 ONTARIO LIMITED AMSTEL MANUFACTURING (1993) INC. MCKINLAY, BRUCE SALISI INVESTMENTS LTD. M ANTONINI HOLDINGS INC. PIZZARDI, GABRIELE ROSSI, FREDY 2438747 ONTARIO LIMITED 2205633 ONTARIO LIMITED 1620375 ONTARIO LIMITED	C
AT6078518	2022/05/13	NO ASSGN RENT GEN		1000193772 ONTARIO LTD.	1288601 ONTARIO LIMITED AMSTEL MANUFACTURING (1993) INC. MCKINLAY, BRUCE SALISI INVESTMENTS LTD. M ANTONINI HOLDINGS INC. ROSSI, FREDY 2438747 ONTARIO LIMITED 2205633 ONTARIO LIMITED 1620375 ONTARIO LIMITED PIZZARDI, GABRIELE	C
REMARKS: AT6078517						
AT6216945	2022/11/03	APL (GENERAL)		*** COMPLETELY DELETED *** 1000193772 ONTARIO LTD.		
REMARKS: DELETE C850285						
AT6216991	2022/11/03	DISCHARGE INTEREST		*** COMPLETELY DELETED *** 1000193772 ONTARIO LTD.		
REMARKS: LT347328.						

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT6218091	2022/11/04	APL (GENERAL)  REMARKS: DELETE LT346561		*** COMPLETELY DELETED *** 1000193772 ONTARIO LTD.		
AT6218092	2022/11/04	APL (GENERAL)  REMARKS: DELETE LT376804		*** COMPLETELY DELETED *** 1000193772 ONTARIO LTD.		
AT6218093	2022/11/04	APL (GENERAL)  REMARKS: DELETE LT500879		*** COMPLETELY DELETED *** 1000193772 ONTARIO LTD.		
AT6218094	2022/11/04	APL (GENERAL)  REMARKS: DELETE LT505509		*** COMPLETELY DELETED *** 1000193772 ONTARIO LTD.		
AT6218095	2022/11/04	APL (GENERAL)  REMARKS: DELETE LT637296		*** COMPLETELY DELETED *** 1000193772 ONTARIO LTD.		
AT6218096	2022/11/04	APL (GENERAL)  REMARKS: DELETE B155923		*** COMPLETELY DELETED *** 1000193772 ONTARIO LTD.		
AT6261730	2023/01/12	DISCH OF CHARGE  REMARKS: LT347261.		*** COMPLETELY DELETED *** CITY OF TORONTO		
AT6297857	2023/03/17	CHARGE	\$4,500,000	1000193772 ONTARIO LTD.	IMPERIO SA HOLDINGS CHEMIJ, RONALD CHEMIJ, MARY CHEMIJ, TERRY CHEMIJ, LUBA IERFINO, DONALD TRILEND INC.	C
AT6297858	2023/03/17	NO ASSGN RENT GEN		1000193772 ONTARIO LTD.	IMPERIO SA HOLDINGS CHEMIJ, RONALD CHEMIJ, MARY CHEMIJ, TERRY CHEMIJ, LUBA IERFINO, DONALD TRILEND INC.	C

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT6449686	2023/10/30	CAUTION-LAND		*** COMPLETELY DELETED *** 1000193772 ONTARIO LTD.	MORRIS GROUP FINANCIAL, INC.	
AT6489347	2024/01/03	NOTICE	\$2	MORRIS GROUP FINANCIAL, INC		

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LAND  
REGISTRY  
OFFICE #66

21169-0181 (LT)

PAGE 1 OF 6  
PREPARED FOR Danielle  
ON 2023/11/15 AT 11:32:12

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

PROPERTY DESCRIPTION:

PCL 1-1-A SEC M256; PT LT 1 N/S EGLINTON AV BLK A PL M256 TORONTO; PT LT 2 N/S EGLINTON AV BLK A PL M256 TORONTO COMM AT A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED BY BY-LAW 11494 DISTANT 34 FT 6 1/2 INCHES MORE OR LESS WLY FROM ITS INTERSECTION WITH THE E LIMIT OF SAID LT 1; THENCE WLY ALONG SAID NLY LIMIT OF EGLINTON AV A DISTANCE OF 90 FT 5 1/2 INCHES MORE OR LESS TO A POINT; THENCE NLY PARALLEL TO THE LINE BTN SAID LOTS 1 AND 2 A DISTANCE OF 109 FT 11 INCHES MORE OR LESS TO A POINT DISTANT 120 FT NLY FROM THE SLY LIMIT OF SAID LT 2; THENCE ELY PARALLEL WITH THE SAID S LIMITS OF SAID LOTS 1 AND 2 A DISTANCE OF 125 FT MORE OR LESS TO THE E LIMIT OF SAID LT 1; THENCE SLY ALONG THE LAST MENTIONED LIMIT A DISTANCE OF 13 FT 11 INCHES MORE OR LESS TO A POINT; THENCE WLY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV A DISTANCE OF 34 FT 6 1/2 INCHES MORE OR LESS TO ITS INTERSECTION WITH THE PRODUCTION NLY OF THE CENTRE LINE OF THE PARTY WALL BTN THE BUILDINGS ERECTED ON THIS LAND AND ON LAND LYING ELY AND ADJACENT THERETO; THENCE SLY ALONG SAID PRODUCTION TO AND ALONG SAID CENTRE LINE OF WALL AND ITS PRODUCTION SLY IN ALL 96 FT MORE OR LESS TO THE POC; S/T A FREE AND UNINTERRUPTED ROW INGRESS AND EGRESS FOR PERSONS, ANIMALS AND VEHICLES THROUGH, ALONG AND UPON THAT CERTAIN PCL OF LAND DESCRIBED AS FOLLOWS: PARTS OF LOTS 1 AND 2 ON BLK A ON PL M256 AS FOLLOWS: COMM AT A POINT IN THE E LIMIT OF LT 1, 96 FT NLY FROM THE NLY LIMIT OF EGLINTON AV AS WIDENED BY BY-LAW 11494; THENCE WLY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV AS WIDENED 125 FT; THENCE NLY PARALLEL TO THE E LIMIT OF LT 1, 12 FT; THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV AS WIDENED 125 FT TO THE E LIMIT OF LT 1; THENCE SLY ALONG THE SAID E LIMIT 12 FT TO THE POC; PROVIDED THAT THE PROJECTIONS INCLUDING THE PROJECTION OF THE SECOND STOREY BUILDINGS SITUATE ON THE ABOVE PCL EXISTING ON THIS DATE AND A FIRE ESCAPE TO BE ERECTED IN CONNECTION THEREWITH OVER THE SAID ROW OR ANY PT THEREOF SHALL BE DEEMED NOT TO BE AN ENCROACHMENT UPON THE SAID ROW; T/W A FREE AND UNINTERRUPTED ROW, INGRESS AND EGRESS, FOR PERSONS, ANIMALS AND VEHICLES THROUGH, ALONG AND OVER THAT PT OF LT 125 ON PL M512 (BOROUGH OF E YORK) DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE ELY LIMIT OF LT 125 DISTANT 96 FT NLY FROM THE SE ANGLE OF SAID LT; THENCE WLY PARALLEL TO THE SLY LIMIT OF SAID LT, 22 FT 4 INCHES MORE OR LESS TO A POINT 77 FT 8 INCHES ELY FROM THE WLY LIMIT OF LT 124 ON SAID PL; THENCE NLY IN A STRAIGHT LINE 14 FT MORE OR LESS TO A POINT IN THE NLY LIMIT OF LT 125, 77 FT 8 INCHES ELY FROM THE NW ANGLE OF SAID LT 124; THENCE ELY ALONG THE NLY LIMIT OF LT 125, 22 FT 4 INCHES MORE OR LESS TO THE N ELY ANGLE THEREOF; THENCE SLY ALONG THE ELY LIMIT OF LT 125, 14 FT MORE OR LESS TO THE POB; T/W A FREE AND UNINTERRUPTED ROW INGRESS AND EGRESS, FOR PERSONS, ANIMALS AND VEHICLES THROUGH ALONG AND OVER PT OF LOTS 1 AND 2 ON PL M380 (CITY OF TORONTO) DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE WLY LIMIT OF LT 1, 96 FT MEASURED NLY THEREON FROM EGLINTON AV AS WIDENED UNDER BY-LAW # 11494; THENCE NLY ALONG THE SAID WLY LIMIT OF LT 1, 18 FT MORE OR LESS TO THE N WLY ANGLE THEREOF; THENCE ELY ALONG THE NLY LIMIT OF SAID LT 1, 48 FT 5 1/4 INCHES MORE OR LESS TO A POINT 1 FT 6 3/4 INCHES WLY FROM THE NE ANGLE OF LT 1; THENCE SLY ALONG A LINE WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2 AT A POINT 5 FT ELY FROM THE SW ANGLE OF LT 2 A DISTANCE OF 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM THE POC; THENCE WLY ALONG THE SAID MENTIONED LINE 49 FT 4 3/4 INCHES MORE OR LESS TO THE POC; T/W A FREE AND UNINTERRUPTED ROW INGRESS AND EGRESS FOR PERSONS, ANIMALS AND VEHICLES THROUGH OVER AND ALONG THOSE PARTS OF LOTS 1 AND 2 ON PL M380 (CITY OF TORONTO) DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE NLY LIMIT OF LT 1, 1 FT 6 3/4 INCHES WLY THEREON FROM THE N ELY ANGLE OF LT 1; THENCE SLY ALONG A LINE WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2 AT A POINT THEREIN 5 FT ELY FROM THE SW ANGLE OF LT 2, 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM A POINT IN THE W LIMIT OF LT 1, 96 FT NLY FROM THE N LIMIT OF EGLINTON AV AS WIDENED; THENCE N ELY IN A STRAIGHT LINE 19 FT 6 INCHES TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF LT 2 AND DISTANT 16 FT 1/2 INCH ELY THEREON FROM THE N WLY ANGLE THEREOF TO A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED DISTANT 25 FT ELY THEREON FROM ITS INTERSECTION WITH THE WLY LIMIT OF LT 2; THE SAID POINT BEING 10 FT 6 INCHES MORE OR LESS SLY ON THE SAID LINE FROM THE SAID NLY LIMIT OF LT 2; THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF LT 2, 22 FT 3 1/2 INCHES MORE OR LESS TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED 78 FT 10 INCHES WLY FROM THE SE ANGLE OF LT 3 ON SAID PL TO A POINT IN THE N LIMIT OF LT 2 DISTANT 80 FT 6 3/4 INCHES WLY THEREON FROM THE NE ANGLE OF LT 3; THENCE NLY ALONG THE SAID LAST MENTIONED LINE 10 FT 6 INCHES MORE OR LESS TO THE NLY LIMIT OF LT 2; THENCE WLY ALONG THE NLY LIMIT OF LOTS 2 AND 1, 39 FT 7 1/2 INCHES MORE OR LESS TO THE POC; TORONTO , CITY OF TORONTO

PROPERTY REMARKS:

ESTATE/QUALIFIER:

FEE SIMPLE  
ABSOLUTE

RECENTLY:

FIRST CONVERSION FROM BOOK

PIN CREATION DATE:

2001/03/26

OWNERS' NAMES

1000195736 ONTARIO LTD.

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT	INCLUDES ALL	DOCUMENT TYPES AND	DELETED INSTRUMENTS	SINCE 2001/03/23 **		
B153693	1965/05/05	NOTICE AGREEMENT			THE CORPORATION OF THE CITY OF TORONTO THE MUNICIPALITY OF METROPOLITAN TORONTO	C
B281544	1971/03/05	NOTICE AGREEMENT			THE CORPORATION OF THE CITY OF TORONTO	C

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LAND  
REGISTRY  
OFFICE #66

21169-0181 (LT)

PAGE 2 OF 6  
PREPARED FOR Danielle  
ON 2023/11/15 AT 11:32:12

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
B292570	1971/07/27	NOTICE AGREEMENT			THE CORPORATION OF THE CITY OF TORONTO THE MUNICIPALITY OF METROPOLITAN TORONTO	C
C353888	1987/02/02	CHARGE		*** COMPLETELY DELETED ***	LORILEE INVESTMENTS LIMITED KUTI, ADELE	
		REMARKS: AMENDED UNDER C972945				
C807121	1992/11/10	NOTICE		*** COMPLETELY DELETED ***		
		REMARKS: C353888				
C972945	1995/10/24	NOTICE		*** COMPLETELY DELETED ***		
		REMARKS: C353888				
E55800	1997/01/20	NOTICE		*** COMPLETELY DELETED ***		
		REMARKS: C353888				
E169334	1998/05/25	NOTICE		*** COMPLETELY DELETED ***		
		REMARKS: C353888				
E360654	2000/09/28	TRANSFER		*** COMPLETELY DELETED ***	KOVACHIS, HELEN KOVACHIS, LOUIS ANTHONY VASILIADIS, KATHRYN BEHROZ, NASS	
		REMARKS: PLANNING ACT STATEMENT				
AT160355	2003/05/05	NOTICE		*** COMPLETELY DELETED *** KOVACHIS, HELEN KOVACHIS, LOUIS ANTHONY VASILIADIS, KATHRYN BEHROZ, NASS	LORILEE INVESTMENTS LIMITED KUTI, ADELE	
		REMARKS: AMEND CHARGE C-353888				
AT1659505	2007/12/10	NOTICE OF LEASE		1636969 ONTARIO LIMITED	1636969 ONTARIO LIMITED	C
AT1775313	2008/05/08	NOTICE		*** COMPLETELY DELETED *** KOVACHIS, HELEN	LORILEE INVESTMENTS LIMITED	

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
				KOVACHIS, LOUIS ANTHONY VASILIADIS, KATHRYN BEHROZ, NASS	KUTI, ADELE	
AT1872015	2008/08/21	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** NEWMARKET MECHANICAL PLUMBING & HEATING INC.		
AT1915516	2008/10/03	CERTIFICATE		*** COMPLETELY DELETED *** NEWMARKET MECHANICAL PLUMBING & HEATING INC.	BODY & SOUL FITNESS CORP.	
			REMARKS: AT1872015 DOCUMENT DELETED ON MAY 17, 2022 BY	SYLVIE GUENETTE		
AT1998968	2009/01/23	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED ***	NEWMARKET MECHANICAL PLUMBING & HEATING INC.	
			REMARKS: RE: AT1872015			
AT2596119	2011/01/12	LIEN		*** COMPLETELY DELETED *** HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE		
AT2646897	2011/03/21	LIEN		*** COMPLETELY DELETED *** HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE		
AT3291503	2013/05/02	DISCH OF CHARGE		*** COMPLETELY DELETED *** LORILEE INVESTMENTS LIMITED KUTI, ADELE		
			REMARKS: C353888.			
AT3479498	2013/12/13	TRANSFER		*** COMPLETELY DELETED *** BEHROZ, NASS	KOVACHIS, HELEN	
			REMARKS: PLANNING ACT STATEMENTS.			
AT3623508	2014/07/03	DISCHARGE INTEREST		*** COMPLETELY DELETED *** HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE		
			REMARKS: AT2596119.			
AT4564398	2017/05/11	DISCHARGE INTEREST		*** COMPLETELY DELETED *** HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE		
			REMARKS: AT2646897.			

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT5429422	2020/05/15	CHARGE		*** COMPLETELY DELETED *** KOVACHIS, HELEN KOVACHIS, LOUIS ANTHONY VASILIADIS, KATHRYN KOVACHIS, HELEN	VASILIADIS, LARRY	
AT5906149	2021/11/08	DISCH OF CHARGE		*** COMPLETELY DELETED *** VASILIADIS, LARRY		
AT6082632	2022/05/18	TRANSFER	\$19,500,000	KOVACHIS, HELEN KOVACHIS, LOUIS ANTHONY VASILIADIS, KATHRYN KOVACHIS, HELEN	1000195736 ONTARIO LTD.	C
AT6082633	2022/05/18	CHARGE	\$33,000,000	1000195736 ONTARIO LTD.	ROSSI, FREDY 2438747 ONTARIO LIMITED 2205633 ONTARIO LIMITED 1620375 ONTARIO LIMITED 1288601 ONTARIO LIMITED AMSTEL MANUFACTURING (1993) INC. MCKINLAY, BRUCE SALISI INVESTMENTS LTD. M ANTONINI HOLDINGS INC. PIZZARDI, GABRIELE	C
AT6082634	2022/05/18	NO ASSGN RENT GEN		1000195736 ONTARIO LTD.	1288601 ONTARIO LIMITED AMSTEL MANUFACTURING (1993) INC. MCKINLAY, BRUCE SALISI INVESTMENTS LTD. M ANTONINI HOLDINGS INC. ROSSI, FREDY 2438747 ONTARIO LIMITED 2205633 ONTARIO LIMITED 1620375 ONTARIO LIMITED PIZZARDI, GABRIELE	C
AT6297853	2023/03/17	NOTICE	\$10	1000195736 ONTARIO LTD.	ROSSI, FREDY 2438747 ONTARIO LIMITED 2205633 ONTARIO LIMITED 1620375 ONTARIO LIMITED	C

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

NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT6297855	2023/03/17	CHARGE	\$4,500,000	1000195736 ONTARIO LTD.	1288601 ONTARIO LIMITED AMSTEL MANUFACTURING (1993) INC. MCKINLAY, BRUCE SALISI INVESTMENTS LTD. M ANTONINI HOLDINGS INC. PIZZARDI, GABRIELE  IMPERIO SA HOLDINGS CHEMIJ, RONALD CHEMIJ, MARY CHEMIJ, TERRY CHEMIJ, LUBA IERFINO, DONALD TRILEND INC.	C
AT6297856	2023/03/17	NO ASSGN RENT GEN		1000195736 ONTARIO LTD.	IMPERIO SA HOLDINGS CHEMIJ, RONALD CHEMIJ, MARY CHEMIJ, TERRY CHEMIJ, LUBA IERFINO, DONALD TRILEND INC.	C
AT6304529	2023/03/30	TRANSFER OF CHARGE		IMPERIO SA HOLDINGS CHEMIJ, RONALD CHEMIJ, MARY CHEMIJ, TERRY CHEMIJ, LUBA IERFINO, DONALD TRILEND INC.	IMPERIO SA HOLDINGS CHEMIJ, RONALD CHEMIJ, MARY CHEMIJ, TERRY CHEMIJ, LUBA IERFINO, DONALD TAXMART INC.	C
AT6319026	2023/04/26	NOTICE	\$2	1000195736 ONTARIO LTD.	IMPERIO SA HOLDINGS CHEMIJ, RONALD CHEMIJ, MARY CHEMIJ, TERRY CHEMIJ, LUBA IERFINO, DONALD TAXMART INC.	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.  
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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT6457083	2023/11/09	APL CH NAME INST		IMPERIO SA HOLDINGS	IMPERIO SA HOLDINGS INC.	
REMARKS: AT6297855,AT6304529						

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.



# **TAB E**

This is **Exhibit “E”** referred to  
in the Affidavit of Donald Ierfino  
sworn before me, the 19th day of April, 2024.



---

A Commissioner etc.

Sara Mosadeq  
LSO No.: 67864K

Enquiry Result

File Currency: 18APR 2024



All Pages ▾



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Note: All pages have been returned.

Type of Search	Business Debtor								
Search Conducted On	MORGIS CORPORATION								
File Currency	18APR 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date		Status	
	791564409	1	1	1	7	17MAR 2025			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule		Registration Number		Registered Under	Registration Period
791564409		001	7			20230317 1453 1590 5219		P PPSA	2
Individual Debtor	Date of Birth		First Given Name			Initial		Surname	
Business Debtor	Business Debtor Name							Ontario Corporation Number	
	1000193772 ONTARIO LTD.							100019377	
	Address					City	Province	Postal Code	
	18 DOCTORS LANE, SUITE 760					KING CITY	ON	L7B 1A8	
Individual Debtor	Date of Birth		First Given Name			Initial		Surname	
Business Debtor	Business Debtor Name							Ontario Corporation Number	
	1000195736 ONTARIO LTD.							100019573	
	Address					City	Province	Postal Code	
	18 DOCTORS LANE, SUITE 760					KINT CITY	ON	L7B 1A8	
Secured Party	Secured Party / Lien Claimant								
	IMPERIO SA HOLDINGS								
	Address					City	Province	Postal Code	
	8830 JANE STREET					VAUGHAN	ON	L4K 2M9	
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X				
Motor Vehicle Description	Year	Make				Model		V.I.N.	
General Collateral Description	General Collateral Description								
	GENERAL SECURITY AGREEMENT & GENERAL ASSIGNMENT OF RENTS AND ALL								
	RELATED SECURITY WITH RESPECT TO THE OBLIGATIONS OF THE DEBTOR TO THE								

	SECURED PARTY.			
Registering Agent	Registering Agent			
	SCHNEIDER RUGGIERO SPENCER MILBURN LLP			
	Address	City	Province	Postal Code
	1000-120 ADELAIDE STREET WEST	TORONTO	ON	M5H 3V1

CONTINUED

<b>Type of Search</b>	Business Debtor								
<b>Search Conducted On</b>	MORGIS CORPORATION								
<b>File Currency</b>	18APR 2024								
	<b>File Number</b>	<b>Family</b>	<b>of Families</b>	<b>Page</b>	<b>of Pages</b>	<b>Expiry Date</b>	<b>Status</b>		
	791564409	1	1	2	7	17MAR 2025			
<b>FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN</b>									
<b>File Number</b>	<b>Caution Filing</b>	<b>Page of</b>	<b>Total Pages</b>	<b>Motor Vehicle Schedule</b>	<b>Registration Number</b>	<b>Registered Under</b>	<b>Registration Period</b>		
791564409		002	7		20230317 1453 1590 5219				
<b>Individual Debtor</b>	<b>Date of Birth</b>	<b>First Given Name</b>			<b>Initial</b>	<b>Surname</b>			
<b>Business Debtor</b>	<b>Business Debtor Name</b>					<b>Ontario Corporation Number</b>			
	MORGIS CORPORATION					2744746			
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
	18 DOCTORS LANE, SUITE 760				KING CITY	ON	L7B 1G2		
<b>Individual Debtor</b>	<b>Date of Birth</b>	<b>First Given Name</b>			<b>Initial</b>	<b>Surname</b>			
<b>Business Debtor</b>	<b>Business Debtor Name</b>					<b>Ontario Corporation Number</b>			
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
<b>Secured Party</b>	<b>Secured Party / Lien Claimant</b>								
	RONALD CHEMIJ								
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
	8830 JANE STREET				VAUGHAN	ON	L4K 2M9		
<b>Collateral Classification</b>	<b>Consumer Goods</b>	<b>Inventory</b>	<b>Equipment</b>	<b>Accounts</b>	<b>Other</b>	<b>Motor Vehicle Included</b>	<b>Amount</b>	<b>Date of Maturity or</b>	<b>No Fixed Maturity Date</b>
<b>Motor Vehicle Description</b>	<b>Year</b>	<b>Make</b>			<b>Model</b>		<b>V.I.N.</b>		
<b>General Collateral Description</b>	<b>General Collateral Description</b>								
<b>Registering Agent</b>	<b>Registering Agent</b>								
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		

CONTINUED

<b>Type of Search</b>	Business Debtor								
<b>Search Conducted On</b>	MORGIS CORPORATION								
<b>File Currency</b>	18APR 2024								
	<b>File Number</b>	<b>Family</b>	<b>of Families</b>	<b>Page</b>	<b>of Pages</b>	<b>Expiry Date</b>	<b>Status</b>		
	791564409	1	1	3	7	17MAR 2025			
<b>FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN</b>									
<b>File Number</b>	<b>Caution Filing</b>	<b>Page of</b>	<b>Total Pages</b>	<b>Motor Vehicle Schedule</b>	<b>Registration Number</b>	<b>Registered Under</b>	<b>Registration Period</b>		
791564409		003	7		20230317 1453 1590 5219				
<b>Individual Debtor</b>	<b>Date of Birth</b>	<b>First Given Name</b>			<b>Initial</b>	<b>Surname</b>			
<b>Business Debtor</b>	<b>Business Debtor Name</b>					<b>Ontario Corporation Number</b>			
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
<b>Individual Debtor</b>	<b>Date of Birth</b>	<b>First Given Name</b>			<b>Initial</b>	<b>Surname</b>			
<b>Business Debtor</b>	<b>Business Debtor Name</b>					<b>Ontario Corporation Number</b>			
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
<b>Secured Party</b>	<b>Secured Party / Lien Claimant</b>								
	MARY CHEMIJ								
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
	8830 JANE STREET				VAUGHAN	ON	L4K 2M9		
<b>Collateral Classification</b>	<b>Consumer Goods</b>	<b>Inventory</b>	<b>Equipment</b>	<b>Accounts</b>	<b>Other</b>	<b>Motor Vehicle Included</b>	<b>Amount</b>	<b>Date of Maturity or</b>	<b>No Fixed Maturity Date</b>
<b>Motor Vehicle Description</b>	<b>Year</b>	<b>Make</b>			<b>Model</b>		<b>V.I.N.</b>		
<b>General Collateral Description</b>	<b>General Collateral Description</b>								
<b>Registering Agent</b>	<b>Registering Agent</b>								
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		

CONTINUED

<b>Type of Search</b>	Business Debtor								
<b>Search Conducted On</b>	MORGIS CORPORATION								
<b>File Currency</b>	18APR 2024								
	<b>File Number</b>	<b>Family</b>	<b>of Families</b>	<b>Page</b>	<b>of Pages</b>	<b>Expiry Date</b>	<b>Status</b>		
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<b>FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN</b>									
<b>File Number</b>	<b>Caution Filing</b>	<b>Page of</b>	<b>Total Pages</b>	<b>Motor Vehicle Schedule</b>	<b>Registration Number</b>	<b>Registered Under</b>	<b>Registration Period</b>		
791564409		004	7		20230317 1453 1590 5219				
<b>Individual Debtor</b>	<b>Date of Birth</b>	<b>First Given Name</b>			<b>Initial</b>	<b>Surname</b>			
<b>Business Debtor</b>	<b>Business Debtor Name</b>					<b>Ontario Corporation Number</b>			
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
<b>Individual Debtor</b>	<b>Date of Birth</b>	<b>First Given Name</b>			<b>Initial</b>	<b>Surname</b>			
<b>Business Debtor</b>	<b>Business Debtor Name</b>					<b>Ontario Corporation Number</b>			
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
<b>Secured Party</b>	<b>Secured Party / Lien Claimant</b>								
	TERRY CHEMIJ								
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
	8830 JANE STREET				VAUGHAN	ON	L4K 2M9		
<b>Collateral Classification</b>	<b>Consumer Goods</b>	<b>Inventory</b>	<b>Equipment</b>	<b>Accounts</b>	<b>Other</b>	<b>Motor Vehicle Included</b>	<b>Amount</b>	<b>Date of Maturity or</b>	<b>No Fixed Maturity Date</b>
<b>Motor Vehicle Description</b>	<b>Year</b>	<b>Make</b>			<b>Model</b>		<b>V.I.N.</b>		
<b>General Collateral Description</b>	<b>General Collateral Description</b>								
<b>Registering Agent</b>	<b>Registering Agent</b>								
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		

CONTINUED

<b>Type of Search</b>	Business Debtor								
<b>Search Conducted On</b>	MORGIS CORPORATION								
<b>File Currency</b>	18APR 2024								
	<b>File Number</b>	<b>Family</b>	<b>of Families</b>	<b>Page</b>	<b>of Pages</b>	<b>Expiry Date</b>	<b>Status</b>		
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<b>File Number</b>	<b>Caution Filing</b>	<b>Page of</b>	<b>Total Pages</b>	<b>Motor Vehicle Schedule</b>	<b>Registration Number</b>	<b>Registered Under</b>	<b>Registration Period</b>		
791564409		005	7		20230317 1453 1590 5219				
<b>Individual Debtor</b>	<b>Date of Birth</b>	<b>First Given Name</b>			<b>Initial</b>	<b>Surname</b>			
<b>Business Debtor</b>	<b>Business Debtor Name</b>					<b>Ontario Corporation Number</b>			
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
<b>Individual Debtor</b>	<b>Date of Birth</b>	<b>First Given Name</b>			<b>Initial</b>	<b>Surname</b>			
<b>Business Debtor</b>	<b>Business Debtor Name</b>					<b>Ontario Corporation Number</b>			
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
<b>Secured Party</b>	<b>Secured Party / Lien Claimant</b>								
	LUBA CHEMIJ								
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
	8830 JANE STREET				VAUGHAN	ON	L4K 2M9		
<b>Collateral Classification</b>	<b>Consumer Goods</b>	<b>Inventory</b>	<b>Equipment</b>	<b>Accounts</b>	<b>Other</b>	<b>Motor Vehicle Included</b>	<b>Amount</b>	<b>Date of Maturity or</b>	<b>No Fixed Maturity Date</b>
<b>Motor Vehicle Description</b>	<b>Year</b>	<b>Make</b>			<b>Model</b>		<b>V.I.N.</b>		
<b>General Collateral Description</b>	<b>General Collateral Description</b>								
<b>Registering Agent</b>	<b>Registering Agent</b>								
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		

CONTINUED



<b>Type of Search</b>	Business Debtor								
<b>Search Conducted On</b>	MORGIS CORPORATION								
<b>File Currency</b>	18APR 2024								
	<b>File Number</b>	<b>Family</b>	<b>of Families</b>	<b>Page</b>	<b>of Pages</b>	<b>Expiry Date</b>	<b>Status</b>		
	791564409	1	1	6	7	17MAR 2025			
<b>FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN</b>									
<b>File Number</b>	<b>Caution Filing</b>	<b>Page of</b>	<b>Total Pages</b>	<b>Motor Vehicle Schedule</b>	<b>Registration Number</b>	<b>Registered Under</b>	<b>Registration Period</b>		
791564409		006	7		20230317 1453 1590 5219				
<b>Individual Debtor</b>	<b>Date of Birth</b>	<b>First Given Name</b>			<b>Initial</b>	<b>Surname</b>			
<b>Business Debtor</b>	<b>Business Debtor Name</b>					<b>Ontario Corporation Number</b>			
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
<b>Individual Debtor</b>	<b>Date of Birth</b>	<b>First Given Name</b>			<b>Initial</b>	<b>Surname</b>			
<b>Business Debtor</b>	<b>Business Debtor Name</b>					<b>Ontario Corporation Number</b>			
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
<b>Secured Party</b>	<b>Secured Party / Lien Claimant</b>								
	DONALD IERFINO								
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
	8830 JANE STREET				VAUGHAN	ON	L4K 2M9		
<b>Collateral Classification</b>	<b>Consumer Goods</b>	<b>Inventory</b>	<b>Equipment</b>	<b>Accounts</b>	<b>Other</b>	<b>Motor Vehicle Included</b>	<b>Amount</b>	<b>Date of Maturity or</b>	<b>No Fixed Maturity Date</b>
<b>Motor Vehicle Description</b>	<b>Year</b>	<b>Make</b>			<b>Model</b>		<b>V.I.N.</b>		
<b>General Collateral Description</b>	<b>General Collateral Description</b>								
<b>Registering Agent</b>	<b>Registering Agent</b>								
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	MORGIS CORPORATION								
File Currency	18APR 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	791564409	1	1	7	7	17MAR 2025			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
791564409		007	7		20230317 1453 1590 5219				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	TRILEND INC.								
	Address				City	Province	Postal Code		
	8830 JANE STREET				VAUGHAN	ON	L4K 2M9		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

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# TAB F

This is **Exhibit “F”** referred to  
in the Affidavit of Donald Ierfino  
sworn before me, the 19th day of April, 2024.



---

A Commissioner etc.

Sara Mosadeq  
LSO No.: 67864K

Enquiry Result

File Currency: 18APR 2024



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Note: All pages have been returned.

Type of Search	Business Debtor								
Search Conducted On	1000195736 ONTARIO LTD.								
File Currency	18APR 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	782974512	1	2	1	8	13MAY 2027			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
782974512		001	1		20220513 1547 1590 2385	P PPSA	5		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	1000193772 ONTARIO LTD.								
	Address				City	Province	Postal Code		
	18 DOCTORS LANE, P.O. BOX 760				KING CITY	ON	L7B 1A8		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	1000195736 ONTARIO LTD.								
	Address				City	Province	Postal Code		
	18 DOCTORS LANE, P.O. BOX 760				KING CITY	ON	L7B 1A8		
Secured Party	Secured Party / Lien Claimant								
	TRILEND INC.								
	Address				City	Province	Postal Code		
	8830 JANE STREET				VAUGHAN	ON	L4K 2M9		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			X
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	GENERAL SECURITY AGREEMENT, ASSIGNMENTS OF RENTS AND LEASES AND ALL								
	RELATED SECURITY WITH RESPECT TO THE OBLICATIONS OF THE DEBTOR TO THE								

	SECURED PARTY.			
Registering Agent	Registering Agent			
	SCHNEIDER RUGGIERO SPENCER MILBURN LLP			
	Address	City	Province	Postal Code
	1000-120 ADELAIDE STREET WEST	TORONTO	ON	M5H 3V1

END OF FAMILY

<b>Type of Search</b>	Business Debtor								
<b>Search Conducted On</b>	1000195736 ONTARIO LTD.								
<b>File Currency</b>	18APR 2024								
	<b>File Number</b>	<b>Family</b>	<b>of Families</b>	<b>Page</b>	<b>of Pages</b>	<b>Expiry Date</b>	<b>Status</b>		
	791564409	2	2	2	8	17MAR 2025			
<b>FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN</b>									
<b>File Number</b>	<b>Caution Filing</b>	<b>Page of</b>	<b>Total Pages</b>	<b>Motor Vehicle Schedule</b>	<b>Registration Number</b>	<b>Registered Under</b>	<b>Registration Period</b>		
791564409		001	7		20230317 1453 1590 5219	P PPSA	2		
<b>Individual Debtor</b>	<b>Date of Birth</b>	<b>First Given Name</b>			<b>Initial</b>	<b>Surname</b>			
<b>Business Debtor</b>	<b>Business Debtor Name</b>					<b>Ontario Corporation Number</b>			
	1000193772 ONTARIO LTD.					100019377			
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
	18 DOCTORS LANE, SUITE 760				KING CITY	ON	L7B 1A8		
<b>Individual Debtor</b>	<b>Date of Birth</b>	<b>First Given Name</b>			<b>Initial</b>	<b>Surname</b>			
<b>Business Debtor</b>	<b>Business Debtor Name</b>					<b>Ontario Corporation Number</b>			
	1000195736 ONTARIO LTD.					100019573			
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
	18 DOCTORS LANE, SUITE 760				KINT CITY	ON	L7B 1A8		
<b>Secured Party</b>	<b>Secured Party / Lien Claimant</b>								
	IMPERIO SA HOLDINGS								
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
	8830 JANE STREET				VAUGHAN	ON	L4K 2M9		
<b>Collateral Classification</b>	<b>Consumer Goods</b>	<b>Inventory</b>	<b>Equipment</b>	<b>Accounts</b>	<b>Other</b>	<b>Motor Vehicle Included</b>	<b>Amount</b>	<b>Date of Maturity or</b>	<b>No Fixed Maturity Date</b>
		X	X	X	X				
<b>Motor Vehicle Description</b>	<b>Year</b>	<b>Make</b>			<b>Model</b>	<b>V.I.N.</b>			
<b>General Collateral Description</b>	<b>General Collateral Description</b>								
	GENERAL SECURITY AGREEMENT & GENERAL ASSIGNMENT OF RENTS AND ALL								
	RELATED SECURITY WITH RESPECT TO THE OBLIGATIONS OF THE DEBTOR TO THE								
	SECURED PARTY.								
<b>Registering Agent</b>	<b>Registering Agent</b>								
	SCHNEIDER RUGGIERO SPENCER MILBURN LLP								
	<b>Address</b>					<b>City</b>	<b>Province</b>	<b>Postal Code</b>	
	1000-120 ADELAIDE STREET WEST					TORONTO	ON	M5H 3V1	

CONTINUED



<b>Type of Search</b>	Business Debtor								
<b>Search Conducted On</b>	1000195736 ONTARIO LTD.								
<b>File Currency</b>	18APR 2024								
	<b>File Number</b>	<b>Family</b>	<b>of Families</b>	<b>Page</b>	<b>of Pages</b>	<b>Expiry Date</b>	<b>Status</b>		
	791564409	2	2	3	8	17MAR 2025			
<b>FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN</b>									
<b>File Number</b>	<b>Caution Filing</b>	<b>Page of</b>	<b>Total Pages</b>	<b>Motor Vehicle Schedule</b>	<b>Registration Number</b>	<b>Registered Under</b>	<b>Registration Period</b>		
791564409		002	7		20230317 1453 1590 5219				
<b>Individual Debtor</b>	<b>Date of Birth</b>	<b>First Given Name</b>			<b>Initial</b>	<b>Surname</b>			
<b>Business Debtor</b>	<b>Business Debtor Name</b>					<b>Ontario Corporation Number</b>			
	MORGIS CORPORATION					2744746			
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
	18 DOCTORS LANE, SUITE 760				KING CITY	ON	L7B 1G2		
<b>Individual Debtor</b>	<b>Date of Birth</b>	<b>First Given Name</b>			<b>Initial</b>	<b>Surname</b>			
<b>Business Debtor</b>	<b>Business Debtor Name</b>					<b>Ontario Corporation Number</b>			
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
<b>Secured Party</b>	<b>Secured Party / Lien Claimant</b>								
	RONALD CHEMIJ								
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
	8830 JANE STREET				VAUGHAN	ON	L4K 2M9		
<b>Collateral Classification</b>	<b>Consumer Goods</b>	<b>Inventory</b>	<b>Equipment</b>	<b>Accounts</b>	<b>Other</b>	<b>Motor Vehicle Included</b>	<b>Amount</b>	<b>Date of Maturity or</b>	<b>No Fixed Maturity Date</b>
<b>Motor Vehicle Description</b>	<b>Year</b>	<b>Make</b>			<b>Model</b>		<b>V.I.N.</b>		
<b>General Collateral Description</b>	<b>General Collateral Description</b>								
<b>Registering Agent</b>	<b>Registering Agent</b>								
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		

CONTINUED

<b>Type of Search</b>	Business Debtor								
<b>Search Conducted On</b>	1000195736 ONTARIO LTD.								
<b>File Currency</b>	18APR 2024								
	<b>File Number</b>	<b>Family</b>	<b>of Families</b>	<b>Page</b>	<b>of Pages</b>	<b>Expiry Date</b>	<b>Status</b>		
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<b>FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN</b>									
<b>File Number</b>	<b>Caution Filing</b>	<b>Page of</b>	<b>Total Pages</b>	<b>Motor Vehicle Schedule</b>	<b>Registration Number</b>	<b>Registered Under</b>	<b>Registration Period</b>		
791564409		003	7		20230317 1453 1590 5219				
<b>Individual Debtor</b>	<b>Date of Birth</b>	<b>First Given Name</b>			<b>Initial</b>	<b>Surname</b>			
<b>Business Debtor</b>	<b>Business Debtor Name</b>					<b>Ontario Corporation Number</b>			
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
<b>Individual Debtor</b>	<b>Date of Birth</b>	<b>First Given Name</b>			<b>Initial</b>	<b>Surname</b>			
<b>Business Debtor</b>	<b>Business Debtor Name</b>					<b>Ontario Corporation Number</b>			
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
<b>Secured Party</b>	<b>Secured Party / Lien Claimant</b>								
	MARY CHEMIJ								
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
	8830 JANE STREET				VAUGHAN	ON	L4K 2M9		
<b>Collateral Classification</b>	<b>Consumer Goods</b>	<b>Inventory</b>	<b>Equipment</b>	<b>Accounts</b>	<b>Other</b>	<b>Motor Vehicle Included</b>	<b>Amount</b>	<b>Date of Maturity or</b>	<b>No Fixed Maturity Date</b>
<b>Motor Vehicle Description</b>	<b>Year</b>	<b>Make</b>			<b>Model</b>		<b>V.I.N.</b>		
<b>General Collateral Description</b>	<b>General Collateral Description</b>								
<b>Registering Agent</b>	<b>Registering Agent</b>								
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		

CONTINUED

<b>Type of Search</b>	Business Debtor								
<b>Search Conducted On</b>	1000195736 ONTARIO LTD.								
<b>File Currency</b>	18APR 2024								
	<b>File Number</b>	<b>Family</b>	<b>of Families</b>	<b>Page</b>	<b>of Pages</b>	<b>Expiry Date</b>	<b>Status</b>		
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<b>FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN</b>									
<b>File Number</b>	<b>Caution Filing</b>	<b>Page of</b>	<b>Total Pages</b>	<b>Motor Vehicle Schedule</b>	<b>Registration Number</b>	<b>Registered Under</b>	<b>Registration Period</b>		
791564409		004	7		20230317 1453 1590 5219				
<b>Individual Debtor</b>	<b>Date of Birth</b>	<b>First Given Name</b>			<b>Initial</b>	<b>Surname</b>			
<b>Business Debtor</b>	<b>Business Debtor Name</b>					<b>Ontario Corporation Number</b>			
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
<b>Individual Debtor</b>	<b>Date of Birth</b>	<b>First Given Name</b>			<b>Initial</b>	<b>Surname</b>			
<b>Business Debtor</b>	<b>Business Debtor Name</b>					<b>Ontario Corporation Number</b>			
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
<b>Secured Party</b>	<b>Secured Party / Lien Claimant</b>								
	TERRY CHEMIJ								
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
	8830 JANE STREET				VAUGHAN	ON	L4K 2M9		
<b>Collateral Classification</b>	<b>Consumer Goods</b>	<b>Inventory</b>	<b>Equipment</b>	<b>Accounts</b>	<b>Other</b>	<b>Motor Vehicle Included</b>	<b>Amount</b>	<b>Date of Maturity or</b>	<b>No Fixed Maturity Date</b>
<b>Motor Vehicle Description</b>	<b>Year</b>	<b>Make</b>			<b>Model</b>		<b>V.I.N.</b>		
<b>General Collateral Description</b>	<b>General Collateral Description</b>								
<b>Registering Agent</b>	<b>Registering Agent</b>								
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		

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<b>Type of Search</b>	Business Debtor								
<b>Search Conducted On</b>	1000195736 ONTARIO LTD.								
<b>File Currency</b>	18APR 2024								
	<b>File Number</b>	<b>Family</b>	<b>of Families</b>	<b>Page</b>	<b>of Pages</b>	<b>Expiry Date</b>	<b>Status</b>		
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791564409		005	7		20230317 1453 1590 5219				
<b>Individual Debtor</b>	<b>Date of Birth</b>	<b>First Given Name</b>			<b>Initial</b>	<b>Surname</b>			
<b>Business Debtor</b>	<b>Business Debtor Name</b>					<b>Ontario Corporation Number</b>			
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
<b>Individual Debtor</b>	<b>Date of Birth</b>	<b>First Given Name</b>			<b>Initial</b>	<b>Surname</b>			
<b>Business Debtor</b>	<b>Business Debtor Name</b>					<b>Ontario Corporation Number</b>			
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
<b>Secured Party</b>	<b>Secured Party / Lien Claimant</b>								
	LUBA CHEMIJ								
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
	8830 JANE STREET				VAUGHAN	ON	L4K 2M9		
<b>Collateral Classification</b>	<b>Consumer Goods</b>	<b>Inventory</b>	<b>Equipment</b>	<b>Accounts</b>	<b>Other</b>	<b>Motor Vehicle Included</b>	<b>Amount</b>	<b>Date of Maturity or</b>	<b>No Fixed Maturity Date</b>
<b>Motor Vehicle Description</b>	<b>Year</b>	<b>Make</b>			<b>Model</b>		<b>V.I.N.</b>		
<b>General Collateral Description</b>	<b>General Collateral Description</b>								
<b>Registering Agent</b>	<b>Registering Agent</b>								
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		

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<b>Type of Search</b>	Business Debtor								
<b>Search Conducted On</b>	1000195736 ONTARIO LTD.								
<b>File Currency</b>	18APR 2024								
	<b>File Number</b>	<b>Family</b>	<b>of Families</b>	<b>Page</b>	<b>of Pages</b>	<b>Expiry Date</b>	<b>Status</b>		
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<b>FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN</b>									
<b>File Number</b>	<b>Caution Filing</b>	<b>Page of</b>	<b>Total Pages</b>	<b>Motor Vehicle Schedule</b>	<b>Registration Number</b>	<b>Registered Under</b>	<b>Registration Period</b>		
791564409		006	7		20230317 1453 1590 5219				
<b>Individual Debtor</b>	<b>Date of Birth</b>	<b>First Given Name</b>			<b>Initial</b>	<b>Surname</b>			
<b>Business Debtor</b>	<b>Business Debtor Name</b>					<b>Ontario Corporation Number</b>			
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
<b>Individual Debtor</b>	<b>Date of Birth</b>	<b>First Given Name</b>			<b>Initial</b>	<b>Surname</b>			
<b>Business Debtor</b>	<b>Business Debtor Name</b>					<b>Ontario Corporation Number</b>			
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
<b>Secured Party</b>	<b>Secured Party / Lien Claimant</b>								
	DONALD IERFINO								
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
	8830 JANE STREET				VAUGHAN	ON	L4K 2M9		
<b>Collateral Classification</b>	<b>Consumer Goods</b>	<b>Inventory</b>	<b>Equipment</b>	<b>Accounts</b>	<b>Other</b>	<b>Motor Vehicle Included</b>	<b>Amount</b>	<b>Date of Maturity or</b>	<b>No Fixed Maturity Date</b>
<b>Motor Vehicle Description</b>	<b>Year</b>	<b>Make</b>			<b>Model</b>		<b>V.I.N.</b>		
<b>General Collateral Description</b>	<b>General Collateral Description</b>								
<b>Registering Agent</b>	<b>Registering Agent</b>								
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		

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Type of Search	Business Debtor								
Search Conducted On	1000195736 ONTARIO LTD.								
File Currency	18APR 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	791564409	2	2	8	8	17MAR 2025			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
791564409		007	7		20230317 1453 1590 5219				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	TRILEND INC.								
	Address				City	Province	Postal Code		
	8830 JANE STREET				VAUGHAN	ON	L4K 2M9		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

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## Enquiry Result

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Search Conducted On	1000193772 ONTARIO LTD.								
File Currency	18APR 2024								
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	782974512	1	2	1	8	13MAY 2027			
<b>FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN</b>									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
782974512		001	1		20220513 1547 1590 2385	P PPSA	5		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	1000193772 ONTARIO LTD.								
	Address				City	Province	Postal Code		
	18 DOCTORS LANE, P.O. BOX 760				KING CITY	ON	L7B 1A8		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	1000195736 ONTARIO LTD.								
	Address				City	Province	Postal Code		
	18 DOCTORS LANE, P.O. BOX 760				KING CITY	ON	L7B 1A8		
Secured Party	Secured Party / Lien Claimant								
	TRILEND INC.								
	Address				City	Province	Postal Code		
	8830 JANE STREET				VAUGHAN	ON	L4K 2M9		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			X
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	GENERAL SECURITY AGREEMENT, ASSIGNMENTS OF RENTS AND LEASES AND ALL								
	RELATED SECURITY WITH RESPECT TO THE OBLIGATIONS OF THE DEBTOR TO THE								

	SECURED PARTY.			
Registering Agent	Registering Agent			
	SCHNEIDER RUGGIERO SPENCER MILBURN LLP			
	Address	City	Province	Postal Code
	1000-120 ADELAIDE STREET WEST	TORONTO	ON	M5H 3V1

END OF FAMILY

<b>Type of Search</b>	Business Debtor								
<b>Search Conducted On</b>	1000193772 ONTARIO LTD.								
<b>File Currency</b>	18APR 2024								
	<b>File Number</b>	<b>Family</b>	<b>of Families</b>	<b>Page</b>	<b>of Pages</b>	<b>Expiry Date</b>	<b>Status</b>		
	791564409	2	2	2	8	17MAR 2025			
<b>FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN</b>									
<b>File Number</b>	<b>Caution Filing</b>	<b>Page of</b>	<b>Total Pages</b>	<b>Motor Vehicle Schedule</b>	<b>Registration Number</b>	<b>Registered Under</b>	<b>Registration Period</b>		
791564409		001	7		20230317 1453 1590 5219	P PPSA	2		
<b>Individual Debtor</b>	<b>Date of Birth</b>	<b>First Given Name</b>			<b>Initial</b>	<b>Surname</b>			
<b>Business Debtor</b>	<b>Business Debtor Name</b>					<b>Ontario Corporation Number</b>			
	1000193772 ONTARIO LTD.					100019377			
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
	18 DOCTORS LANE, SUITE 760				KING CITY	ON	L7B 1A8		
<b>Individual Debtor</b>	<b>Date of Birth</b>	<b>First Given Name</b>			<b>Initial</b>	<b>Surname</b>			
<b>Business Debtor</b>	<b>Business Debtor Name</b>					<b>Ontario Corporation Number</b>			
	1000195736 ONTARIO LTD.					100019573			
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
	18 DOCTORS LANE, SUITE 760				KINT CITY	ON	L7B 1A8		
<b>Secured Party</b>	<b>Secured Party / Lien Claimant</b>								
	IMPERIO SA HOLDINGS								
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
	8830 JANE STREET				VAUGHAN	ON	L4K 2M9		
<b>Collateral Classification</b>	<b>Consumer Goods</b>	<b>Inventory</b>	<b>Equipment</b>	<b>Accounts</b>	<b>Other</b>	<b>Motor Vehicle Included</b>	<b>Amount</b>	<b>Date of Maturity or</b>	<b>No Fixed Maturity Date</b>
		X	X	X	X				
<b>Motor Vehicle Description</b>	<b>Year</b>	<b>Make</b>			<b>Model</b>	<b>V.I.N.</b>			
<b>General Collateral Description</b>	<b>General Collateral Description</b>								
	GENERAL SECURITY AGREEMENT & GENERAL ASSIGNMENT OF RENTS AND ALL								
	RELATED SECURITY WITH RESPECT TO THE OBLIGATIONS OF THE DEBTOR TO THE								
	SECURED PARTY.								
<b>Registering Agent</b>	<b>Registering Agent</b>								
	SCHNEIDER RUGGIERO SPENCER MILBURN LLP								
	<b>Address</b>					<b>City</b>	<b>Province</b>	<b>Postal Code</b>	
	1000-120 ADELAIDE STREET WEST					TORONTO	ON	M5H 3V1	

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<b>Type of Search</b>	Business Debtor								
<b>Search Conducted On</b>	1000193772 ONTARIO LTD.								
<b>File Currency</b>	18APR 2024								
	<b>File Number</b>	<b>Family</b>	<b>of Families</b>	<b>Page</b>	<b>of Pages</b>	<b>Expiry Date</b>	<b>Status</b>		
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<b>FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN</b>									
<b>File Number</b>	<b>Caution Filing</b>	<b>Page of</b>	<b>Total Pages</b>	<b>Motor Vehicle Schedule</b>	<b>Registration Number</b>	<b>Registered Under</b>	<b>Registration Period</b>		
791564409		002	7		20230317 1453 1590 5219				
<b>Individual Debtor</b>	<b>Date of Birth</b>	<b>First Given Name</b>			<b>Initial</b>	<b>Surname</b>			
<b>Business Debtor</b>	<b>Business Debtor Name</b>					<b>Ontario Corporation Number</b>			
	MORGIS CORPORATION					2744746			
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
	18 DOCTORS LANE, SUITE 760				KING CITY	ON	L7B 1G2		
<b>Individual Debtor</b>	<b>Date of Birth</b>	<b>First Given Name</b>			<b>Initial</b>	<b>Surname</b>			
<b>Business Debtor</b>	<b>Business Debtor Name</b>					<b>Ontario Corporation Number</b>			
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
<b>Secured Party</b>	<b>Secured Party / Lien Claimant</b>								
	RONALD CHEMIJ								
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
	8830 JANE STREET				VAUGHAN	ON	L4K 2M9		
<b>Collateral Classification</b>	<b>Consumer Goods</b>	<b>Inventory</b>	<b>Equipment</b>	<b>Accounts</b>	<b>Other</b>	<b>Motor Vehicle Included</b>	<b>Amount</b>	<b>Date of Maturity or</b>	<b>No Fixed Maturity Date</b>
<b>Motor Vehicle Description</b>	<b>Year</b>	<b>Make</b>			<b>Model</b>		<b>V.I.N.</b>		
<b>General Collateral Description</b>	<b>General Collateral Description</b>								
<b>Registering Agent</b>	<b>Registering Agent</b>								
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		

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<b>Type of Search</b>	Business Debtor								
<b>Search Conducted On</b>	1000193772 ONTARIO LTD.								
<b>File Currency</b>	18APR 2024								
	<b>File Number</b>	<b>Family</b>	<b>of Families</b>	<b>Page</b>	<b>of Pages</b>	<b>Expiry Date</b>	<b>Status</b>		
	791564409	2	2	4	8	17MAR 2025			
<b>FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN</b>									
<b>File Number</b>	<b>Caution Filing</b>	<b>Page of</b>	<b>Total Pages</b>	<b>Motor Vehicle Schedule</b>	<b>Registration Number</b>	<b>Registered Under</b>	<b>Registration Period</b>		
791564409		003	7		20230317 1453 1590 5219				
<b>Individual Debtor</b>	<b>Date of Birth</b>	<b>First Given Name</b>			<b>Initial</b>	<b>Surname</b>			
<b>Business Debtor</b>	<b>Business Debtor Name</b>					<b>Ontario Corporation Number</b>			
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
<b>Individual Debtor</b>	<b>Date of Birth</b>	<b>First Given Name</b>			<b>Initial</b>	<b>Surname</b>			
<b>Business Debtor</b>	<b>Business Debtor Name</b>					<b>Ontario Corporation Number</b>			
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
<b>Secured Party</b>	<b>Secured Party / Lien Claimant</b>								
	MARY CHEMIJ								
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
	8830 JANE STREET				VAUGHAN	ON	L4K 2M9		
<b>Collateral Classification</b>	<b>Consumer Goods</b>	<b>Inventory</b>	<b>Equipment</b>	<b>Accounts</b>	<b>Other</b>	<b>Motor Vehicle Included</b>	<b>Amount</b>	<b>Date of Maturity or</b>	<b>No Fixed Maturity Date</b>
<b>Motor Vehicle Description</b>	<b>Year</b>	<b>Make</b>			<b>Model</b>		<b>V.I.N.</b>		
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	<b>File Number</b>	<b>Family</b>	<b>of Families</b>	<b>Page</b>	<b>of Pages</b>	<b>Expiry Date</b>	<b>Status</b>		
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<b>FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN</b>									
<b>File Number</b>	<b>Caution Filing</b>	<b>Page of</b>	<b>Total Pages</b>	<b>Motor Vehicle Schedule</b>	<b>Registration Number</b>	<b>Registered Under</b>	<b>Registration Period</b>		
791564409		004	7		20230317 1453 1590 5219				
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<b>Business Debtor</b>	<b>Business Debtor Name</b>					<b>Ontario Corporation Number</b>			
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
<b>Individual Debtor</b>	<b>Date of Birth</b>	<b>First Given Name</b>			<b>Initial</b>	<b>Surname</b>			
<b>Business Debtor</b>	<b>Business Debtor Name</b>					<b>Ontario Corporation Number</b>			
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
<b>Secured Party</b>	<b>Secured Party / Lien Claimant</b>								
	TERRY CHEMIJ								
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
	8830 JANE STREET				VAUGHAN	ON	L4K 2M9		
<b>Collateral Classification</b>	<b>Consumer Goods</b>	<b>Inventory</b>	<b>Equipment</b>	<b>Accounts</b>	<b>Other</b>	<b>Motor Vehicle Included</b>	<b>Amount</b>	<b>Date of Maturity or</b>	<b>No Fixed Maturity Date</b>
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<b>Registering Agent</b>	<b>Registering Agent</b>								
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<b>Business Debtor</b>	<b>Business Debtor Name</b>					<b>Ontario Corporation Number</b>			
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
<b>Individual Debtor</b>	<b>Date of Birth</b>	<b>First Given Name</b>			<b>Initial</b>	<b>Surname</b>			
<b>Business Debtor</b>	<b>Business Debtor Name</b>					<b>Ontario Corporation Number</b>			
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
<b>Secured Party</b>	<b>Secured Party / Lien Claimant</b>								
	LUBA CHEMIJ								
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
	8830 JANE STREET				VAUGHAN	ON	L4K 2M9		
<b>Collateral Classification</b>	<b>Consumer Goods</b>	<b>Inventory</b>	<b>Equipment</b>	<b>Accounts</b>	<b>Other</b>	<b>Motor Vehicle Included</b>	<b>Amount</b>	<b>Date of Maturity or</b>	<b>No Fixed Maturity Date</b>
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<b>General Collateral Description</b>	<b>General Collateral Description</b>								
<b>Registering Agent</b>	<b>Registering Agent</b>								
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		

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	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
<b>Secured Party</b>	<b>Secured Party / Lien Claimant</b>								
	DONALD IERFINO								
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
	8830 JANE STREET				VAUGHAN	ON	L4K 2M9		
<b>Collateral Classification</b>	<b>Consumer Goods</b>	<b>Inventory</b>	<b>Equipment</b>	<b>Accounts</b>	<b>Other</b>	<b>Motor Vehicle Included</b>	<b>Amount</b>	<b>Date of Maturity or</b>	<b>No Fixed Maturity Date</b>
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	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	TRILEND INC.								
	Address				City	Province	Postal Code		
	8830 JANE STREET				VAUGHAN	ON	L4K 2M9		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

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# TAB G

This is **Exhibit “G”** referred to  
in the Affidavit of Donald Ierfino  
sworn before me, the 19th day of April, 2024.



---

A Commissioner etc.

Sara Mosadeq  
LSO No.: 67864K



# TRILEND

RESIDENTIAL • COMMERCIAL • DEVELOPMENT

## Commitment Letter

April 6, 2021

**RE: Refinance of 346-350 and 352-356 Eglinton Avenue W., Toronto ON., M4P 1L8**

Please be advised that the Lender is prepared to provide to the Borrower financing on the security of the Real Property in accordance with the following terms and conditions.

Subject to the discovery of undisclosed information relevant to this mortgage loan, Trilend Inc. and/or its assigns ("the Lender") is pleased to provide a conditional mortgage commitment loan offer, subject to, but not limited to conditions contained herein.

This document is a conditional Mortgage Commitment Letter, conditional on areas of concern to the Lender/Mortgagee arising during the finalization of this loan, being resolved to the satisfaction of the Lender/Mortgagee. The Mortgagee has the absolute discretion to withdraw from this conditional commitment at any time prior to funding with no penalty or recourse by the Mortgagor (s) / Guarantor (s) against the Mortgagee

Borrower: **MORGIS GROUP  
2744746 ONTARIO LTD.**

Guarantor(s): Christopher A. Morgis

Lender: TriLend Inc. and its investors

Address: 346-350 and 352-356 Eglinton Avenue W., Toronto ON., M4P 1L8  
**(subject property)**

Amount: \$15,500,000.00 or 65% LTV (whichever is less)

Amortization: Not Applicable, interest only mortgage

Purpose of Loan: Refinance of the subject property

To provide funding for the refinance relating to the Real Property secured by a first (1st) mortgage.

Availability:

Available by way of a single advance of \$15,500,000.00 or 65% LTV (whichever is less) following completion of legal security in support of this loan. It is anticipated that the closing will take place no later than April 30, 2021. - BEST EFFORTS

cd

cl

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Term:

The loan shall be due 12 months from the date of the first advance. The Lender at its unfettered discretion may renew the mortgage for an additional 12-month term subject to a renewal fee. Any and all brokerage and legal fees associated with such renewal shall be borne by the borrower,  
(RENEWAL OPTION - AS REQUESTED BY BORROWER) *ch*

Interest Rate:

Nine and Seventy-Five one hundredths percent (9.75%) per annum, calculated monthly and payable interest only monthly. In this case, \$1,511,250.00 will be deducted from advance and will represent 12 month's payments. *ch*

The Borrower may prepay all or any part of the principal amount outstanding herein at any time upon providing the lesser of three months' interest bonus, or the balance of interest, to the Lender.

The Guarantor jointly and severally unconditionally guarantees payment to the Lender of all monies hereby secured and does further agree to postpone to and in favour of the Lender all present and future debts and liabilities direct or indirect, absolute or contingent, now or at any time hereafter due or owing from the Borrower to the Guarantor.

Conditions:

i) Title to the Real Property to be satisfactory to the Lender and its solicitors in their absolute discretion;

ii) The Borrower shall provide an up to date survey of the Real Property by no later than the closing date; (346-350 & 352-356 SURVEYS PROVIDED) *ch*

iii) The Borrower shall provide its solicitor's opinion letter that all of the security documentation required hereunder has been properly authorized and executed and all of the obligations of the Borrower and the Guarantors are valid, binding and enforceable and further that all documents were executed in the office of the Borrower's solicitor and all of the parties are who they purport to be;

iv) The Borrower to provide all corporate certificates and documentation in support of the loan as may be required by the Lender's solicitors;

v) The Lender is to receive no adverse financial information with respect to the Borrower or any the Guarantors prior to closing or thereafter;

vi) The Borrower shall provide to the Lender evidence that, as of the closing date, the Real Property will comply with all provincial regulations and there will be no outstanding work orders affecting the Real Property; and BUILDINGS TO BE DEMOLISHED *ch*

vii) The Borrower and Guarantor are to execute all of the security documentation provided for herein including the Lender's standard charge terms and any other documentation required by the Lender or its solicitors to further secure the repayment of the indebtedness.

viii) The Borrower is to provide the following, all of which must be satisfactory to the Lender, prior to advance of funds:



1. Verification that borrower, and guarantor if applicable, do not owe CRA taxes (personally or corporately) or HST
2. Verification of ability to pay
3. Current original appraisal of 346-350,352-356 Eglinton Ave. W., Toronto ON to be completed by Vicente Gamboa of Colliers International Realty Advisors, addressed to TriLend Inc. reflecting a value of no less than \$24,000,000.00. TriLend Inc. will order all appraisals unless otherwise agreed or a satisfactory appraisal is already completed. If a satisfactory appraisal exists, TriLend Inc. requires a letter of transmittal addressed to "TriLend Inc. & its investors"
4. An invoice will be issued to the borrower for the full cost of the appraisal plus any applicable administration fees
5. Confirmation that Cameron Stephen's first mortgage does not exceed an amount to be determined and is up to date for the subject property (346-350, 352-356 Eglinton Ave. W., Toronto ON)
6. Satisfactory interview with the Borrower(s)/Guarantor(s) to be conducted at a mutually convenient time. (if requested)
7. A deposit of \$50,000.00 is due upon acceptance of this commitment. The deposit is refundable under the following provisions:  
In the event that the loan transaction is not completed through no fault of the Lender, the Borrower agrees to pay on demand the Lender's legal fees and disbursements as well as forfeit the deposit (\$50,000,.00).  
In the event that the loan transaction is not completed through no fault of the Borrower the Lender agrees to refund the deposit (\$50,000.00) minus any reasonable expenses incurred.
8. Satisfactory Phase I / Phase II Environment report and Geotechnical report (if applicable)
9. Planning review to the satisfaction of TriLend Inc. to be conducted by a TriLend approved planning consultant, at the borrower's expense.
10. Identification for all borrowers, scanned not faxed, front and back and clearly presented.
11. Letter of direction for the Broker fee (if applicable)
12. Proof of fire insurance
13. Client's Solicitor details
14. SIGNED Disclosure to borrower, Amortization Schedule, and Consent Form to be provided by Broker prior to Solicitor Instruction
15. Broker to provide a satisfactory investor/lender disclosure for signature prior to close addressed to 'TriLend Inc. and its Investors'
16. All documentation is to be to the complete satisfaction of TriLend Inc. and its Solicitor.
17. This Commitment Letter may be executed in counterparts and all such counterparts shall for all purposes constitute one agreement binding all of the parties hereto, notwithstanding that all parties are not signatory to the same counterpart.
18. Title insurance at the expense of the Borrower;
19. The Borrower(s) and/or Guarantor(s) to have Independent Legal Representation

TriLend Inc.

8830 Jane St., Vaughan, ON L4K 2M9

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20. Borrower(s) and/or Guarantor(s) hereby acknowledge and direct TriLend Inc. or its designates to obtain all required information from third parties to facilitate the closing of this loan.

ix) Any other reasonable documentation or security requested by TriLend Inc. not specified in this commitment.

Security:

The liability and indebtedness of the Borrower under the Loan and this Commitment shall be evidenced, governed and secured, as the case may be, by the following documents (the "Security Documents") completed in form and manner satisfactory to the Lender and its solicitors:

- i) First (1<sup>st</sup>) mortgage against the Real Property in the amount of \$15,500,000.00 or 65% LTV (whichever is less)
- ii) First position General Assignment of Rents pledging the rental income of the Real Property as additional security for the repayment of the mortgage indebtedness; (if applicable)
- iii) General Security Agreement in favour of the Lender registered under the Personal Property Security Act providing a first position floating charge over the assets of the Borrower; (if applicable)
- iv) Assignment of Insurance with Loss Payable to the Lender;
- v) All supporting certificates, opinions and other documentation as the Lender or its solicitors may reasonably require.

Events of Default:

All of the standard Lender events of default shall be deemed included in the security documentation including but not limited to the following:

- a) the Borrower ceasing to carry on all or a substantial part of its business;
- b) the winding up, liquidation, bankruptcy, assignment into bankruptcy, or receivership of the Borrower or the levying of distress against the Borrower;
- c) re-organization, amalgamation, or transfer of ownership of the Borrower or the Real Property without the prior written consent of the Lender;
- d) failure of the Borrower to maintain adequate insurance coverage against the Real Property including but not limited to insurance for the renovation work to be performed;
- e) failure of the Borrower to repair the Real Property or any other assets secured under this commitment following notice from the Borrower;

TriLend Inc.

8830 Jane St., Vaughan, ON L4K 2M9

FSCO Brokerage #12788 FSCO Administrator #12832

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- f) failure of the Borrower to keep the Real Property free of environmental contaminants;
- g) failure of the Borrower to pay real property taxes as they fall due; or
- h) failure of the Borrower to obtain any municipal approval required for the purchaser's intended development.
- i) Trilend Inc. shall charge a three (3) month bonus upon any event default including but not limited to non-renewal of the mortgage

The occurrence of any event of default under any security document referred to in this commitment letter shall be an event of default under all other security documents referred to herein.

Insurance:

The Borrower shall provide proof of insurance by a copy of the insurance policy or a certificate thereof confirmed by the insuring company, satisfactory to the Lender and subject to review by the Lender's insurance consultant. This letter of insurance must specifically provide for the insurance of the premises during the Borrower's intended renovation period.

Financial Statements:

If requested by the Lender, the Borrower is to provide financial statements within 120 days of its fiscal year end.

Income and Operating Statements:

If requested by the Lender, the Borrower is to provide annual income and operating statements for the Real Property and annual financial statements for the Guarantors.

Corporate Documentation:

The Borrower will provide such corporate documentation in support of the loan as may be required by the Lender's solicitors as they relate to this project.

Zoning:

The Borrower shall provide evidence satisfactory to the Lender to confirm that the Real Property complies with all applicable zoning and building by-laws.

Expropriation:

The Borrower shall acknowledge that the proceeds of any expropriation of all or any part of the Real Property shall be paid to the Lender at the option of the Lender subject to the rights of the first mortgage holder.

Access to Real Property:

The Lender shall have access to the Real Property at any time during the loan term with no less than 48 hours written notice to the borrower.

Representations:

The Borrower and the Guarantor represent and warrant that all statements made hereunder are completely accurate and in the event of any discrepancy, at the option of the Lender, this commitment letter shall become null and void.

Solicitors:

Our solicitors for the purpose of this mortgage transaction are Schneider Ruggiero Spencer Milburn LLP, or such other solicitors as the Lender may designate.

Fees:

By executing this commitment letter, the Borrower and the Guarantor unconditionally undertake to pay all fees and expenses (including legal fees) incurred or to be incurred in connection with this loan whether or not the loan is completed, and any funds are ever advanced hereunder.

The Borrower shall pay a Lender Fee of \$465,000.00. Said fee shall be deemed to have been fully earned by the Lender upon acceptance of this commitment letter. The borrower hereby irrevocably directs the Lenders solicitor to pay from the closing proceeds, any outstanding balance of the subject fees. In the event that the loan transaction is not completed through no fault of the Lender, the Borrower agrees to pay on demand the full amount of the Lender Fee.

The Borrower shall pay a Referral Fee of \$155,000.00 to Domenic Cina and MFDG Group Inc. Said fee shall be deemed to have been fully earned by the referral source upon acceptance of this commitment letter. The borrower hereby irrevocably directs the Lenders solicitor to pay from the closing proceeds, any outstanding balance of the subject fees. In the event that the loan transaction is not completed through no fault of the Lender, the Borrower agrees to pay on demand the full amount of the Referral Fee.

Independent Legal Advice:

The Borrower and the Guarantor acknowledge and agree that they have received independent legal advice prior to executing this Commitment and confirm that they have not looked to the Lender or the Lender's solicitor for any legal advice in connection with this transaction.

The Lender shall appoint a solicitor of its choosing. Any and all legal fees plus disbursement associated with the loan closing, ongoing monitoring, and repayment and discharge of this loan shall be borne by the Borrower.

Acceptance:


The Borrower and the Guarantor must execute this commitment prior to 5:00 p.m. on April 6, 2021 or at the option of the Lender, the commitment shall become null and void and of no further force or effect.

Cancellation:

This commitment, once accepted, shall expire by May 3, 2021 and unless an advance of loan

TriLend Inc.  
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IN PANDEMIC 



proceeds is made on or before that date, the commitment may be cancelled at Lender's option.

Survival of Representations and Warranties:

The representations, warranties, covenants and obligations herein set out shall not merge upon the execution and registration of the security documents and the advance of mortgage monies hereunder but shall survive until all obligations under this commitment, the mortgage as registered and any other security document executed in accordance herewith have been fully performed and all amounts outstanding to the Lender hereunder have been paid in full.

Costs:

The Borrower and the Guarantor shall be unconditionally responsible to pay all costs including but not limited to legal, appraisal, insurance consultants, environmental inspections, and any other costs incurred or to be incurred by the Lender in connection with this loan.

Authorization:

The Borrower for good and valuable consideration authorizes the Lender to accept telecopier communications on behalf of the Borrower as full and sufficient authority to act in accordance with communications as received by the Lender from the Borrower.

The Borrower shall be bound by all such telecopier communications from itself in the same manner and extent as if such communications were originally handwritten and signed by the Borrower and the Borrower shall hold the Lender at all times fully indemnified from all claims and demands in respect of all such instructions, in the event such telex, and telecopier communications, were made without authority or otherwise.

Neither anything contained herein nor the execution and registration of any security documents shall obligate the Lender to advance any monies hereunder. In addition, the advance of part or parts of the monies herein shall not obligate the Lender to advance any unadvanced portion thereof.

Yours very truly,

Cinzia Sorrenti  
TriLend Inc.


---

Acknowledgement

We hereby acknowledge the terms and conditions set out above and understand and agree that this Commitment Letter is subject to Lender Due Diligence. Until such a time that the Lender formally acknowledges, in writing to the Borrower that the Lender is satisfied with the outcome of its due diligence, the Lender reserves the right to amend, change, or decline this Loan. All parties hereto shall hold in strict confidence and shall not make any disclosure to any third party any of the terms and conditions of this Commitment letter.

If you are in agreement with the above terms, please indicate such agreement by signing and

TriLend Inc.  
8830 Jane St., Vaughan, ON L4K 2M9  
FSCO Brokerage #12788 FSCO Administrator #12832  
CONFIDENTIAL 2020

Initials: 

forwarding to us a copy of the Commitment Letter together with a \$50,000.00 cheque made payable to TRILEND INC. as partial payment of the Lender fee. The Lender Fee shall be deemed to be fully earned upon acceptance of this Commitment Letter.

We the undersigned do hereby accept the loan and terms above and authorize you to instruct your solicitors to prepare the necessary documentation. We hereby submit with this signed Commitment a cheque in the amount of \$50,000.00 payable to TriLend Inc. In the event that the loan is advanced in accordance with the terms of this Commitment, the \$50,000.00 will be credited to the Borrower at the time of the first advance. In the event that the Borrower defaults in performing the Borrower's obligations herein contained, the said sum shall be forfeited by the Borrower to the Lender as liquidated damages and not as a penalty.

The Borrower and Guarantor acknowledge and agree that in consideration of the Lender furnishing this Commitment and providing the funding as contemplated hereunder, the Borrower and the Guarantor shall pay the following fees at the times and in the amounts as follows:

- a) lender fee to TriLend Inc. in the amount of 3.00% of the loan amount herein;
- b) referral fee to Domenic Cina and MFDC group Inc. in the amount of 1.00% of the loan amount herein;
- c) legal fees to Schneider Ruggiero Spencer Milburn LLP, inclusive of disbursements, plus HST for preparation of the mortgage commitment and legal fees for the preparation and registration of security to secure this loan transaction

DATED this 7 day of April, 2021

MORGIS GROUP (Borrower)

Per: 

Name: \_\_\_\_\_

Title: \_\_\_\_\_

I have the authority to bind the Corporation.

2744746 ONTARIO LTD (Borrower)

Per: 

Name: \_\_\_\_\_

Title: \_\_\_\_\_

I have authority to bind the Corporation.

  
Name: Christopher A. Morgis (Guarantor)

TriLend Inc.

8830 Jane St., Vaughan, ON L4K 2M9

FSCO Brokerage #12788 FSCO Administrator #12832

CONFIDENTIAL 2020

Initials: 

**TAB H**

This is **Exhibit “H”** referred to  
in the Affidavit of Donald Ierfino  
sworn before me, the 19th day of April, 2024.



---

A Commissioner etc.

Sara Mosadeq  
LSO No.: 67864K



Properties

PIN	21169 - 0183	LT	Interest/Estate	Fee Simple
Description	PCL 1-2 SEC M380; PT LT 1 PL M380 TORONTO; PT LT 2 PL M380 TORONTO COMM AT THE S WLY ANGLE OF SAID LT 1; THENCE ELY ALONG THE SLY LIMITS OF LOTS 1 AND 2 - 55 FT MORE OR LESS TO A POINT IN THE SAID SLY LIMIT OF SAID LT 2 DISTANT 5 FT MEASURED ELY THEREON FROM THE S WLY ANGLE OF SAID LT 2; THENCE NLY IN A STRAIGHT LINE 113 FT 5 3/4 INCHES MORE OR LESS TO A POINT IN THE NLY LIMIT OF SAID LT 1 DISTANT 1 FT 6 3/4 INCHES MEASURED WLY THEREON FROM THE N ELY ANGLE OF SAID LT; THENCE WLY ALONG THE NLY LIMIT OF SAID LT 1 - 48 FT 5 1/4 INCHES MORE OR LESS TO THE N WLY ANGLE OF SAID LT; THENCE SLY ALONG THE WLY LIMIT OF SAID LT 1 -114 FT MORE OR LESS TO THE POC; S/T LT345020; T/W LT345020; S/T LT346559; T/W LT346559 (S/T LT263283); S/T LT350268; T/W LT350268; TORONTO ; SUBJECT TO A TEMPORARY EASEMENT AS SET IN EXPROPRIATION PLAN AS IN AT4214430; CITY OF TORONTO			
Address	356 EGLINTON AVENUE WEST TORONTO			
PIN	21169 - 0184	LT	Interest/Estate	Fee Simple
Description	PCL 1-1 SEC M380; PT LT 1 PL M380 TORONTO; PT LT 2 PL M380 TORONTO; PT LT 3 PL M380 TORONTO , IF ANY, COMM AT A POINT IN THE SLY LIMIT OF SAID LT 2 DISTANT 5 FT MEASURED ELY THEREON FROM THE S WLY ANGLE OF SAID LT; THENCE ELY ALONG THE SLY LIMIT OF SAID LT 2, BEING THE NLY LIMIT OF EGLINTON AV W, 45 FT MORE OR LESS TO A POINT DISTANT 78 FT 10 INCHES MEASURED WLY FROM THE SE ANGLE OF LT 3 ON SAID PL; THENCE NLY IN A STRAIGHT LINE 113 FT 4 1/2 INCHES MORE OR LESS TO A POINT IN THE NLY LIMIT OF SAID LT 2 DISTANT 80 FT 6 3/4 INCHES MEASURED WLY THEREON FROM THE N ELY ANGLE OF SAID LT 3; THENCE WLY ALONG THE NLY LIMITS OF SAID LOTS 2 AND 1, 39 FT 7 1/2 INCHES MORE OR LESS TO A POINT IN THE SAID NLY LIMIT OF SAID LT 1 DISTANT 1 FT 6 3/4 INCHES MEASURED WLY THEREON FROM THE N ELY ANGLE OF SAID LT; THENCE SLY IN A STRAIGHT LINE 113 FT 5 3/4 INCHES MORE OR LESS TO THE POC; 1. S/T THE RIGHT OF THE OWNERS OF PCL 2664, SEC L TORONTO, TO USE THE WLY WALL OF THE BRICK STORE BUILDINGS, INCLUDING THE FOOTINGS THEREOF SITUATED ON THE LANDS IN THE ABOVE PCL OR ANY PT THEREOF AS A PARTY WALL , TO FORM THE ELY WALL OR A PT THEREOF OF ANY BUILDING OR BUILDINGS WHICH ARE NOW OR MAY HEREAFTER BE ERECTED ON THE LANDS KNOWN AS PCL 2664, SEC L TORONTO, CONTIGUOUS WITH THE SAID WLY WALL OR ANY PT THEREOF; 2. T/W THE RIGHT TO MAINTAIN THE WLY WALL OF THE BRICK STORE BUILDINGS (INCLUDING THE FOOTINGS THEREOF) SITUATE ON THE LANDS IN THE ABOVE PCL OVER THE LANDS IMMEDIATELY ADJOINING TO THE W OF THESE LANDS IN THE POSITION NOW OCCUPIED BY THE SAID WLY WALL; THE OWNER OR OWNERS FROM TIME TO TIME EITHER OF THE PARCELS AFOREMENTIONED MAY EXTEND THE SAID WLY WALL IN A NLY DIRECTION OR ADD TO THE HEIGHT THEREOF, AND MAY REBUILD THE SAME IN CASE OF THE PARTIAL OR TOTAL DESTRUCTION THEREOF AND WHEN ALL OR ANY PORTION OF THE SAID WLY WALL INCLUDING ANY EXT THEREOF AND ADDITION THERETO, SHALL BE USED BY SUCH AN OWNER OR OWNERS BY WHOM OR BY ANY OF WHOSE PREDECESSORS IN TITLE, THE PROPER SHARE OF THE COSTS OF CONSTRUCTION OF THE PORTION OF THE WALL SO USED WAS NOT PAID, HE, SHE OR THEY SHALL PAY TO THE PERSON OR PERSONS WHO CONSTRUCTED THE SAME OR TO HIS, OR THEIR HER, OR THEIR HEIRS, EXECUTORS, ADMINISTRATORS OR ASSIGNS, ONE-HALF OF THE VALUE AT THE TIME OF SUCH USE AND THEREAFTER ONE-HALF OF THE COST OF MAINTENANCE OF THE WHOLE THICKNESS OF THE PORTION OF SUCH WALL SO USED BY HIM, HER OR THEM, AND THE SUM SO TO BE PAID SHALL, UNTIL PAID, REMAIN A CHARGE UPON THE LAND OF THE PERSON OR PERSONS LIABLE TO PAY THE SAME. AND IT IS AGREED THAT THE COVENANTS HEREIN CONTAINED SHALL RUN WITH THE LAND, BUT NO COVENANT HEREIN CONTAINED SHALL BE PERSONALLY BINDING ON ANY PERSON EXCEPT IN RESPECT OF BREACHES, DURING HIS, HER OR THEIR SEISEN OR TITLE TO THE SAID LANDS; AND IT IS FURTHER AGREED THAT WHENEVER THE SAID WLY WALL SHALL BE EXTENDED IN HEIGHT THE CHIMNEYS, IF ANY, PREVIOUSLY BUILT IN SUCH WALL SHALL BE CARRIED UP TO A PROPER HEIGHT AND ANY INJURY CAUSED BY SUCH EXT SHALL BE MADE GOOD AND SUCH EXT OF THE WALL AND CHIMNEYS SHALL BE AT THE EXPENSE OF THE PARTY MAKING THE EXT. AND IT IS AGREED THAT IF THE PARTIES CANNOT AGREE AS TO ANY VALUE ABOVE MENTIONED, THE AMOUNT THEREOF SHALL BE REFERRED TO THREE DISINTERESTED PERSONS AS VALUATORS OF WHOM THE OWNER OR OWNERS FROM TIME TO TIME OF EACH OF THE SAID PARCELS SHALL APPOINT ONE AND THESE TWO VALUATORS SHALL APPOINT A THIRD AND THE DECISION OF THE THREE SAID VALUATORS OR OF ANY TWO OF THEM IN WRITING UNDER THEIR HANDS SHALL BE BINDING ON THE PARTIES HERETO, THEIR RESPECTIVE HEIRS, EXECUTORS, ADMINISTRATORS AND ASSIGNS; AND IT IS FURTHER AGREED THAT ANY REPAIRS, ADDITIONS OR EXTENSIONS TO THE SAID WLY WALL SHALL BE OF GOOD MATERIALS AND WORKMANSHIP AND WHEN BUILT SHALL BE AND REMAIN A PARTY WALL; 3. S/T A FREE AND UNINTERRUPTED ROW FOR THE USE OF THE OWNER OF PARCELS 2664, SEC L TORONTO, 3887, SEC K TORONTO AND 1-1-A, SEC M256, THEIR HEIRS AND ASSIGNS, INGRESS AND EGRESS FOR PERSONS, ANIMALS AND VEHICLES, THROUGH OVER AND ALONG THOSE PARTS OF LOTS 1 AND 2 ON PL M380, DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE NLY LIMIT OF LT 1, 1 FT 6 3/4 INCHES WLY FROM THE N ELY ANGLE OF LT 1; THENCE SLY ALONG A LINE, WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2			

Properties

AT A POINT 5 FT ELY FROM THE SW ANGLE OF LT 2, 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM A POINT IN THE W LIMIT OF LT 1 DISTANT 96 FT NLY FROM THE N LIMIT OF EGLINTON AV AS WIDENED; THENCE N ELY IN A STRAIGHT LINE 19 FT 6 INCHES TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF LT 2 AND DISTANT 16 FT 01/2 INCH ELY FROM THE N WLY ANGLE THEREOF TO A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED 25 FT ELY FROM ITS INTERSECTION WITH THE WLY LIMIT OF LT 2, THE SAID POINT BEING 10 FT 6 INCHES MORE OR LESS SLY ON THE SAID LINE FROM THE SAID NLY LIMIT OF LT 2; THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF LT 2, 22 FT 3 1/2 INCHES MORE OR LESS TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED 78 FT 10 INCHES WLY FROM THE SE ANGLE OF LT 3 ON SAID PL TO A POINT IN THE N LIMIT OF LT 2, 80 FT 6 3/4 INCHES WLY FROM THE NE ANGLE OF LT 3; THENCE NLY ALONG THE SAID LAST MENTIONED LINE 10 FT 6 INCHES MORE OR LESS TO THE NLY LIMIT OF LT 2; THENCE WLY ALONG THE NLY LIMIT OF LOTS 2 AND 1, 39 FT 7 1/2 INCHES MORE OR LESS TO THE POC AS IN LT346559; 4. T/W A FREE AND UNINTERRUPTED ROW, INGRESS AND EGRESS, FOR PERSONS, ANIMALS AND VEHICLES, THROUGH, ALONG AND OVER THOSE PARTS OF LOTS 1 AND 2 BLK 'A', PL M256, DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE E LIMIT OF LT 1, 96 FT NLY THEREON FROM THE NLY LIMIT OF EGLINTON AV AS WIDENED BY BY-LAW 11494; THENCE WLY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV AS WIDENED 125 FT; THENCE NLY PARALLEL TO THE E LIMIT OF LT 1, 12 FT; THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV AS WIDENED 125 FT TO THE SAID E LIMIT OF LT 1; THENCE SLY ALONG THE SAID E LIMIT 12 FT TO THE POC; PROVIDED THAT THE PROJECTIONS, INCLUDING THE PROJECTION OF THE SECOND STOREY OF THE BUILDING SITUATE ON PCL 1-1-A, SEC M256, EXISTING ON THIS DATE AND A FIRE ESCAPE TO BE ERECTED IN CONNECTION THEREWITH, OVER THE SAID ROW OR ANY PT THEREOF SHALL BE DEEMED NOT TO BE AN ENCROACHMENT UPON THE SAID ROW; 5. T/W A FREE AND UNINTERRUPTED ROW, INGRESS AND EGRESS, FOR PERSONS ANIMALS AND VEHICLES, THROUGH, ALONG AND OVER THOSE PARTS OF LOTS 1 AND 2 ON PL M380, DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE WLY LIMIT OF SAID LT 1 DISTANT 96 FT NLY THEREON FROM EGLINTON AV AS WIDENED UNDER BY-LAW 11494; THENCE NLY ALONG THE SAID WLY LIMIT OF LT 1, 18 FT MORE OR LESS TO THE N WLY ANGLE THEREOF; THENCE ELY ALONG THE NLY LIMIT OF LT 1, 48 FT 5 1/4 INCHES MORE OR LESS TO A POINT 1 FT 6 3/4 INCHES WLY THEREON FROM THE NE ANGLE OF LT 1; THENCE SLY ALONG A LINE, WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2 AT A POINT THEREIN DISTANT 5 FT ELY FROM THE SW ANGLE OF LT 2, A DISTANCE OF 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM THE POC; THENCE WLY ALONG THE SAID MENTIONED LINE 49 FT 4 3/4 INCHES MORE OR LESS TO THE POC; 6. T/W A FREE AND UNINTERRUPTED ROW OVER THE WLY 4 FT 6 INCHES OF LT 90 AND THE ELY 5 FT 6 INCHES OF LT 91 ON PL M512; 7. S/T THE RIGHT OF THE OWNER OF PCL 2664, SEC L TORONTO, TO USE (FOR THE PURPOSE OF ACCESS AND INGRESS TO AND EGRESS FROM THE LANDS COMPRISED IN SAID PCL 2664 OR ANY PT THEREOF, AND/OR THE BUILDINGS THEREON AND FOR THE TURNING OF VEHICLES USING THE ROW 3RDLY, 4THLY, 5THLY AND 6THLY ABOVE DESCRIBED) THE SPACE AT THE REAR OF THE BUILDINGS NOW SITUATED UPON THE LANDS COMPRISED IN ABOVE PCL EXTENDING NLY FROM THE NLY LIMIT AND ITS PRODUCTION ELY AND WLY OF THE SAID BUILDINGS TO THE SLY LIMIT OF THE SAID ROW 3RDLY, 4THLY, 5THLY AND 6THLY. PROVIDED ALWAYS THAT THE RIGHTS THEREBY GRANTED SHALL BE EXERCISED IN SUCH MANNER AS NOT UNREASONABLY TO INTERFERE WITH THE REASONABLE AND PROPER USE OF THE SPACE AT THE REAR OF THE RESPECTIVE BUILDINGS AFORESAID BY THE OWNER AND/OR ANY TENANT OR OCCUPANT OF ANY OF THE SAID BUILDINGS RESPECTIVELY AND/OR BY PERSONS HAVING DEALINGS WITH SUCH OWNER AND/OR ANY SUCH TENANT OR OCCUPANT AS IN LT350268; 8. T/W THE RIGHT TO USE (FOR THE PURPOSE OF ACCESS AND INGRESS TO AND EGRESS FROM THE LANDS COMPRISED IN PCL 2665, SEC L TORONTO, OR ANY PT THEREOF AND/OR THE BUILDINGS THEREON FOR THE TURNING OF VEHICLES USING THE ROW DESCRIBED IN THE ABOVE 3RDLY, 4THLY, 5THLY AND 6THLY) THE SPACE AT THE REAR OF THE BUILDINGS NOW SITUATED UPON THE LANDS COMPRISED IN PCL 2664, SEC L TORONTO, EXTENDING NLY FROM THE NLY LIMIT OF THE SAID BUILDINGS TO THE SLY LIMIT OF THE SAID ROW DESCRIBED IN THE SAID 3RDLY, 4THLY, 5THLY AND 6THLY. PROVIDED ALWAYS THAT THE RIGHTS THEREBY GRANTED SHALL BE EXERCISED IN SUCH MANNER AS NOT UNREASONABLY TO INTERFERE WITH THE REASONABLE THE AND PROPER USE OF THE SPACE AT THE REAR OF THE RESPECTIVE BUILDINGS AFORESAID BY THE OWNER AND/OR ANY TENANT OR OCCUPANT OF ANY OF THE SAID BUILDINGS RESPECTIVELY AND/OR BY PERSONS HAVING DEALINGS WITH SUCH OWNER AND/OR ANY SUCH TENANT OR OCCUPANT; TORONTO ; SUBJECT TO A TEMPORARY EASEMENT AS SET OUT IN EXPROPRIATION PLAN AS IN AT4214429; CITY OF TORONTO

Address

350 EGLINTON AVE W  
TORONTO



Chargor(s)

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

Name2744746 ONTARIO LTD.

Address for Service18 Doctors Lane  
King City, Ontario  
L7B 1A8

I, Christopher Morgis 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	1599285 ONTARIO LIMITED	Tenants In Common	\$1,000,000.00
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		
Name	BERWICK, RICK	Tenants In Common	\$1,000,000.00
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		
Name	2702749 ONTARIO INC.	Tenants In Common	\$2,000,000.00
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		
Name	ADAMO, PETER	Joint Account, Right Of Survivorship	\$500,000.00
Address for Service			
Name	ADAMO, CROCETTA	Joint Account, Right Of Survivorship	\$500,000.00
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		
Name	2494789 ONTARIO INC.	Tenants In Common	\$750,000.00
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		
Name	A-ONE AUTO INVESTMENTS INC.	Tenants In Common	\$200,000.00
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		
Name	SORRENTI, CINZIA	Tenants In Common	\$350,000.00
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		
Name	ELCRM HOLDINGS INC.	Tenants In Common	\$800,000.00
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		
Name	MOLELLA, SERGIO	Tenants In Common	\$500,000.00
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		
Name	TRILEND INC.	Tenants In Common	\$500,000.00
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		
Name	IERFINO, DONALD	Tenants In Common	\$500,000.00
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		
Name	IMPERIO SA HOLDINGS INC.	Tenants In Common	\$840,000.00
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		
Name	2810056 ONTARIO LIMITED	Tenants In Common	\$2,000,000.00
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		
Name	SALISI INVESTMENTS INC.	Tenants In Common	\$750,000.00
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		
Name	ANTONINI, LORENZO	Joint Account, Right Of Survivorship	\$250,000.00
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		
Name	ANTONINI, CARMEN	Joint Account, Right Of Survivorship	\$250,000.00
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		
Name	BETTI, TINA	Tenants In Common	\$500,000.00
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		

Chargee(s)		Capacity	Share
Name	1545695 ONTARIO INC.	Tenants In Common	\$500,000.00
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		
Name	BONDI, ANTHONY	Joint Account, Right Of Survivorship	\$960,000.00
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		
Name	BONDI, GIUSEPPA	Joint Account, Right Of Survivorship	\$960,000.00
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		
Name	C.P.M.C MARQUEZ HOLDINGS INC.	Tenants In Common	\$1,600,000.00
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		

Statements

Schedule: See Schedules

I DAVIDE JOSEPH DI IULIO solicitor make the following law statement Rick Berwick is the trustee on behalf of the Rick Berwick Family Trust. Peter Adamo and Crocetta Adamo share a \$500,000.00 interest. Lorenzo Antonini and Carmen Antonini share a \$250,000.00 interest. Anthony Bondi and Giuseppa Bondi share a \$960,000.00 interest.

Provisions

Principal	\$15,500,000.00	Currency	CDN
Calculation Period	Monthly, not in advance		
Balance Due Date	2022/07/01		
Interest Rate	9.75% per annum		
Payments			
Interest Adjustment Date	2021 07 01		
Payment Date	see Additional Provisions		
First Payment Date	2021 08 01		
Last Payment Date	2022 07 01		
Standard Charge Terms			
Insurance Amount	Full insurable value		
Guarantor			

Additional Provisions

The Guarantors for this Charge are Christopher Morgis and Morgis Group. Their address for service is the Chargor's address for service.

The Chargees shall hold back the sum of \$1,511,250.00 representing interest payable to term.

Signed By

Davide Joseph Di Iulio

1000-120 Adelaide St. W.  
Toronto  
M5H 3V1

acting for  
Chargor(s)

Signed    2021 07 16

Tel        416-363-2211

Fax        416-363-0645

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

Submitted By

Schneider Ruggiero Spencer Milburn LLP

1000-120 Adelaide St. W.  
Toronto  
M5H 3V1

2021 07 16

Tel        416-363-2211

Fax        416-363-0645

Fees/Taxes/Payment

Statutory Registration Fee	\$65.30
Total Paid	\$65.30

<b><i>File Number</i></b>
---------------------------

Chargee Client File Number :                      42919

**SCHEDULE TO THE ATTACHED CHARGE/MORTGAGE**

**RECITALS**

The Lender has agreed to make a loan in favour of the Borrower upon the terms and conditions more particularly contained herein.

The Borrower is the registered owner of the lands and premises described in the electronic Charge to which this schedule is attached.

This Charge is given by the Borrower to the Lender as continuing security for the repayment by the Borrower to the Lender of such loan and the performance by the Borrower of its obligations as more particularly described herein.

**ARTICLE 1 - DEFINITIONS**

1.1 For the purposes of this Charge the following definitions will apply:

“Applicable Laws” means, at any time, in respect of any Person, property, transaction, event or other matter, as applicable, all then current laws, rules, statutes, regulations, treaties, orders, judgments and decrees and all official directives, rules, guidelines, orders, policies, decisions and other requirements of any Governmental Authority (whether or not having the force of law) (collectively, the “Law”) relating or applicable to such Person, property, transaction, event or other matter and shall also include any interpretation of the Law or any part of the Law by any Person having jurisdiction over it or charged with its administration or interpretation;

“Applicable Rate” means the interest rate set out in the electronic Charge to which this schedule is attached or, in the alternative, the interest rate set out in the Commitment;

“Bills” has the meaning ascribed thereto in Section 10.1(a);

“Borrower” means the party identified as “Chargor” set out in the electronic Charge to which this schedule is attached and its successors and assigns;

“Business Day” means a day on which the Lender is open for business but specifically excluding Saturdays, Sundays or statutory holidays pursuant to the laws of Canada or the Province of Ontario and “Business Days” means more than one Business Day;

“Charge” means this charge/mortgage of land and all instruments supplemental hereto or in amendment, renewal, extension, restatement, replacement or confirmation hereof;

“Charged Premises” means, collectively, the Lands and the Improvements;

“Commitment” means the letter of commitment between the Borrower and the Lender, as the same has been or may be amended, restated, supplemented, renewed, extended or superseded from time to time;

“Environmental Approvals” has the meaning ascribed to it in Section 12.1 hereof;

“Environmental Laws” or “Environmental Law” has the meaning ascribed to them in Section 12.1 hereof;

“Event of Default” has the meaning ascribed thereto in Section 18.1 hereof;

“Event of Insolvency” means the occurrence of any one of the following events:

- (a) If the Borrower, or the Guarantor(s), shall, other than as expressly permitted hereby:
  - (i) be wound up, dissolved or liquidated, whether pursuant to the provisions of the laws of the Province of Ontario or the federal laws of Canada applicable therein, or any other law or otherwise, or becomes subject to the provisions of the *Winding-Up and Restructuring Act* (Canada), or has its existence terminated or has any resolution passed therefor; or
  - (ii) makes a general assignment for the benefit of its creditors or files a proposal or a notice of intention to make a proposal under the *Bankruptcy and Insolvency Act* (Canada), shall otherwise acknowledge its insolvency or shall be declared or become bankrupt or insolvent; or
  - (iii) proposes a compromise or arrangement or otherwise brings proceedings under or becomes subject to the provisions of the *Companies’ Creditors Arrangement Act* (Canada) or shall file any petition or answer seeking any re-organization, arrangement, composition, re-adjustment, liquidation, dissolution or any other relief for itself under, or in any way takes the benefit of, the *Bankruptcy and Insolvency Act* (Canada) or any other present or future law relative to bankruptcy, insolvency or other relief for debtors or for or against the benefit of creditors; or
  - (iv) be unable, by reason of insolvency or similar circumstances, to pay its trade creditors generally, within one hundred and twenty (120) days of the rendering of trade accounts or admit its inability to pay its debts or perform its obligations as they become due; or
- (b) If a court of competent jurisdiction shall enter an order, judgment or decree against the Borrower in respect of any re-organization, arrangement, composition, re-adjustment, liquidation, dissolution, winding-up, termination of existence, declaration of bankruptcy or insolvency, or similar relief under any present or future law relative to bankruptcy, insolvency or other relief for debtors or for or against the benefit of creditors, or the Borrower shall acquiesce in the entry of such order, judgment or decree, unless the Borrower is also proceeding forthwith to diligently and in good faith contest the same and, provided that none of the Charged Premises, the Charge or the Security, the value of the Charged Premises or the operation thereof, are adversely affected and there is no prejudice to the Lender in the Lender’s reasonable opinion, and such order, judgement or decree is vacated or permanently stayed within fifteen (15) days of its making; or
- (c) If any trustee in bankruptcy, receiver, receiver and manager, monitor or liquidator or any other officer with similar powers shall

be appointed for the Charged Premises or any portion thereof, or for the Borrower or the Guarantor(s), or for all or any substantial part of its assets or its interest in the Charged Premises with the consent or acquiescence of the Borrower; or

- (d) If, other than as expressly permitted hereby, an encumbrancer or the holder of any lien or charge or any other creditor takes possession of the Charged Premises or the Borrower's interest in the Charged Premises, or any part thereof, or if a distress, execution, garnishment or any similar process is levied or enforced upon or against the same;

"Governmental Authority" means any federal, provincial, territorial or municipal government and any executive, judicial, regulatory or administrative functions of, or pertaining to, government (including, without limitation, all boards, commissions, agencies, departments and ministries);

"Guarantor(s)" means any Person from time to time guaranteeing the Indebtedness;

"Hazardous Substance" has the meaning ascribed to it in Section 12.1 hereof;

"Improvements" means the buildings, erections, structures, fixed machinery, fixed equipment, plant, and improvements now located on the Lands and all appurtenances pertaining thereto, together with all other buildings, structures, fixtures and improvements hereafter located from time to time in, on or under the Lands and all personal property, equipment and chattels now or hereafter affixed to the Lands or to such buildings, erections, structures, fixed machinery, fixed equipment, plant, and improvements owned by the Borrower;

"Indebtedness" means, collectively, the Principal Sum, any debts, liabilities, obligations, covenants and duties owing by the Borrower to the Lender of any kind or nature, present or future and arising under, pursuant to or in connection with this Charge, the Security or any other document delivered pursuant to or in connection herewith or therewith, whether or not evidenced by any note, guarantee or other instrument, whether or not for the payment of money, whether arising by reason of an extension of credit, loan, guarantee, indemnification, or in any other manner, whether direct or indirect (including those acquired by assignment), absolute or contingent, due or to become due, now existing or hereafter arising and however acquired and in all cases arising under, pursuant to or in connection with this Charge, the Security or any other document delivered pursuant to or in connection herewith or therewith. The term includes, without limitation, all interest, yield maintenance, charges, expenses, fees, including all processing and commitment fees and all legal fees and disbursements (in each case whether or not allowed), and any other sum chargeable to the Borrower under, pursuant to or in connection with this Charge, the Security or any other document delivered pursuant to or in connection herewith or therewith;

"Inspections" has the meaning ascribed to it in Section 12.1 hereof;

"Interest Adjustment Date" means the interest adjustment date set by the Lender for the purposes of setting a payment schedule;

"Lands" means the lands and premises described in the electronic Charge to which this schedule is attached, including all tenements, hereditaments and appurtenances belonging or in any way appertaining thereto, and the reversion or reversions, remainder and remainders, rents, issues and profits therefrom, and all the estate, right, title, interest, property claim and demand whatsoever of the Borrower of, in and to the same and of, in and to every part thereof;

"Lease Benefits" means the benefit of all covenants and obligations of tenants, licencees or occupants contained in any of the Leases, including, without limitation, all rights and benefits of any guarantees thereof, the right to demand, sue for, collect, recover and receive all Rents, to enforce the landlord's rights under any Lease and generally any collateral advantage or benefit to be derived from the Leases or any of them;

"Lease Rights" means, collectively, the Leases, the Rents and the Lease Benefits;

"Leases" means all present and future leases, subleases, licences, agreements to lease, agreements to sublease, options to lease or sublease, rights of renewal or other agreements by which the Borrower, or any predecessor or successor in title thereto, has granted or will grant the right to use or occupy all or part or parts of the Charged Premises, including all agreements collateral thereto, but which, for the purpose of this definition does not include the Property Lease, and "Lease" means any one of them;

"Lender" means the party identified as "Chargee" in the electronic Charge to which this schedule is attached, and its successors and assigns;

"Loan" means the loan extended or to be extended by the Lender to the Borrower in the principal amount set out in the electronic Charge to which this schedule is attached and secured by this Charge and other security given to the Lender by the Borrower and the Guarantor(s), if any;

"Major Tenant Leases" means any agreements to lease, offers to lease or leases, subleases or occupancy agreements in respect of premises situate on the Charged Premises and which are determined by the Lender in its discretion to be material to the Charged Premises and the extension and maintenance of the Loan;

"Maturity Date" means, subject to early maturity by reason of the occurrence of an Event of Default and the acceleration of repayment at the option of the Lender, the balance due date set out in the electronic Charge to which this schedule is attached;

"Permitted Encumbrances" means the items more particularly set out in Schedule 'A' hereto together with such other encumbrances, liens and interests affecting the Charged Premises which are acceptable to the Lender in its sole discretion. If no Schedule 'A' is attached hereto, there are no permitted encumbrances;

"Person" means any natural person, sole proprietorship, partnership, syndicate, trust, joint venture, Governmental Authority or any incorporated or unincorporated or entity or association of any nature;

"Principal" or "Principal Sum" means the principal amount of the Loan owing from time to time by the Borrower to the Lender;

"Rents" means all rents, issues and profits now due or to become due under or derived from the Leases;

"Security" means, collectively, all other or additional security, other than this Charge, given by the Borrower or others to the Lender as security for the Loan;

“Taxes” means for each year during the term of this Charge all real property taxes, business taxes, rates, duties, charges, assessments, impositions, taxes, levies and charges for local improvements or otherwise, imposed upon or assessed against the Charged Premises or any part or parts thereof by any Governmental Authority including, without limitation, school boards, and paid or payable by the Borrower or any tenant of the Charged Premises, but shall not include franchise, capital levy or transfer tax or any income, excess profits or revenue tax or any other tax or impost of a personal nature charged or levied upon the Borrower or any tenant of the Charged Premises. If the system of real property taxation or business shall be altered or varied and any new tax shall be levied or imposed on all or any portion of the Charged Premises or the revenues therefrom in substitution for, or in addition to, taxes presently levied or imposed, then any such new tax or levy shall be deemed to be and shall be included herein; and

“Term” means the term of this Charge and being a period which expires on the Maturity Date.

**ARTICLE 2 - CHARGING PROVISIONS**

- 2.1 Now therefore witnesseth that the Borrower, being the registered owner of a freehold estate in fee simple in possession of the Lands, in consideration of the Loan advanced or to be advanced by the Lender to the Borrower or for its benefit, and as security for the repayment of all Indebtedness and the performance of the obligations of the Borrower hereunder, does hereby grant, mortgage, charge and create a security interest in, to and in favour of the Lender all of its estate, right, title and interest in and to the Charged Premises and covenants and agrees to and with the Lender as hereinafter provided.
- 2.2 The last day of any term reserved by any lease or sublease, verbal or written, or any agreement therefor, now held or hereafter acquired by the Borrower, as lessee, and forming part of the Charged Premises is hereby excepted out of the mortgage, charge, assignment and security interest hereby created or granted or any instrument in implementations hereof, and the same shall be deemed to be a charge by way of sublease. As further security for the payment of the Indebtedness, the Borrower agrees that it will stand possessed of the reversion of such last day of the term and shall hold it in trust for the Lender for the purpose of this Charge and to assign and dispose thereof, without cost or expense to the Lender, in such manner as the Lender shall by notice in writing, for such purpose, direct. Upon any sale, assignment, sublease or other disposition of such leasehold interest or any part thereof, the Lender, for the purpose of vesting the aforesaid one day residue of such term or renewal thereof in any purchaser, assignee, sublessee or other acquirer thereof, shall be entitled by deed or writing to appoint such party or parties as a new trustee or trustees of the aforesaid residue of any such term or renewal thereof in the place of the Borrower and to vest the same accordingly in the new trustee or trustees so appointed freed and discharged from any obligation respecting the same.

**ARTICLE 3 - REPAYMENT AND INTEREST**

- 3.1 The Borrower covenants to pay to or to the order of the Lender at its offices as set out in Article 23 hereof or at such other address as the Lender may from time to time designate in writing, without set-off, compensation or deduction, and without deduction for bank service or any other charges, the Principal Sum together with all other Indebtedness with interest thereon at the Applicable Rate, as well after as before maturity and both before and after default, demand and judgment. Such interest at the Applicable Rate shall be computed from the date of advance to become due and be paid initially on the Interest Adjustment Date and thereafter to be paid in equal instalments of interest, commencing on the first payment date set out in the Commitment or in the electronic Charge to which this schedule is attached and continuing each month during the Term, to and including the last payment date set out in the Commitment or the electronic Charge to which this schedule is attached, each such instalment to be in the amount stipulated in the Commitment or in the electronic Charge to which this schedule is attached and the last instalment, in the amount of the then remaining balance of the Principal Sum, other Indebtedness and accrued interest thereon, to be paid on the Maturity Date.
- 3.2 The Borrower acknowledges and agrees that monthly instalments for interest described in Section 3.1 together with all payments for Taxes as set out in Section 10.1 hereof must pass through a single bank account on which the Borrower will have provided post-dated cheques (as required by the Lender) or have pre-authorized the Lender to withdraw the monthly payments under this Charge plus any Taxes payable in respect of the Charged Premises if not otherwise paid by the Borrower. In addition, the Borrower must maintain at all times in such account a minimum balance equal to the sum of the monthly payment of principal, interest and Taxes (as such Taxes become due).
- 3.3 It is hereby agreed that if default should occur in payment of any sum due at the time appointed for payment thereof as herein provided, compound interest at the Applicable Rate shall be payable on the sum in arrears from time to time, as well after as before maturity, and if interest as compounded is not paid within one (1) month from the time of default, a rest shall be made, and compound interest at the Applicable Rate shall be payable on the aggregate then due, as well after as before maturity, both before and after default, demand and judgement and so on from time to time and all such interest and compound interest shall be a charge on the Charged Premises.
- 3.4 All interest in arrears shall be treated (as to payment of interest thereon) as Principal and shall bear compound interest, as well after as before maturity, default and judgement as provided in Section 3.3 hereof.
- 3.5 The Borrower will pay interest, including interest on overdue interest, at the Applicable Rate on any arrears of instalments of interest, and any payment by the Borrower shall be applied by the Lender first on account of interest and then on account of principal.
- 3.6 All payments of principal and interest pursuant to Section 3.1 shall be made to and received by the Lender prior to 3:00 p.m. on the date due, failing which such payment shall be deemed received on the next succeeding Business Day provided that in such case, such extension of time shall be included for the purpose of computation for interest; provided further that in the event any payment is due on a day which is not a Business Day, it shall be payable prior to 3:00 p.m. on the next succeeding Business Day and provided such payment is received by such date and such time, then, save in respect of repayment of the Indebtedness at the Maturity Date where interest shall be charged for extensions to the next succeeding Business Day, interest shall not be charged for such extension.

#### **ARTICLE 4 - CRIMINAL RATE OF INTEREST**

- 4.1 Notwithstanding any other provisions of this Charge, in no event shall the aggregate “interest” (as defined in Section 347 of the Criminal Code, (Canada), as the same shall be amended, replaced or re-enacted from time to time) payable to the Lender under this Charge exceed the effective annual rate of interest on the “credit advances” (as defined in that section) under this Charge lawfully permitted under that section and, if any payment, collection or demand pursuant to this Charge in respect of “interest” (as defined in that section) is determined to be contrary to the provisions of that section, such payment, collection, or demand shall be deemed to have been made by mutual mistake of the Lender and the Borrower and the amount of such payment or collection in excess of that lawfully permitted shall be refunded by the Lender to the Borrower.

#### **ARTICLE 5 - INTEREST ACT (CANADA)**

- 5.1 For the purposes of this Charge, whenever interest is payable or stated not on the basis of a yearly rate, such rate of interest may be determined by multiplying the Applicable Rate by a fraction the numerator of which is the actual number of days in the calendar year in which the same is to be ascertained and the denominator of which is the number of days in the period for which such rate is determined to be payable.
- 5.2 All calculations of interest or fees under this Charge are to be made on the basis of the stated rates set out herein and not on any basis which gives effect to the principle of deemed re-investment.

#### **ARTICLE 6 - PREPAYMENT**

- 6.1 Subject to prepayment provisions provided for in the Commitment, if any, or early maturity by reason of the acceleration of the repayment of the Indebtedness at the option of the Lender upon the occurrence of an Event of Default, the Borrower shall not be entitled to prepay all or any portion of the Principal under this Charge prior to the Maturity Date.

#### **ARTICLE 7 - NO OBLIGATION TO ADVANCE**

- 7.1 The Borrower acknowledges and agrees that the Lender is not bound to make any advance of any of the Principal Sum or any unadvanced portion thereof by reason of the registration of this Charge in any place or registry office or the advance of any part of the said Principal Sum, it being acknowledged by the Borrower that any advance hereunder is subject, inter alia, to: (i) the representations and warranties contained herein being true and correct as of the date of any advance of the Loan; (ii) no default having occurred hereunder, under any of the Security or under the Commitment; and (iii) the conditions precedent contained in the Commitment having been satisfied.
- 7.2 In the event this Charge is registered and either no advance whatsoever is made hereunder by the Lender or the Borrower’s ability to draw down funds is terminated by the Lender before any funds are advanced, the Lender will, at the expense of the Borrower and upon payment of all monies, costs, fees and disbursements then due to the Lender, promptly upon request by the Borrower execute and deliver to the Borrower, or any agent thereof, registrable discharges of this Charge and of the Security, for use in every registry office where they or notices thereof have been recorded or filed; provided that the Borrower acknowledges that this Section 7.2 shall be of no effect once any advance of the funds is made hereunder by the Lender.

#### **ARTICLE 8 - REPRESENTATIONS AND WARRANTIES**

- 8.1 The Borrower represents and warrants in favour of the Lender, acknowledging that the Lender is relying on such representations and warranties in extending the Loan:
- (a) The Borrower is a corporation duly organized, validly subsisting and in good standing under the laws of its incorporating jurisdiction and has all necessary corporate power and authority to enter into this Charge and the Security and to perform or cause to be performed its obligations contained herein and therein, to own and operate the Charged Premises and to carry on its business pertaining thereto as presently carried on;
  - (b) There are no provisions in the articles or bylaws of the Borrower or any unanimous shareholders agreement of or with respect to the Borrower or to which the Borrower is a party which restrict, limit or regulate in any way the powers of the Borrower to borrow on credit or to issue, sell or pledge any of the property or assets now or hereafter owned by it to secure its debt obligations, save and except any provisions which have been complied with. No steps or proceedings have been taken or are pending to amend or supersede the articles or bylaws of the Borrower in a manner which would impair or limit the Borrower’s ability to perform its obligations hereunder or under the Security;
  - (c) The Borrower has taken all necessary corporate action to authorize the execution and delivery of this Charge and the Security, and performance of the provisions of each in accordance with its terms;
  - (d) The authorization, creation, execution or delivery of this Charge or the Security or the Borrower’s performance of its obligations hereunder or thereunder does not require any approval or consent of any Governmental Authority having jurisdiction nor will any such action be in conflict with or contravene any of the Borrower’s articles, bylaws, unanimous shareholders agreement, if any, or resolutions of directors or shareholders, or the provisions of any indenture, instrument, agreement or undertaking to which the Borrower is a party or by which it or its properties or assets are bound, or result in the creation, imposition or crystallization of any hypothec, title retention, charge, pledge, lien, encumbrance or security interest of any kind upon any of its property or assets subject to the Charge or security interest created thereby or by the Security other than in accordance with the provisions of this Charge and the Security. This Charge and the Security when executed and delivered will constitute valid and legally binding obligations of the Borrower, enforceable against it in accordance with its terms;
  - (e) There is not now pending or, to the best of the Borrower’s knowledge or belief after due inquiry, threatened against the Borrower, any litigation, action, suit, investigation or other proceeding by or before any court, tribunal or other competent Governmental Authority which would materially adversely affect the present or prospective ability of the Borrower to perform its obligations under this Charge or the Security, as the case may be, or which calls into question the validity or enforceability of this Charge or the Security;
  - (f) No Event of Insolvency has occurred or is threatened or pending;

- (g) The Borrower is the registered owner of and has a good and marketable title in fee simple to the Lands, and, unless otherwise disclosed to the Lender in writing, is the legal and beneficial owner of the Charged Premises, free and clear of all security interests, charges, liens and other encumbrances whatsoever except for the Permitted Encumbrances, which Permitted Encumbrances are in good standing;
  - (h) The Borrower has the right to charge the Charged Premises to the Lender;
  - (i) The Borrower has not received any notice of or threat of a lien under the *Construction Lien Act* (Ontario), as amended, against the Charged Premises nor has any lien been registered against the Charged Premises in respect of labour, materials or services furnished with respect to any improvement thereon which has not been discharged;
  - (j) Unless expressly stipulated in the Commitment, the Charge is not being given with the intention to use the proceeds thereof to finance any alterations, additions or repairs to, or any construction, erection, demolition or installation on the Charged Premises or any structure thereon;
  - (k) Unless expressly stipulated in the Commitment, the Charge is not a building mortgage, within the meaning of the *Construction Lien Act* (Ontario), as amended, and the funds to be advanced by the Lender are not being used to repay a building mortgage;
  - (l) There has been no improvement or materials supplied on or in respect of the Charged Premises in respect of which a construction lien could arise and which has not been completed or abandoned within the forty-five (45) days immediately preceding the date hereof;
  - (m) Except as disclosed to the Lender in writing, the existing and proposed uses, the operation of the Charged Premises and the business conducted thereon comply and, to the best of the Borrower's knowledge and belief, have (including all prior uses) at all times complied with all Applicable Laws, including all Environmental Laws, and the Borrower is not in violation of, and does not violate, by virtue of the ownership, use, maintenance or operation of the Charged Premises or the conduct of any business related thereto, any Applicable Laws, including all Environmental Laws;
  - (n) The Charged Premises may be charged by the Borrower in compliance with the *Planning Act* (Ontario), and no severance of any adjoining lands owned by the Borrower is required;
  - (o) All financial statements and data delivered or presented to the Lender by the Borrower up to and including the date hereof are true and correct in all material respects as at the dates and for the periods indicated and have been prepared in accordance with Canadian generally accepted accounting principles and disclose to the Lender all financial information relevant to the Lender in respect of making the Loan and there is no information, financial or otherwise, which has not been disclosed to the Lender which would be material to the Lender in its decision to advance the Loan, and, without limiting the foregoing, neither the Guarantor(s) nor the Borrower has failed to disclose to the Lender any facts or information material to the making of the Loan;
  - (p) No Event of Default, or an event which with the giving of notice, lapse of time or otherwise, would constitute an Event of Default exists;
  - (q) Each Permitted Encumbrance is in good standing and all obligations and covenants required to be met or complied with thereunder on the part of the Borrower have been complied with and, in respect to any other party thereto to the best of the Borrower's knowledge and belief, have been met or complied with;
  - (r) All Leases entered into as of the date hereof are valid, subsisting and enforceable leases and are in good standing as of the date hereof without right of set-off or abatement;
  - (s) The Borrower is not bound by any indenture, agreement, lease or other instrument, nor is it subject to any trust agreement, charter, by-law, unanimous shareholders agreement or other corporate restriction or any of the Applicable Laws, which materially adversely affects its business operations in respect of the Charged Premises or the performance of its obligations under this Charge or the Security;
  - (t) The Borrower has complied with all Applicable Laws in respect of any residential unit located on the Charged Premises, including in respect of any conversion, demolition, rentals charged or filings or applications to be made and there are no outstanding orders, decisions or directives made or pending which are or would be adverse to the Borrower or the Charged Premises in respect of any residential unit located on the Charged Premises;
  - (u) Each partner of the limited partnership of which the Borrower is the general partner is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada);
  - (v) With respect to each partner of the limited partnership of which the Borrower is a general partner that is a Canadian corporation, either (i) the shares of that corporation do not derive their value, directly or indirectly, primarily from foreign property, all within the meaning of the *Income Tax Act* (Canada) or (ii) the corporation is a corporation described in subsection 206(1.1) of the *Income Tax Act* (Canada), as that provision may be amended from time to time;
  - (w) The Borrower shall not, without the prior written consent of the Lender, execute or deliver any mortgage, charge, lien or other encumbrance of the Lands intended to rank subordinate to this Charge; and
  - (x) The Borrower is not and shall not be during the Term (without the prior written consent of the Lender), a farmer within the meaning of the *Farm Debt Mediation Act* (Canada).
- 8.2 The representations and warranties set out in this Article 8 shall speak as of the date made, survive the execution and delivery of this Charge and the making of any advance hereunder and continue to be true and accurate during the Term of this Charge, notwithstanding any investigations or examinations which may be made by the Lender or the Lender's solicitors and the Lender shall be deemed to have relied on such representations and warranties in making advances under the Loan.
- 8.3 The Borrower shall indemnify and save harmless the Lender from and against all losses, damages, claims and expenses directly



or indirectly incurred or suffered by the Lender resulting from any omission, inaccuracy or misrepresentation of the Borrower herein relating to or concerning the Charged Premises and with respect to all losses, charges, claims and expenses directly or indirectly incurred or suffered by the Lender resulting from or arising in connection with environmental matters relating to, arising from, in connection with or concerning the Charged Premises, whether referred to or contemplated herein or hereby.

## ARTICLE 9 – COVENANTS

- 9.1 The Borrower covenants with the Lender that upon the occurrence of an Event of Default, the Lender shall have quiet possession of the Charged Premises, free from any encumbrances, save and except for the Permitted Encumbrances.
- 9.2 The Borrower shall not without the prior written consent of the Lender, which may be withheld in the sole discretion of the Lender permit or suffer to exist any charges, liens, security interests or other encumbrances against the Charged Premises, save and except for the Permitted Encumbrances; and the Borrower shall maintain the Permitted Encumbrances in good standing and provide notice to the Lender forthwith of any default under any of the Permitted Encumbrances.
- 9.3 The Borrower shall not initiate, permit or suffer to exist any Event of Insolvency, in respect of itself or, to the extent that the Loan, this Charge or the Security is affected by the occurrence of any such event, of any related person or corporation, including without limitation, any parent corporation of the Borrower. The Borrower covenants and agrees (i) to provide two Business Days' notice prior to the occurrence of an Event of Insolvency (an "Insolvency Notice"), and agrees that the receipt of an Insolvency Notice by the Lender shall constitute an immediate Event of Default if the Borrower or any Guarantor(s) is an applicant or takes the benefit of such statute or proceeding or if any of these proceedings otherwise affect the rights or entitlements of the Lender under the Loan, this Charge or the Security or the Lender's ability to enforce this Charge or the Security, and (ii) prior to the commencement of any such proceedings, to deliver to the Lender copies of all relevant filing materials, including, without limitation, copies of draft court orders, plans of compromise, proposals and notices of intention, it being intended by the Borrower that the Lender be entitled during the period after receipt of an Insolvency Notice to enforce this Charge and the Security for the purpose of, among other things, taking possession and control of the Charged Premises, in the Lender's sole discretion.
- 9.4 The Borrower shall not, without the prior written consent of the Lender, initiate, join in or consent to any change to or modification in any private restrictive covenant, municipal or other governmental law, rule or regulation, by-law, or any other public or private restrictions, limiting or defining the uses which may be made of the Charged Premises, or any part thereof and which could adversely affect the Charge, the Security, the day- to-day operations of the Charged Premises, the income derived therefrom or the value of the Charged Premises.
- 9.5 The Borrower shall comply in all respects with all covenants, deed restrictions, easements and Applicable Laws which pertain to the ownership, use or operation of the Charged Premises or the performance by the Borrower of its obligations under this Charge and shall ensure that all representations and warranties contained herein continue to be true and accurate at all times during the Term.
- 9.6 The Borrower shall permit the Lender, or cause to be made available to the Lender, access to all records, both written and electronic, pertaining to the Charged Premises and upon request shall make copies of such information for the Lender. For such purposes, the Lender shall have reasonable access to the Charged Premises or such other place as such records are kept upon reasonable prior written notice to the Borrower.
- 9.7 The Borrower shall fulfil on a timely basis any undertaking provided by it to the Lender at the time of the advance of the Loan.
- 9.8 The Borrower covenants to ensure that this Charge will remain a valid and enforceable mortgage of the Charged Premises with first priority subject only to the Permitted Encumbrances and the Borrower will fully and effectively maintain and keep the Security as valid and effective security during the currency hereof.
- 9.9 The Borrower shall promptly give written notice to the Lender of any litigation, proceeding or dispute affecting the Charged Premises if the result thereof might have a material adverse effect on the Charged Premises, the financial condition or operations of the Borrower or any Guarantor(s) or its ability to perform its obligations hereunder and shall, from time to time, furnish to the Lender all reasonable information requested by the Lender concerning the status of such litigation, proceeding or dispute and shall in all such cases diligently and in good faith proceed to defend, settle or otherwise deal with any such litigation, proceeding or dispute in a commercially reasonable manner.
- 9.10 The Borrower shall promptly give notice to the Lender upon becoming aware of and provide particulars in respect of:
- (a) An Event of Default or any event which with the passage of time or giving of notice would constitute an Event of Default;
  - (b) Any default under a Lease;
  - (c) Details of material renovations to the Charged Premises when the Borrower intends to or reasonably anticipates that it will renovate the Charged Premises;
  - (d) Any default under any Permitted Encumbrance;
  - (e) Any notice of expropriation, action or proceeding materially affecting the Charged Premises or the violation of any Applicable Law which may have a material adverse affect on the Charged Premises; and
  - (f) Any matter which may have a material adverse affect upon the Borrower or the Guarantor(s) or Charged Premises or the operations conducted thereon, or the security constituted by this Charge and the Security.
- 9.11 The Borrower covenants at all times:
- (a) to perform or cause to be performed all of the covenants and obligations on the part of lessor contained in the Leases

(except the extent the same have been expressly waived by the other parties to such Leases and except in circumstances where the tenant is in default and the Borrower is acting prudently and in the best interests of the Charged Premises);

- (b) to maintain or cause to be maintained the Lease Rights in good standing and not to do, permit to be done or omit to do anything which may impair the enforceability of the Lease Rights;
  - (c) save for the deposits for the first and last month rentals, not to accept Rents more than one (1) month in advance of the dates when Rents fall due;
  - (d) not to enter into Leases which are not at arm's length unless the terms thereof are at least equal to current market terms;
  - (e) not to enter into Lease which do not constitute Major Tenant Leases (each of which must be approved by the Lender as hereafter provided) unless such leases are substantially on Lender pre-approved standard lease forms and not to enter into Major Tenant Leases without the Lender's approval as hereafter provided;
  - (f) not to or to permit termination, alteration or amendment or waiver of rights or remedies or otherwise take any action with respect to any of the Leases which in the aggregate would create a material reduction in Rents from those payable as of the date hereof, without the prior approval of the Lender;
  - (g) not to further assign, mortgage or pledge or permit the assignment, mortgaging or pledging of any Lease or the rents thereunder, save for assignments by tenants of their tenant's interest in Leases, to the extent permitted under such Leases; and
  - (h) to ensure in respect of all Leases now or hereafter entered into that (i) the tenant thereunder, at the option of the Lender, subordinates its lease to the security of this Charge and attorns to and becomes a tenant of the Lender or any purchaser from the Lender in the event of the exercise of a sale remedy by the Lender, for the unexpired residue of the term and upon the terms and conditions of said lease, provided the Lender will agree to enter into non-disturbance agreements on commercially reasonable terms with all such tenants; and (ii) at the request of the Lender, provide as further security specific assignments of Leases hereinafter entered into.
- 9.12 The Borrower shall not, without the prior written consent of the Lender, acting reasonably and promptly, enter into any agreement or document in respect of the Charged Premises (except for leases in accordance with the terms hereof and the Security) which is material to the ownership, value, operation, or use of the Charged Premises unless the same is in the ordinary course of business.
- 9.13 With respect to any Major Tenant Lease, the Borrower shall not and shall not permit without the prior written consent of the Lender:
- (a) cancel or modify any Major Tenant Lease, release the obligations of any lessee thereunder, accept a surrender of a Major Tenant Lease, accept any prepayment of Rents thereunder or consent to any sublet or assignment by the lessee under any Major Tenant lease (except where the provisions of such Major Tenant Lease require the landlord to do so); or
  - (b) enter into any Major Tenant Lease unless the terms, form and substance of such Major Lease is satisfactory to the Lender, acting reasonably; or
  - (c) to further assign, mortgage, pledge, hypothecate or otherwise deal with any Major Tenant Lease.
- 9.14 The Borrower shall do or cause to be done all things necessary to keep in full force and effect all rights, franchises, licences and qualifications necessary or incidental to perform or cause to be performed its obligations contained in this Charge and the Security and to carry on its business pertaining thereto as presently carried on.
- 9.15 The Borrower shall from time to time to pay or cause to be paid all amounts related to taxes, wages, workers compensation obligations, government royalties, and any other similar amounts relating to the business conducted on the Charged Premises if non-payment thereof may result in an encumbrance (other than a Permitted Encumbrance) against the Charged Premises or any of the assets secured in favour of the Lender by the Security.
- 9.16 The Borrower shall not, without the prior written consent of the Lender, acting reasonably and promptly, cause or permit any change in the status of the Borrower that results in the representations contained in Subparagraph 8.1(u) or Subparagraph 8.1(v) ceasing to be accurate in all material respects.
- 9.17 The Borrower covenants, subject to the rights of reorganization herein contained, to continue as a corporation duly organized, validly subsisting and in good standing under the laws of its incorporating jurisdiction and maintain all necessary corporate power and authority to perform or cause to be performed its obligations contained herein and in the Security, to own and operate the Charged Premises and to carry on its business pertaining thereto as presently carried on.
- 9.18 The Borrower covenants that, unless in respect of a reorganization of the Borrower permitted under Paragraph 18.1(h) or with the consent of the Lender as provided therein, no steps or proceedings will be taken to amend or supersede the articles or bylaws of the Borrower and in any event no steps or proceedings, including any reorganization of the Borrower, will be taken in a manner which would impair or limit the Borrower's or its successor's ability to perform its obligations hereunder or under the Security.
- 9.19 The Borrower will not enter into any indenture, agreement, lease or other instrument, nor become subject to any trust agreement, charter, by-law, unanimous shareholders agreement or other corporate restriction, which materially adversely affects the Charged Premises.

## ARTICLE 10 - TAXES/LIENS

10.1

- (a) The Borrower shall pay or cause to be paid, all Taxes together with such other amounts, the failure to pay which would give rise to a lien against the Charged Premises, as and when the same shall fall due and payable (collectively, the “Bills”).
- (b) With respect to Taxes at the option of the Lender, the Borrower shall pay to the Lender in equal monthly instalments on the first day of each month in each calendar year during the Term, commencing on the first day of the month next following the Interest Adjustment Date, one-twelfth (1/12) of the annual Taxes (or such amount as may be required in order to pay the Taxes as they become due) as reasonably estimated by the Lender; said payments of Taxes shall be paid to the Lender in addition to the instalments of interest due and payable under this Charge, to be deposited upon receipt and held by the Lender in an interest-bearing account for the payment of Taxes, with interest to accrue thereon to the benefit of the Borrower and to be credited in reduction of the amount required to be paid to the Lender for Taxes. The Lender agrees that upon and subject to receipt of monies for Taxes it will remit such monies to the proper municipal offices in payment of Taxes as required from time to time; provided that if any Event of Default shall occur and be continuing, then the Lender, at its sole option, may apply all or any part of any funds held in such account to any amount due hereunder, whether principal, interest or otherwise. The Borrower shall also pay, or cause to be paid, to the Lender before the due date for the payment of Taxes (or next periodic instalment date therefor, as the case may be) any sums in addition to the aforesaid monthly instalments which may be required in order that out of such sums held in trust or escrow by the Lender and such additional sums, the Lender may pay the whole amount of Taxes assessed thereto, on the due date for payment thereof. Notwithstanding the foregoing provisions of this Paragraph 10.1(b), the Borrower acknowledges that the Lender is under no obligation to collect from the Borrower monthly instalments on account of Taxes. In addition, the Borrower acknowledges its obligation to pay all Taxes when due, whether or not the payment of all Taxes are the responsibilities of tenants and whether or not such tenants have remitted the same to the Borrower.
- (c) The Lender may, after written notice being given to the Borrower, pay all unpaid and due Taxes, and any amounts, the failure to pay which would give rise to a lien and any amounts so paid by the Lender shall become part of the Principal hereby secured and be a charge on the Charged Premises in favour of the Lender and shall be payable forthwith by the Borrower to the Lender with interest at the Applicable Rate until paid.
- (d) If the Charged Premises or any part thereof are sold or forfeited for nonpayment of Taxes while any sum remains unpaid hereunder, the Lender may acquire the title and rights of the purchaser at any sale, or the rights of any other person or corporation becoming entitled on or under any such forfeiture, or the Lender may pay, either in its own name or in the name of the Borrower and on the Borrower’s behalf, any and all sums necessary to be paid to redeem such land so sold or forfeited, and to revest such lands in the Borrower, and the Borrower hereby nominates and appoints the Lender as agent to pay such monies on the Borrower’s behalf and in the Borrower’s name, and any monies so expended by the Lender shall become part of the Principal Sum hereby secured and be a charge on the Charged Premises in favour of the Lender and shall be payable forthwith by the Borrower to the Lender and until so paid shall bear interest at the Applicable Rate or in the alternative, the Lender may purchase the Charged Premises at any tax sale of the same.
- (e) Notwithstanding anything to the contrary herein contained, the Borrower shall have the right to contest or defend any actions brought to recover, or appeal any judgments recovered against it in respect of any Bills, or other like charges, or any construction or other liens levied or registered against the Charged Premises, by appropriate proceedings diligently conducted in good faith, provided that the Borrower shall have first deposited with the Lender, or otherwise provided to the reasonable satisfaction of the Lender, such security as the Lender acting reasonably may require including, without limitation, security for the payment of such Bills, charges or liens and any costs payable in connection therewith, and further provided that the Lender shall have determined, to its reasonable satisfaction, that any such contest, defence or appeal or any delay or nonpayment of such Bills, charges or liens shall not materially prejudice the prior charge or lien of this Charge or the title of the Borrower to the Charged Premises. Should the Lender at any time thereafter determine, in its reasonable discretion, that any such contest, defence or appeal or any delay or nonpayment of such Bills, charges or liens shall materially prejudice the prior charge or lien of this Charge or the title of the Borrower to the Charged Premises, the Lender may realize upon such security for payment as aforesaid and pay such Bills, charges or liens. Upon termination of such proceedings, the Borrower shall promptly pay or cause to be paid the amount of the Bills, charges or liens and any other costs, fees, interest and penalties as are properly payable upon determination of such proceedings and promptly cause any tax notifications, caveats, liens, certificates of or pertaining litigation or any other form of notice or encumbrance in respect thereof to be promptly discharged from the title to the Charged Premises at the sole expense of the Borrower whereupon all such security deposited or otherwise provided to the Lender and any proceeds from the realization thereof not paid on account of Bills as aforesaid, shall be returned and paid to the Borrower.
- (f) The Borrower agrees to and does hereby indemnify the Lender against all claims, demands, costs, damages and expenses which arise in respect of any default, late payment, omission, act or proceeding by the Borrower, under or in respect of this Section 10.1.
- (g) If the Lender comes into and for as long as it is in possession of the Charged Premises, the Lender, in its sole discretion, shall be entitled to and shall enjoy all the rights of the Borrower set out in Paragraph 10.1(d) hereof, to the exclusion of the Borrower.

## ARTICLE 11 – INSURANCE

- 11.1 The Borrower will immediately insure, unless already insured, and during the continuance of the Charge keep insured against loss or damage by fire, in such proportions upon each building as may be required by the Lender, the buildings on the land to the amount of not less than their full insurable value on a replacement cost basis in dollars of lawful money of Canada. Such insurance shall be placed with a company approved by the Lender. Buildings shall include all buildings whether now or hereafter erected on the land, and such insurance shall include not only insurance against loss or damage by fire but also insurance against loss or damage by explosion, tempest, tornado, cyclone, lightning and all other extended perils customarily

provided in insurance policies including "all risks" insurance. The covenant to insure shall also include where appropriate or if required by the Lender, boiler, plate glass, rental and public liability insurance in amounts and on terms satisfactory to the Lender. Evidence of continuation of all such insurance having been effected shall be produced to the Lender at least fifteen (15) days before the expiration thereof; otherwise the Lender may provide therefore and charge the premium paid and interest thereon at the rate provided for in the Charge to the Borrower and the same shall be payable forthwith and shall also be a charge upon the land. It is further agreed that the Lender may at any time require any insurance of the buildings to be cancelled and new insurance effected in a company to be named by the Lender and also of his own accord may effect or maintain any insurance herein provided for, and any amount paid by the Lender therefore shall be payable forthwith by the Borrower with interest at the rate provided for in the Charge and shall also be a charge upon the land. Policies of insurance herein required shall provide that loss, if any, shall be payable to the Lender as his interest may appear, subject to the standard form of mortgage clause approved by the Insurance Bureau of Canada which shall be attached to the policy of insurance.

11.2 During any construction on the Charged Property, the Borrower shall maintain:

- (i) Builders' all-risk coverage for 100% of the construction cost with loss payable to the Lender by way of an Insurance Bureau of Canada ("IBC") approved mortgage clause. The policy must cover flood, earthquake, building by-laws, delayed opening, must allow for partial occupancy of the premises and provide for interim loss payments during reconstruction;
- (ii) Wrap-Up Liability coverage in an amount not less than \$10,000,000 per occurrence;
- (iii) Project performance and completion bonds and insurance, including coverage for labour and material bonds; and
- (iv) Professional Liability coverage in an amount not less than \$10,000,000.

## **ARTICLE 12 - ENVIRONMENTAL**

12.1 The following capitalized terms shall have the following respective meanings:

"Environmental Approvals" means all applicable permits, licences, authorizations, consents, directions or approvals required by Governmental Authorities pursuant to the Environmental Laws with respect to the use, occupation, ownership or operation of the Charged Premises;

"Environmental Laws" means all applicable federal, provincial and municipal laws, by-laws, regulations, executory orders, judgments and protocols, relating in whole or in part, to the environment or its protection, and without restricting the generality of the foregoing, includes without limitation, those laws relating to the manufacturing, processing, use, handling, packaging, labelling, sale, storage, recycling, transportation, treatment, destruction, burial or disposal of Hazardous Substances, employee safety, and the emission, discharge, release, deposit, issuance, spraying, dumping, throwing, pouring, spilling, emptying, placing, leaking, seeping, exhausting or abandonment of Hazardous Substances into the atmosphere, air, surface water, ground water, land surface or subsurface strata and, in each such case, as such Environmental Laws may be amended or supplemented from time to time, and "Environmental Law" means any of them;

"Hazardous Substance" means any pollutant, contaminant, waste, hazardous waste, toxic substance or dangerous good which is defined or identified in or the object of any Environmental Law, the presence of which in the environment is in contravention of any Environmental Law; and

"Inspections" means all inspections, evaluations or tests conducted by the Lender or any agent or consultant thereof for the purpose of determining the environmental condition of the Charged Premises, as the Lender may deem appropriate, acting reasonably.

12.2 The Borrower represents and warrants (which representations and warranties shall continue throughout the Term of the Loan) that:

- (a) The condition and use of the Charged Premises is and, to the best of the Borrower's knowledge, any prior use of the same was, in compliance in all material respects with all applicable Environmental Laws;
- (b) The Charged Premises is not subject to any judicial or administrative proceedings alleging violation of any Environmental Laws and there are no outstanding orders or proceedings against the Charged Premises from a Governmental Authority responsible for protecting the environment alleging the violation of any Environmental Laws;
- (c) To the knowledge of the Borrower, the Charged Premises is not the subject of any investigation by Governmental Authorities having jurisdiction evaluating whether any remedial action is needed to respond to a contravention of any Environmental Laws; and
- (d) There is no contingent liability of which the Borrower has knowledge or reasonably should have knowledge in connection with the contravention of any Environmental Laws.

12.3 The Borrower covenants with the Lender:

- (a) If not already provided, to provide to the Lender within ninety (90) days of the execution of this Charge, an environmental audit with respect to the Lands, and if an event shall have occurred after the date of this Charge, which the Lender, acting reasonably, believes may have resulted or may result in material adverse change in the environmental condition of the Charged Premises or any part thereof, to provide such further environmental audits as the Lender may require;
- (b) To provide notice within fifteen (15) days of either having learned of any enactment or promulgation of any Environmental Laws which may result in any material adverse change in the condition, financial or otherwise, of the Charged Premises;

- (c) To defend, indemnify and hold harmless the Lender, its directors, officers, employees, agents and their respective successors and assigns, against any and all loss, cost, expense, claim, liability or alleged liability arising out of any environmental damage occasioned to the Charged Premises contravention of any Environmental Laws;
- (d) To, at all times and at its own expense, conduct its business and maintain the Charged Premises in compliance with all Environmental Laws and Environmental Approvals including causing all tenants of the Charged Premises to comply with the same;
- (e) If the Borrower:
  - (i) receives notice from any Governmental Authority having jurisdiction that violation of any Environmental Law or Environmental Approval has been committed by the Borrower or any tenant with respect to the Charged Premises;
  - (ii) receives notice that any remedial order or other proceeding has been filed against the Borrower or any tenant alleging in respect of the Charged Premises violations of any Environmental Law or requiring the Borrower to take any action in connection with the release of a Hazardous Substance into the environment; or
  - (iii) receives any notice from a Governmental Authority having jurisdiction in respect of the Charged Premises that the Borrower or any tenant may be liable or responsible for costs associated with a nuisance or a response to, or clean up of, a release of a Hazardous Substance into the environment or any damages caused thereby;

to provide to the Lender a copy of such notice within ten (10) days of the Borrower's receipt thereof, and thereafter shall keep the Lender informed in a timely manner of any developments in such matters, and shall provide to the Lender such other information in respect thereto as may be reasonably requested by the Lender from time to time and shall proceed to deal with the same diligently and in good faith in order to bring the Charged Premises into compliance to the extent necessary to comply with Environmental Laws;
- (f) Unless in existence on the Charged Premises on the date of this Charge, not to use, discharge, transport or install in or upon the Charged Premises any material or equipment containing PCBs or permit any tenant of the Charged Premises to do so and, to the extent in existence on the Charged Premises as of the date of this Charge, to maintain the same in compliance with all Environmental Laws;
- (g) To maintain, and to require all occupants of the Charged Premises to maintain in good leak-proof condition all above-ground and underground storage tanks and drums on the Charged Premises;
- (h) Not to install asbestos or permit asbestos to be installed in the Charged Premises. With respect to any asbestos present in the Charged Premises on the date of this Charge, the Borrower shall, at its expense, promptly comply with the requirements of Environmental Laws and Governmental Authorities respecting the use, removal and disposal of asbestos; and
- (i) To obtain or cause its solicitors to obtain copies of all relevant environmental studies or assessments of the Charged Premises which the Borrower or its solicitors or agents have commissioned or which are in the possession or control of the Borrower, as of the date of this Charge and, to the extent any such assessments or studies are required by the Lender from time to time, to promptly provide same to the Lender upon request and hereby authorizes and directs its solicitors, agents and consultants to promptly release same to the Lender.

12.4 Having due regard to the rights of any tenant of the Borrower, the Lender and its employees and agents shall have the right, and are hereby granted permission by the Borrower, to enter the Charged Premises from time to time, and to have access to the Borrowers' relevant documents and records, in order to conduct Inspections, to determine compliance with Environmental Laws as the Lender, acting reasonably, may deem appropriate. Inspections shall be:

- (a) at such times and to such extent as may be reasonable in the circumstances on prior notice to the Borrower if the Lender has reasonable grounds for believing that:
  - (i) there are, contrary to Environmental Laws or Environmental Approvals, Hazardous Substances in or upon the Charged Premises which have not been disclosed to and approved by the Lender and appropriate Government Authorities; or
  - (ii) the Borrower is in breach of any environmental representations in this Charge or its covenants in this Article; or
  - (iii) the Borrower is not in compliance with any Environmental Laws or material Environmental Approvals; and
- (b) at any time without prior notice upon the occurrence of an Event of Default which is continuing.

If the Borrower is found not to be in compliance with the Environmental Laws or Environmental Approvals and such failure to comply becomes an Event of Default that is continuing, the Lender may, at its option (but without any obligation to do so) take such actions as are required, acting reasonably, to bring the Charged Premises into compliance, and the costs thereof shall immediately become due and payable to the Lender by the Borrower and shall be secured by the Security.

12.5 The Lender shall not, by virtue of being the chargee under this Charge or the enforcement of its rights contained herein for purposes of the Environmental Laws, be or be deemed to be the owner of, any of the Charged Premises, or to have management, charge, control, occupation or possession of any of the Charged Premises or the businesses of the Borrower, or of any Hazardous Substances located on, upon or within any of the Charged Premises.

12.6 The Borrower hereby covenants and agrees to be responsible for, and to indemnify and hold harmless the Lender and each of its officers, directors, employees, shareholders, all unitholders of any pooled funds under its management and agents and their

respective successors and assigns (in this Section, collectively referred to as the “Indemnified Parties”) from and against all claims, demands, liabilities, losses, costs, damages and expenses (including, without limitation, reasonable legal fees and all costs incurred in the investigation, pursuing of any claim, or in any proceeding with respect to, defense and settlement of any item or matter hereinafter set out) that the Indemnified Parties may incur or suffer, directly or indirectly as a result of or in connection with:

- (a) Any inaccuracy in or breach of the Borrower’s representations and warranties relating to the environmental matters contained herein;
- (b) The presence of any Hazardous Substance on, upon or within the Charged Premises, or the escape, seepage, leakage, spillage, discharge, emission, release, disposal or transportation away from the Charged Premises of any Hazardous Substance, whether or not there is compliance with all applicable Environmental Laws and Environmental Approvals;
- (c) The imposition of any remedial order affecting the Lands, or any non-compliance with Environmental Laws or Environmental Approvals pertaining to the Charged Premises by any person, including the Borrower, the Lender or any person acting on behalf of the Lender; and
- (d) Any diminution in the value or any loss on the disposition of the Charged Premises arising directly or indirectly as a result of the presence on the Lands of any Hazardous Substance, or as a result of the imposition of any remedial order or the breach by any person of any Environmental Law or Environmental Approval.

This indemnity shall survive the satisfaction and release of this Charge and the Security and the payment and satisfaction of all indebtedness hereunder. The benefit of this indemnity may be assigned by the Lender to any successor or assign of the Lender and the Borrower hereby consents to any such assignment.

### **ARTICLE 13 - ASSIGNMENT OF RENTS AND LEASES**

- 13.1 As further security for the payment of all monies owing and the performance of all obligations to be performed hereunder, the Borrower does, as and by way of security, hereby sell, assign, transfer and set over unto to the Lender all of the Borrower’s right, title and interest, both at law and equity, in and to the Lease Rights, to hold and receive the same unto the Borrower with full power and authority to demand, collect, sue for, recover and receive and give receipts for Rents and enforce payments of the same and enforce performance of the obligations of tenants under the Leases, provided, however, that, subject to the terms of this Charge, the Borrower shall have the full right, so long as no Event of Default has occurred and is continuing, to continue to collect Rents, to take or cause to take all actions as it deems necessary with respect to the Lease Rights, acting as a reasonable lessor.
- 13.2 It is expressly acknowledged and agreed by the Borrower that nothing contained in this Charge shall oblige the Lender to assume or perform any obligation of the Borrower to any third party in respect of or arising out of the assigned Lease Rights. The Lender may, however, after the occurrence of an Event of Default and while such Event of Default continues, at its option, assume or perform any such obligation as the Lender considers necessary or desirable to obtain the benefit of the Lease Rights, free of any set-off, reduction or abatement, and any money expended by the Lender in this regard shall form part of or be deemed to form part of the indebtedness secured by this Charge and shall bear interest at the Applicable Rate.

### **ARTICLE 14 - MANAGEMENT AND REPAIR**

- 14.1 The Borrower shall cause the Charged Premises at all times to be professionally maintained, managed and operated and fully and continuously operational during customary business hours, including all uses ancillary or incidental to its operations, at all times, by competent managers and staff of proper background and training, in a first class manner consistent with the management and operation of other properties which are of size, location, use, class, age and type comparable to the Charged Premises, and the Borrower shall obtain the Lender’s prior written approval of any manager and any management contract with any manager which may be entered into by the Borrower for the management of the Charged Premises. In addition to any other rights hereunder of the Lender, the Lender shall have the right, acting reasonably, to replace the manager at the expense of the Borrower in the event the management standards are not maintained as required hereunder and the situation is not remedied within thirty (30) days after written notice from the Lender. The Lender acknowledges and approves, as of the date hereof, of the Borrower or a company controlled by the Borrower acting as manager of the Charged Premises provided that the Charged Premises are managed and maintained in accordance with the provisions hereof.
- 14.2 The Borrower shall promptly repair, maintain, restore, replace, rebuild, keep, make good, finish, add to and put in order, or cause to be so done, the Charged Premises, so that the same shall, at all times, be in good condition and repair and to pay or cause to be paid when due all claims for labour performed and materials furnished therefor. The Borrower shall not commit or suffer any waste of the Charged Premises nor take any action that might invalidate or give cause for cancellation of any insurance maintained in respect of the Charged Premises. No building or other property now or hereafter charged by this Charge shall be removed, or demolished or nor shall the structure of any building be materially altered, redeveloped, retrofitted or renovated, without the prior written consent of the Lender, except that the Borrower shall have the right, without such consent, to remove and dispose of, free from the lien or charge of this Charge, such fixed equipment as from time to time may become worn out or obsolete, provided that either (a) simultaneously with or prior to such removal, and if necessary for the operation of the Charged Premises such equipment shall be replaced with other equipment of a quality comparable to that of the replaced equipment and free from any lien, title retention agreement, conditional sale contract, security agreement or other encumbrance, and by such removal and replacement the Borrower shall be deemed to have subjected such fixed equipment to the lien or charge of this Charge, or, (b) any net cash proceeds received from such disposition shall, at the option of the Lender, be paid over promptly to the Lender to be applied in a manner determined by Lender in its sole discretion toward the payment of any amounts owing hereunder or secured hereby. The Borrower shall notify the Lender promptly of any material damage to or defects in any of the Improvements, and thereafter forthwith shall make or cause to be made such repairs thereto as are required to correct any such damage or defects and return the Charged Premises to a state of condition and repair equivalent to the state of condition and repair required by the provisions of this Charge.
- 14.3 The Borrower shall comply with, or cause to be complied with, all statutes including without limitation the provisions of the *Construction Lien Act* (Ontario), ordinances and requirements of any Governmental Authority having jurisdiction with respect to the Charged Premises; the Borrower shall complete and pay for, within a reasonable time, any structure at any time in the

process of construction on the Charged Premises.

- 14.4 The Borrower shall permit the Lender or its authorized agents at all reasonable times to enter upon the Charged Premises and inspect same, and if such inspection reveals that any repairs or like actions are necessary, the Lender may give notice to the Borrower requiring the Borrower to repair, rebuild or reinstate the same, or take such other like action within a reasonable time. Any failure by the Borrower to comply with such notice shall constitute an Event of Default hereunder and the Lender may repair, rebuild or reinstate the Charged Premises at the cost of the Borrower and charge all sums of money determined by the Lender to be properly paid therefor and interest thereon at the Applicable Rate until paid.

#### ARTICLE 15 - INCREASED COSTS

- 15.1 In the event that as a result of any application of or any change in or enactment of any applicable law, regulation, treaty or official directive after the date hereof (whether or not having the force of law), or in the interpretation of application thereof by any court or by any governmental or other authority or entity charged with the administration thereof which now or hereafter:

- (a) Subjects the Lender to any tax or changes the basis of taxation, or increases any existing tax, on payments of principal, interest or other amounts payable by the Borrower to the Lender under this Charge (except for taxes on the overall net income of the Lender or capital of the Lender imposed by the Government of Canada or any political subdivision thereof or by the jurisdiction in which the principal or lending office of the Lender is located); or
- (b) Imposes, modifies or deems applicable any special requirements against assets held by, or deposits in or for the account of or any other acquisition of funds by the Lender or imposes on the Lender a requirement to maintain or allocate capital or additional capital in relation to the Loan; or
- (c) Imposes on the Lender any other condition with respect to this Charge; or
- (d) Renders any portion of this Charge illegal or unenforceable;

and the result of any of the foregoing is to increase the cost to the Lender, or reduce the amount of principal, interest or other amount received or receivable by the Lender hereunder or its effective return hereunder in respect of making or maintaining the Loan hereunder or to reduce the payments receivable by the Lender in respect of the Loan by an amount which the Lender deems to be material, the Lender shall promptly give written notice thereof to the Borrower setting out in reasonable detail the facts giving rise to and a summary calculation of such increased costs or reduced payments, and the Borrower shall forthwith pay to the Lender upon receipt of such notice that amount which will compensate the Lender for such additional cost or reduction in income (herein referred to as "Additional Compensation"). Upon the Lender having determined that it is entitled to Additional Compensation in accordance with the provisions of this Section, the Lender shall promptly so notify the Borrower. The Borrower shall forthwith pay to the Lender upon receipt of such notice such Additional Compensation calculated on the date of demand. The Lender shall be entitled to be paid such Additional Compensation from time to time to the extent that the provisions of this Section are then applicable notwithstanding that the Lender has previously been paid any Additional Compensation. The Lender shall endeavour to limit the incidence of any such Additional Compensation, including seeking recovery for the account of the Borrower, by appealing any assessment at the expense of the Borrower upon the Borrower's request.

- 15.2 All payments made by the Borrower to the Lender will be made free and clear of all present and future taxes, withholdings or deductions of whatever nature. If these taxes, withholdings or deductions are required by Applicable Law and are made, the Borrower shall, as a separate and independent obligation, pay to the Lender all additional amounts as shall fully indemnify the Lender from any such taxes, withholding or deduction. Provided, however, that the Borrower shall have no obligation to pay any withholding or like tax which may be exigible, incurred or required as a result of the Lender being a non-resident of Canada for the purposes of the *Income Tax Act* (Canada).

- 15.3 If the result of any law, regulation, treaty or official directive or request or any change in or any introduction thereof or change in the interpretation or application thereof or compliance by the Lender with the same (including, without limitation, those relating to taxation, reserve requirements, capital adequacy or other banking or monetary controls) is such that it is or will become (other than as a result of some positive action of the Lender, including any participation or syndication hereof by the Lender) unlawful for the Lender to make, fund or allow to remain outstanding all or part of the Loan, or to carry out all or any of its other obligations under this Charge and/or the Security or receive interest or any fee at the Applicable Rate, then in such case:

- (a) The Lender may give written notice to the Borrower of such law, regulation, treaty or official directive or request (whether or not having the force of law) or such change in or any introduction thereof or change in the interpretation or application thereof or compliance by the Lender with the same (including, without limitation, those relating to taxation, reserve requirements, capital adequacy or other banking or monetary controls) which such notice shall certify that such law, regulation, treaty, official directive or request is generally applicable to all other borrowers from the Lender with any accommodation similar to that herein provided; and
- (b) The Borrower shall prepay the Indebtedness on such date and to such extent as the Lender shall certify to be necessary to comply with the relevant law or change described above;

provided, however, that should the Loan become unlawful, the Lender, without prejudice to its rights to require repayment and without any obligation on its part, will consider other means of funding the Loan which would not be unlawful, would allow the Lender to carry out its obligations in respect of the Loan and would enable the Lender to receive interest at the Applicable Rate, provided always, notwithstanding the foregoing, the Lender is not obligated to provide alternate funding.

#### ARTICLE 16 - OBTAINING AND MAINTAINING SECURITY

- 16.1 Regardless of whether such sums are advanced or incurred with the knowledge, consent, concurrence or acquiescence of the Borrower or otherwise and in addition to any other amounts provided for herein or otherwise permitted by Applicable Law to be secured hereby, except as herein otherwise provided, the following are to be secured hereby and shall be a charge on the Charged Premises, together with the interest thereon at the Applicable Rate, and all such monies shall be repayable to the Lender, on demand, except as herein otherwise provided:

- (a) All reasonable and properly chargeable solicitor's, inspector's, valuator's, consultant's, architect's, engineer's, surveyor's and appraiser's fees and out-of-pocket expenses:
  - (i) for drawing and registering this Charge and the Security and financing statements in connection therewith, and attending to advances hereunder;
  - (ii) for examining the Charged Premises and the title thereto up to the date hereof;
  - (iii) for making and maintaining this Charge as a registered charge on the Charged Premises and maintaining the Security (including the registration and filing of renewals);
  - (iv) for the preparation of this Charge, the Security and any related documents and in exercising or enforcing or attempting to enforce or advising the Lender in respect of defaults hereunder or in pursuit of any right, power, remedy or purpose hereunder or subsisting at law;
  - (v) reasonable allowance for the time, work and expenses of the Lender or of any agent of the Lender in connection therewith; and
- (b) All reasonable sums which the Lender may from time to time advance, expend, incur or suffer hereunder:
  - (i) for insurance premiums, Bills, Taxes, rates, or in or toward payment of prior liens, charges, encumbrances or claims charged or to be charged against the Charged Premises;
  - (ii) in maintaining, repairing, restoring or completing construction of the Charged Premise;
  - (iii) in inspecting, leasing, managing or improving the Charged Premises as permitted hereunder, including the price or value of any goods of any sort or description supplied to be used on the Charged Premises as permitted hereunder; and
- (c) Without limiting the generality of any of the foregoing, the then current reasonable fee of the Lender and/or its solicitor for the following matters:
  - (i) executing any cessation or discharge of this Charge, notwithstanding that said cessation or discharge may have been prepared by the Borrower;
  - (ii) entering into an agreement to amend the interest rate or any other provision in the Charge;
  - (iii) handling any dishonored cheque;
  - (iv) preparing an amortization schedule showing the principal and interest components of payments due under this Charge;
  - (v) the cost of completing a Phase I & II Environmental Audit and such other environmental audits as the Lender may require in its discretion;
  - (vi) such other administrative matters as the Lender may perform with regards to the Charge or with regards to any collateral security, as permitted by the Commitment;
  - (vii) the fee charged by the Lender's insurance consultant to review the Borrower's policy of insurance for the subject lands including business interruption insurance if required by the Lender; and
  - (viii) the execution and delivery of any consents, postponements, acknowledgments or any other documents that may be required from the Lender, whether from the Borrower and/or any governmental authorities and/or public/private utilities.

16.2 If any action or proceeding be commenced (except an action to foreclose this Charge or to collect the money that is secured hereby) in which the Lender becomes a party or participant by reason of being the holder of this Charge or the indebtedness secured hereby, all sums paid by the Lender for the expense of so becoming a party or participating (including all reasonable and properly chargeable legal costs) shall, on written notice, be paid by the Borrower, together with interest thereon at the Applicable Rate from the dates of payment of such sums by the Lender, and shall be a lien and charge on the Charged Premises, prior to any right or title to, interest in, or claim upon the Charged Premises subordinate to the lien and charge of this Charge, and shall be deemed to be secured by this Charge, and that in any action or proceeding to foreclose this Charge, or to recover or collect the indebtedness secured hereby, provisions of law respecting the recovery of costs, disbursements and allowances shall prevail unaffected by this covenant.

#### **ARTICLE 17 - CONDEMNATION AWARDS**

- 17.1 The Borrower shall notify the Lender promptly upon it being aware of any and all awards or payments ("Condemnation Award(s)") including interest thereon, and the right to receive the same (save for any portion of any such Condemnation Award paid for remedial purposes and which is actually used for such purpose) which may be made with respect to the Charged Premises, or any part thereof, as a result of:
- (a) Any condemnation, eminent domain, compulsory acquisition, expropriation or like procedures ("Condemnation"), partial or complete, including any sidewalk or lane; or
  - (b) The imposition, and enforcement, of any restriction, regulation or condition to meet any building or development guideline for development or restriction of or by any municipality or other competent authority; or



- (c) Any other material injury to or decrease in the value of the Charged Premises by any lawful regulation or any governmental authority having jurisdiction;

(any matter referred to in (a), (b) or (c) above being hereinafter called an “Incident of Expropriation”) to the extent of all amounts which may be secured by this Charge at the date of receipt of any such Condemnation Award by the Borrower. Notwithstanding the occurrence of any Incident of Expropriation, the Borrower shall continue to pay interest at the Applicable Rate on the Principal Sum. The Borrower does hereby change, assign, set over as transfer to the Lender, as security for the repayment of all Indebtedness.

- 17.2 Any Condemnation Award received by the Lender shall be held by the Lender as part of the security for the Loan subject to application as provided in this Article 17. Pending such application, such amounts received shall be held and invested by the Lender, acting reasonably. If at any time an Event of Default has occurred and is continuing, the Lender may, at its option, apply such amounts in reduction of the amounts owing hereunder.
- 17.3 Notwithstanding the provisions of Sections 17.1 and 17.2, in the event that any Incident of Expropriation shall occur which, in the reasonable opinion of the Lender, would materially and adversely affect the security of the Charge or any other Security after the application of any Condemnation Award pursuant to Section 17.1 hereof, the Lender may, at its option, declare such Incident of Expropriation to be an Event of Default and be entitled to exercise any and all rights and remedies available to it hereunder at law or in equity.

#### **ARTICLE 18 - EVENTS OF DEFAULT**

- 18.1 The whole of the Principal Sum together with interest thereon at the Applicable Rate, interest on overdue interest and any amounts payable pursuant to Article 6, and all other amounts secured hereby shall, at the option of the Lender, subject to Section 18.2 hereof, become due and payable and all powers conferred on the Lender herein and hereby shall become exercisable, in like manner to all intents and purposes as if the time herein mentioned for payment of such Principal monies had fully come and expired, if specifically provided for in this Charge, or if any of the following events shall occur (the occurrence of any such event together with the expiry of the applicable cure period, if any, and any other occurrence specifically provided for herein as an Event of Default being collectively referred to as an “Event of Default”):
  - (a) Upon default in payment of any regularly schedule instalment of interest beyond the date such payment is due and payable; or
  - (b) Upon default in payment of the Indebtedness due and owing on the Maturity Date; or
  - (c) Upon default in payment of any Indebtedness (other than an instalment of interest and upon maturity) due hereunder within five (5) Business Days after written notice thereof is provided by the Lender; or
  - (d) Save as otherwise provided for in subparagraphs (a), (b) and (c) hereof or otherwise specifically provided herein, upon any default in the performance of any covenant or obligation of the Borrower hereunder within fifteen (15) days after written notice thereof is provided by the Lender, provided that if such default is curable and the nature of such default is such that the exercise of reasonable diligence of more than fifteen (15) days is required to cure such default, and if such default in the Lender’s reasonable discretion does not jeopardize or adversely effect the security interest of the Lender hereunder or adversely affect the Borrower or its ability to perform its obligations hereunder or under the Security or adversely affect the Charged Premises, the Lender will not, for a further sixty (60) days so long as no other Event of Default has occurred, enforce its remedies in respect of such default while and so long as during such time the Borrower is actively continuing to diligently and in good faith cure such default; or
  - (e) If at any time during the Term there is a breach of any representation or warranty contained herein or at any time during the Term if any representation or warranty contained herein is no longer true or accurate or becomes untrue or inaccurate for any reason and provided the same can be rectified, and the same is not rectified within thirty (30) days after written notice thereof is provided by the Lender; or
  - (f) Upon the assignment by the Borrower to any other party of the whole or a part of the rents, income or profits arising from the Charged Premises, without the written consent of the Lender; or
  - (g) The occurrence of an Event of Insolvency; or
  - (h) If without the prior written consent of the Lender, in its sole and absolute discretion:
    - (i) the Borrower transfers, sells, conveys, or otherwise disposes of all or any part of the Charged Premises, or any interest therein (other than by way of Leases), whether legal or beneficial or enters into any transaction or series of transactions where all or any part of the Charged Premises becomes the property of another person, whether through reorganization, amalgamation, merger, consolidation or otherwise, or if there is any change in the legal or beneficial interest, in whole or in part, of the Charged Premises; or
  - (i) If, without the prior written consent of the Lender, in its sole and absolute discretion:
    - (i) there is any change in the Borrower’s corporate control or change in the Borrower’s effective control existing as of the date of this Charge; or
    - (ii) the Borrower creates, permits or suffers to exist any mortgage, pledge, charge, loan, assignment, hypothecation, security interest or other encumbrance attaching the Charged Premises other than this Charge, the Security and the Permitted Encumbrances; or
  - (j) Upon default by or non-compliance of the Borrower or any Guarantor(s), or any others bound by or acknowledging to be bound by the terms of this Charge, with respect to any of the provisions of the Security or the Permitted Encumbrances; or

- (k) If the Charged Premises are abandoned; or
- (l) Failure by the Borrower to fulfil, complete or comply with any undertakings delivered by the Borrower to Lender in connection with the Loan in accordance with the terms of such undertakings; or
- (m) Upon any breach, default, non-observance occurring or being alleged, charged or claimed against the Borrower as lessor under any lease or as sublessor under any sublease of the Charged Premises and the Borrower is not diligently proceeding to rectify any such breach, default, non-observance or non-performance or defend any allegations, charges or claims of the same; or
- (n) If this Charge, or any of the Security, shall fail to constitute a legal, valid, binding and enforceable first charge, first assignment or first security interest, each enforceable in accordance with its terms, subject only to Permitted Encumbrances; or
- (o) If in the reasonable opinion of the Lender there occurs an event which has a material adverse effect on the financial condition or operation of the Borrower, the Charged Premises, this Charge, the Security or the ability of the Borrower to pay the Indebtedness or to perform its obligations hereunder or under the Security and which cannot be rectified by the Borrower within a reasonable period of time.

18.2 Save as otherwise specifically provided, an Event of Default hereunder or under any Security shall not have occurred or be deemed to have occurred until the expiration of any applicable notice period, if any, called for in this Charge or in such Security within which the Borrower may remedy such default. In any event, if in the opinion of the Lender, an event has occurred which with the passing of time, the giving of notice or otherwise would constitute an Event of Default and as a result of which the Charged Premises or the property assets and undertaking subject to the Security is materially at risk, the Lender may take such action or exercise such remedies as may be appropriate without notice to the Borrower or the expiry of any cure period.

## **ARTICLE 19 - REMEDIES**

19.1 If an Event of Default has occurred hereunder and is continuing (or if the Lender exercises its rights pursuant to Section 18.2 hereof before the occurrence of an Event of Default), then at any time thereafter, but subject always to the waiver thereof by the Lender, the Lender may:

- (a) Declare the Indebtedness to be immediately due and payable and proceed to exercise any and all rights hereunder or under the Security or any other rights available to it under any other document or instrument or at law or in equity including without limitation, the drawdown of any letter of credit held by the Lender;
- (b) Commence legal action to enforce payment of the Indebtedness or performance of the obligations by the Borrower to the Lender;
- (c) At the expense of the Borrower, when and to such extent as the Lender deems advisable, observe and perform or cause to be observed and performed any covenant, agreement, proviso or stipulation contained herein or in the Security, and the reasonable cost thereof with interest thereon at the Applicable Rate until paid, shall immediately become due from the Borrower to the Lender after demand by the Lender upon the Borrower therefor;
- (d) Pay or discharge any mortgage, encumbrance, lien, adverse claim or charge that may exist or be threatened against the Charged Premises; in any such case, the amounts so paid together with costs, charges and expenses incurred in connection therewith shall be added to the Principal outstanding and shall bear interest at the Applicable Rate;
- (e) Send or employ any inspector or agent to inspect and report upon the value, state and condition of the Charged Premises and may employ a lawyer to examine and report upon the title to the same;
- (f) Immediately take possession of all of the Charged Premises or any part or parts thereof by action or otherwise, with power, among other things, to exclude the Borrower, to enforce the Borrower's rights, to preserve and maintain the Charged Premises, to repair, alter or extend the Charged Premises, to lease the Charged Premises, to complete construction and development of the Charged Premises, to operate and manage the Charged Premises and to collect or receive rents, income and profits of all kinds (including taking proceedings in the name of the Borrower for that purpose) and pay therefrom all reasonable expenses and charges of maintaining, preserving, protecting and operating the Charged Premises (payment of which may be necessary to preserve or protect the Charged Premises), and to enjoy and exercise all powers necessary to the performance of all functions made necessary or advisable by possession, including without limitation, power to advance its own moneys and enter into contracts and undertake obligations for the foregoing purposes upon the security hereof, and all sums advanced or expended shall be added to the Principal outstanding and shall bear interest at the Applicable Rate;
- (g) On default of payment for at least fifteen (15) days may, on at least thirty-five (35) days' notice, sell and dispose in the Charged Premises with or without entering into possession of the same and with notice to such persons and in such manner and form and within such terms as provided under Part III of the *Mortgages Act* (Ontario), as amended; and all remedies available may be resorted to and all rights, powers and privileges granted or conferred upon the Lender under and by virtue of any statute or by this Charge may be exercised and no want of notice or publication or any other defect, impropriety or irregularity shall invalidate any sale made or purporting to be made in the Charged Premises; and the Lender may sell, transfer and convey any part of the Charged Premises on such terms, including on credit for all or part of the consideration, (provided the Borrower shall not be accountable for any default in respect of the credit), secured by contract or agreement for sale, or charge, or otherwise, as shall appear to the Lender most advantageous and for such prices as can reasonably be obtained therefor in the circumstances; and in the event of sale on credit or part cash and part credit, whether by way of contract for sale or by conveyance or transfer, charge, or otherwise, the Lender is not to be accountable for or charged with any monies until the same shall be actually received in cash or received by a take-back charge; and sales may be made from time to time of parts of the Charged Premises to satisfy interest and leaving the Principal or part thereof to run with interest at the Applicable Rate; and the Lender may make any stipulations as to title or evidences or commencement of title or otherwise as the Lender shall deem proper and may buy or rescind or vary any contract for sale; and on any sale or resale, the Lender shall not be answerable for loss

occasioned thereby; and for any of such purposes the Lender may make and execute all arrangements and assurances that the Lender shall deem advisable or necessary;

- (h) With respect to the Leases:
  - (i) to demand, collect and receive the Rents or any part thereof and to give acquittances therefor, and to take from time to time, in the name of the Borrower, any proceeding which may be, in the opinion of the Lender or its counsel, expedient for the purpose of collecting the Rents or for securing the payment thereof or for enforcing any of the Borrower's rights under the Leases;
  - (ii) to compound, compromise or submit to arbitration any dispute which has arisen or may arise in respect to any amount of Rent and any settlement arrived at shall be binding upon the Borrower;
  - (iii) to enter upon the Lands by its officers, agents or employees for the purpose of collecting the Rents; (iv) to receive, enjoy or otherwise avail itself of the Lease Rights; and
  - (v) on behalf of the Borrower to alter, modify, amend or change the terms of Leases; to terminate Leases, to enter into new Leases; to give consents, concessions or waivers of any rights or provisions of Leases; to accept surrenders of Leases; to give consents to assignment of or subletting under Leases;
- (i) With or without taking possession of all or any part of the Charged Premises, sell, lease or otherwise dispose of the whole or any part of the Charged Premises, as agent for the Borrower and not the Lender, and in exercising the foregoing power, the Lender may, in its absolute discretion:
  - (i) sell, lease or otherwise dispose of the whole or any part of the Charged Premises by public auction, public tender with notice, or by private contract (in the name of or on behalf of the Borrower) or otherwise, with such notice, advertisement or other formality as is required by law;
  - (ii) make and deliver to the purchaser good and sufficient deeds, assurances and conveyances of the Charged Premises and give receipts for the purchase money, and any such sale once effected shall be a perpetual bar, both at law and in equity, to the Borrower and all those claiming an interest in the Charged Premises by, from, through or under the Borrower making any claim against the purchaser of the Charged Premises;
  - (iii) grant, rescind, vary or complete any contract for sale, lease or options to purchase or lease, or rights of first refusal to purchase or lease the whole or any part of the Charged Premises, for cash or for credit, with or without security being given therefor, and on terms as shall appear to be most advantageous to the Lender (including a term that a commission be payable to the Lender or a related corporation in respect thereof) and if a sale is on credit, the Lender shall not be accountable for any moneys until actually received;
  - (iv) make any stipulation as to title or conveyance or commencement of title;
  - (v) re-sell or re-lease the Charged Premises or any part thereof without being answerable for any loss occasioned thereby; and
  - (vi) make any arrangements or compromises which the Lender shall think expedient in the interest of the Lender and to assent to any modification of this Charge, and to exchange any part or parts of the Charged Premises for any other property suitable for the purposes of the Lender on such terms as the Lender considers expedient, either with or without payment of money for equality or exchange or otherwise;
- (j) Take proceedings in any court of competent jurisdiction for sale or foreclosure of all or any part of the Charged Premises;
- (k) To borrow or raise money on the security of the Charged Premises or any part thereof in priority to this Charge or otherwise, for the purpose of the maintenance, preservation or protection of the Charged Premises or any part thereof or for carrying on all or any part of the business of the Borrower relating to the Charged Premises;
- (l) Take proceedings in any court of competent jurisdiction for the appointment of a receiver (which term as used in this Charge includes a manager and a receiver and manager, and hereafter, the "Receiver") of all or any part of the Charged Premises;
- (m) By instrument in writing appoint, with or without taking possession, any person to be a Receiver of the Charged Premises or of any part thereof and may remove any Receiver so appointed and appoint another in his stead, with all fees and costs related thereto being the Borrower's obligations; and the following shall apply in respect of any such Receiver so appointed:
  - (i) the Lender may from time to time fix the remuneration of the Receiver who shall be entitled to deduct that same out of the revenue from the Charged Premises or the proceeds thereof;
  - (ii) the Receiver shall, to the fullest extent permitted by law, be deemed the agent or attorney of the Borrower for all purposes and the Lender shall not be in any way responsible for any actions other than as caused by gross negligence, willful misconduct or fraud, of any Receiver, and the Borrower hereby agrees to indemnify and save harmless the Lender from and against any and all claims, demands, actions, costs, damages, expenses or payments which the Lender may hereafter suffer, incur or be required to pay as a result, in whole or in part, of any action taken by the Receiver or any failure of the Receiver to do any act or thing other than as are caused by gross negligence, willful misconduct or fraud;
  - (iii) the appointment of the Receiver by the Lender shall not incur or create any liability on the part of the Lender to the Receiver in any respect and such appointment or anything which may be done by the Receiver or the removal of the Receiver or the termination of any such Receivership shall not have the effect of constituting

the Lender a mortgagee in possession in respect of the Lands or any part thereof;

- (iv) the Receiver may exercise or pursue any other remedy or proceeding which the Lender is entitled as the holder of the Charge authorized or permitted hereby or by law or in equity in order to enforce the security constituted by this Charge;
- (v) and for the purposes above, the Borrower hereby irrevocably empowers the Receiver so appointed as its attorney to execute deeds, transfers, leases, contracts, agreements or other documents on its behalf and in its place (and the same shall bind the Borrower and have the same effect as if such deeds were executed by the Borrower) and to affix the Borrower's seal, if necessary, or a duplicate thereof to any of the same. On its own account or through a Receiver and whether alone or in conjunction with the exercise of all or any other remedies contemplated hereby, shall have the right, at any time, to notify and direct any account debtor to make all payments whatsoever to the Lender and the Lender shall have the right, at any time, to hold all amounts received from any account debtor and any proceeds as part of the Secured Property; any payments received by the Borrower from and after the security hereby constituted becomes enforceable, shall be held by the Borrower in trust for the Lender in the same medium in which received, shall not be commingled with any assets of the Borrower and shall, at the request of the Lender, be turned over to the Lender not later than the next Business Day following the day of their receipt; and
- (vi) save as to claims for accounting under paragraph (o) below, the Borrower hereby releases and discharges the Lender and the Receiver from every claim of every nature, whether resulting in damages or not, which may arise or be caused to the Borrower by reason or as a result of anything done by the Lender or any successor or assign claiming through or under the Lender or the Receiver under the provisions of this paragraph unless such claim be the direct result of dishonesty or gross neglect;
- (n) The Lender may at any time and from time to time terminate any receivership by notice in writing to the Borrower and to the Receiver;
- (o) The Receiver shall account for all monies received in respect of the Charged Premises or any part thereof, and shall pay, out of such monies received, subject to the further direction of the Lender in its discretion, the following in the order specified:
  - (i) the Receiver's remuneration;
  - (ii) all payments reasonably made or incurred by the Receiver in connection with its receivership;
  - (iii) all payments of interest, Principal and other money which may, from time to time, be or become charged upon the Charged Premises in priority to this Charge, and all Bills, Taxes, insurance premiums and every other proper expenditure reasonably made or incurred by the Receiver in respect to the Charged Premises or any part thereof; and
  - (iv) all payments to the Lender of all interest due or falling due hereunder and the balance to be applied upon Principal due and payable and secured hereby;

and thereafter any surplus remaining in the hands of the Receiver after payments made as aforesaid shall be accountable to the Borrower or other persons entitled thereto; and

- (p) On its own account or through a Receiver and whether alone or in conjunction with the exercise of all or any other remedies contemplated hereby, shall have the right, at any time, to notify and direct any account debtor to make all payments whatsoever to the Lender and the Lender shall have the right, at any time, to hold all amounts received from any account debtor and any proceeds thereof as security for the Indebtedness; any payments received by the Borrower from and after the security hereby constituted becomes enforceable, shall be held by the Borrower in trust for the Lender in the same medium in which received, shall not be commingled with any assets of the Borrower and shall, at the request of the Lender, be turned over to the Lender not later than the next Business Day following the day of their receipt.

## **ARTICLE 20 - DEFAULT UNDER SECURITY, PARAMOUNTCY DISCHARGE AND RENEWAL**

- 20.1 Payments of principal and interest made under and pursuant to the terms of the Security shall constitute payment hereunder and vice versa and default in the payment of principal and interest under the Security shall constitute default hereunder and vice versa. Default in compliance with any of the conditions, covenants, undertakings, provisions and stipulations contained in the Security shall entitle the Lender to exercise all or any of the rights or remedies provided herein and the occurrence of and Event of Default hereunder or in compliance with any of the conditions, covenants, undertakings, provisions and stipulations contained herein shall entitle the Lender to exercise all or any of the rights or remedies provided in the Security. The occurrence of an Event of Default hereunder shall constitute an Event of Default under the Security and vice versa.
- 20.2 The cancellation of or any other dealing with any Security (other than foreclosure thereof) shall not release or affect this Charge, and the taking of this Charge, or the cancellation of or any other dealing with, or proceeding under (other than foreclosure hereunder), this Charge, shall not release or affect any Security:
  - (a) The Lender may at any time and from time to time release any part or parts of the Charged Premises or any other Security or any surety for payment of all or any part of the monies hereby secured or may release the Borrower or any other person from any covenant or other liability to pay the Principal Sum and interest and all other monies secured hereby, or any part thereof, either with or without any consideration therefor, and without being accountable for the value thereof or for any monies except those actually received by the Lender, and without thereby releasing any other part of the Charged Premises, or any other Security or covenants herein contained, it being especially agreed that notwithstanding any such release, the Charged Premises, the Security and the covenants remaining unreleased shall stand charged with the whole of the monies hereby secured;

- (b) In the event that the monies advanced hereunder are applied to payment of any charge or encumbrance, the Lender shall be subrogated to all the rights of and stand in the position of and be entitled to all the equities of the party or parties so paid whether such charge or encumbrance has or has not been discharged; and the decision of the Lender as to the validity or amount of any advance or disbursement made under this Charge or of any claims so paid, shall be final and binding on the Borrower; and
- (c) The Lender shall not be charged with any monies receivable or collectible out of the Charged Premises or otherwise, except those actually received by or on behalf of the Lender and all revenue of the Charged Premises received or collected by the Lender from any source other than payment by the Borrower may, at the option of the Lender, be retained in a separate account to be used in, maintaining, insuring or improving the Charged Premises to the extent required for such purpose, in the opinion of the Lender, acting reasonably, or in payment of Taxes or other liens, charges or encumbrances against the Charged Premises, or applied in reduction of the amounts owing hereunder.
- 20.3 Subject to Section 6.1 hereof, upon payment of all amounts secured by this Charge, the Borrower shall be entitled to receive and the Lender shall provide a discharge of this Charge and the Security within a reasonable period of time after the request therefor. The Lender shall have a reasonable time after such payment within which to prepare and execute such discharge and all reasonable legal and other expenses for the preparation, execution and registration of such discharge and/or documents, as the case may be, shall be borne by the Borrower.
- 20.4 All payments made pursuant to Section 20.3 shall be made to and received by the Lender prior to 1:00 p.m. on the date due or the next succeeding Business Day in the event the date due is not a Business Day; provided such extension of time shall be included for the purposes of computation of interest.

#### **ARTICLE 21 - NO MERGER OR WAIVER OF LENDER'S RIGHTS**

- 21.1 It is further understood and agreed that this Charge and the Security shall stand as a continuing security for repayment of the Loan, including, all advances made thereunder together with all interest, damages, costs, charges and expenses which may become due and payable to the Lender in respect of or in connection with the Loan or any portion thereof, notwithstanding any fluctuation or change in the amount, nature or form of the Loan or in the obligations now or hereafter representing the Loan or any portion thereof or in the names of the obligors or any of them.
- 21.2 The rights of the Lender arising under this Charge shall be separate, distinct and cumulative and, except as expressly provided herein, none of them shall be in exclusion of the other and no act of the Lender shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision, anything herein or otherwise to the contrary notwithstanding.
- 21.3 The giving and taking of this Charge shall in no way merge, waive, prejudice, suspend or affect any of the rights or remedies of the Lender under any Security which may be given or which may have been or may hereafter be given in respect of the Principal Sum hereof, interest and other monies secured by this Charge, or any part thereof, or under the Security and all rights and remedies which the Lender now has or may hereafter have against any one or more persons, are hereby preserved.
- 21.4 The taking of a judgment or judgments under any of the covenants or obligations herein or under any Security shall not operate as a merger of the covenants of the Borrower or affect the Lender's right to interest at the Applicable Rate on any monies due or owing to the Lender during the continuance of this Charge, under any of the covenants herein contained or on any judgment to be recovered thereon.
- 21.5 The covenant of the Borrower to pay interest shall not merge in any judgment in respect of any covenant or obligation of the Borrower under this Charge or any Security and such judgment shall bear interest at the Applicable Rate until such judgment and all interest thereon have been paid in full.
- 21.6 Any waiver by the Lender of any default by the Borrower or any omission on the Lender's part in respect of any default by the Borrower shall not extend to or be taken in any manner whatsoever to affect any subsequent default by the Borrower or the rights resulting therefrom.
- 21.7 No extension of time given by the Lender to the Borrower or anyone claiming under the Borrower, shall in any way affect or prejudice the rights of the Lender against the Borrower or any person liable for payment of the monies hereby secured.

#### **ARTICLE 22 - FINANCIAL DATA**

- 22.1 The Borrower shall provide or cause to be provided promptly to the Lender full and complete information about the financial condition and operations of the Charged Premises, including a comprehensive rent roll of all space in the Charged Premises, about the financial condition of the Borrower and any Guarantor(s) and such other information which the Lender may reasonably require from time to time, and the Lender shall have the right to examine the books and records of the Borrower relating to the Charged Premises at reasonable times and upon reasonable prior notice.
- 22.2 Without limiting the foregoing, the Borrower covenants and agrees to provide or cause to be provided to the Lender audited financial statements together with operating statements pertaining to the Charged Premises and such other financial information the Lender may reasonably require, (a) in the case of audited financial statements, within ninety (90) days of the end of each fiscal year of the Borrower (or such other time as may reasonably be required by the Lender), and (b) with respect to operating statements for the Charged Premises, within thirty (30) days of the end of each quarter of each calendar year. The audited financial statements are to be prepared by a nationally recognized firm of chartered accountants and shall include a balance sheet, and a detailed statement of income and expenditures and supporting notes and schedules. The operating statements shall contain a certificate by a senior officer of the Borrower as to the contents and preparation thereof, and shall include detailed statements of income, expenditures results of operation and such other matters relating to the operation of the Charged Premises as the Lender may reasonably require. In the event applicable, the Borrower shall provide the Lender with copies of all proxy statements, reports and information circulars that the Borrower makes available to its shareholders and copies of all regular and periodic reports which the Borrower may file with any securities commission or any other Governmental Authority.
- 22.3 The Borrower shall provide or cause to be provided to the Lender, or as the Lender may direct, a comprehensive list of all

current tenants and rentals of space in the Charged Premises during the Term, which list shall disclose, without limitation, the name of each tenant, the duration of its term, renewal options, if any, and the term thereof, the rental being paid, the last date on which rental was paid and whether such tenancy is in good standing. Such list shall contain an endorsement by an officer of the Borrower as to being complete and accurate.

- 22.4 All statements, reports and other documents required to be provided hereunder shall be prepared in a manner acceptable to the Lender, in its reasonable discretion.

#### **ARTICLE 23 - NOTICE**

- 23.1 Unless otherwise provided herein, any demand, notice or communication given or required to be given to a party hereunder shall be in writing and shall be personally delivered or given by transmittal by telecopy or facsimile transmission addressed to the respective parties at its address or telecopy or facsimile number set forth below or to such other address or telecopy or facsimile number as such party may designate by notice in writing to the other party hereto:

- (a) If to the Borrower, at the address for service set out in the electronic Charge to which this schedule is attached; and
- (b) If to the Lender, at the address for service set out in the electronic Charge to which this schedule is attached.

Any demand, notice or communication made by or given by personal delivery shall be conclusively deemed to have been made or given on the day of actual delivery thereof, and, if made or given by telecopy or by facsimile, on the first day other than a Saturday, Sunday or a statutory holiday in Ontario, on which Schedule I banks are open for commercial business in Toronto, Ontario, following the transmittal thereof.

#### **ARTICLE 24 - GENERAL**

- 24.1 If any provision of this Charge or the application thereof to any circumstances shall be held to be invalid or unenforceable, it shall be deemed severed herefrom and the remaining provisions of this Charge, or the application thereof to other circumstances, shall not be affected thereby and shall be held valid and enforceable to the full extent permitted by law. In particular, and without limiting the generality of the foregoing, to the extent any and all amounts due pursuant to Article 6 hereof may be deemed to be in excess of what is permissible by law, any such excess shall be deemed not to be due under this Charge.
- 24.2 Wherever used in this Charge, unless the context clearly indicates a contrary intent as unless or otherwise specifically provided herein, the word "Borrower" shall mean "Borrower and/or subsequent owner or owners of the Charged Premises", the word "Lender" shall mean "Lender or any subsequent holder or holders of this Charge".
- 24.3 The descriptive headings of the several subparagraphs or paragraphs or sections or articles of this Charge are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.
- 24.4 Wherever the singular number or masculine gender is used in this Charge, the same shall be construed as including the plural and feminine or a body corporate, respectively, and vice versa, where the fact or context so requires; and the successors and assigns of any party executing this Charge are bound by the covenants, agreements stipulations and provisos herein contained. The covenants, agreements stipulations and provisos herein stated shall, except as otherwise limited hereby, be in addition to those granted or implied by statutory law.
- 24.5 This Charge shall be construed and enforceable under and in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein, and the Borrower hereby irrevocably attorns to the non-exclusive jurisdiction of the courts sitting at Toronto, Ontario.
- 24.6 The Borrower shall at all times, do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered all such further acts, deeds, transfers, assignments, security agreements and assurances as the Lender may reasonably require in order to give effect to the provisions hereof and for the better granting, transferring, assigning, charging, setting over, assuring, confirming or perfecting the Charge and the priority accorded to them by law or under this Charge.
- 24.7 If any of the forms of words contained herein are also contained in Column 1 of Schedule "B" of the Short Forms of Mortgages Act (Ontario) and distinguished by a number therein, this Charge shall be deemed to include and shall have the same effect as if it contained the form of words in Column 2 of Schedule "B" of the said Act distinguished by the same number, and this Charge shall be interpreted as if the *Short Forms of Mortgages Act* (Ontario) were still in full force and effect. The implied covenants deemed to be included in a charge under Subsection 7(1) of the *Land Registration Reform Act* (Ontario) shall be and are hereby expressly excluded from the terms of this Charge.
- 24.8 This Charge shall, whether or not it secures a current or running account, be a general and continuing security to the Lender for payment of the indebtedness in an amount not exceeding the amount secured by this Charge and performance of the Borrower's other obligations under the Charge notwithstanding any fluctuation or change in the amount, nature or form of the indebtedness or in the accounts relating thereto or in the bills of exchange, promissory notes and/or other obligations now or later held by the Lender representing all or any part of the indebtedness outstanding at any particular time; and the Charge will not be deemed to have been redeemed or become void as a result of any such event or circumstance.
- 24.9 This Charge is given as collateral security to the Commitment.
- 24.10 In the event of conflict between the Commitment and the terms of this Charge, the provisions of the Commitment shall prevail; provided that any provision herein contained that is not contained in the Commitment and vice versa shall not in and of itself be considered to be inconsistent or in conflict.

#### **ARTICLE 25 – CONDOMINIUM PROVISIONS**

- 25.1 The Borrower covenants and agrees that in the event that the security for the within Charge shall be or shall become a condominium unit(s) the following provisions shall apply.

- (i) the Borrower does hereby assign to the Lender all of its rights to vote or consent in the affairs of the Condominium Corporation having jurisdiction over the subject lands and the Lender, may at its option, exercise the right of an owner of a condominium unit to vote or consent in the affairs of the Condominium Corporation in the place and stead of such owner, without in any way consulting the owner as to the manner in which the vote shall be exercised or not exercised, and without incurring any liability to the owner or anyone else because of the manner in which such vote or right to consent in the affairs of the Condominium Corporation was exercised.
- (ii) the Borrower shall pay promptly, when due, any common expenses, assessments, instalments or payments due to the Condominium Corporation.
- (iii) the Borrower shall observe and perform the covenants and provisions required to be observed and performed under or pursuant to the provisions of the *Condominium Act* (Ontario), all amendments thereto, and any legislation passed in substitution thereof, and the declaration and by-laws of the Condominium Corporation and any amendments thereto.
- (iv) Where the Borrower defaults in the Borrower's obligation to contribute to the common expenses assessed or levied by the Condominium Corporation, or any authorized agent on its behalf, or any assessment, instalment of payment due to the Condominium Corporation, upon breach of any of the foregoing covenants or provisions in this paragraph contained, regardless of any other action or proceeding taken, or to be taken by the Condominium Corporation, the Lender, at its option and without notice to the Borrower, may deem such default to be a default under the terms of this Charge and proceed to exercise its rights therein and the Lender shall be entitled at its option to pay all common expense amounts as they come due and these amounts so paid together with legal fees shall form part of the Indebtedness.

## ARTICLE 26 – CONSTRUCTION LOAN PROVISIONS

In the event that any of the monies advanced or to be advanced under this Charge are intended to finance any improvement to the Charged Premises, the parties hereto covenant and agree that the following conditions shall apply:

- 26.1 All construction on the Charged Premises shall be carried out by reputable contractors having experience which is commensurate to nature and size of the project to be constructed, which contractors must be prior approved by the Lender in writing, such approval not to be unreasonably withheld.
- 26.2 The construction of the building and structures located on the Charged Premises have been commenced and shall be continued in a good and workmanlike manner, with all due diligence and in accordance with the plans and specifications delivered to the Lender and to the satisfaction of all governmental and regulatory authorities having jurisdiction.
- 26.3 Provided that should construction of the project on the Charged Premises cease for any reason whatsoever (strikes, material shortages and weather conditions beyond the control of the Borrower excepted), for a period of ten (10) consecutive days (Saturdays, Sundays and Statutory holidays excepted), then, at the option of the Lender, this Charge shall immediately become due and payable. In the event that construction does cease, then the Lender shall have the right, at its sole option, to assume complete control of the construction of the said project in such manner and on such terms as it deems advisable. The cost of completion of the said project by the Lender and all expenses incidental thereto shall be added to the principal amount of this Charge, together with a management fee of fifteen percent (15%) of the costs of the construction completed by the Lender. All costs and expenses, as well as the management fee of fifteen percent (15%) added to the principal amount of this Charge shall bear interest at the rate as herein provided for and shall form part of the principal sum herein and the Lender shall have the same rights and remedies to collection of principal and interest hereunder or at law.
- 26.4 At all times there shall be sufficient funds unadvanced under this Charge and retained by the Lender to complete the construction and/or renovation of the project on the Charged Premises and as may be necessary to retain the Lender's priority with respect to any deficiency in the holdbacks required to be retained by the Borrower under the *Construction Lien Act* (Ontario).
- 26.5 This Charge will be advanced in stages as construction upon the Charged Premises proceeds or as the conditions as enumerated by the Commitment are complied with.
- 26.6 All advances which are made from time to time hereunder shall be based on certificates of a duly qualified architect, engineer, quantity surveyor, cost consultant or other consultant(s) retained for the purpose of reviewing and advising the Lender with respect to the said project and the progress thereof, whose fees and costs shall be for the account of the Borrower regardless of by whom such person has been retained. All such certificates shall without limitation certify the value of the work completed and the estimated costs of any uncompleted work and such certificates shall further certify that such completed construction and/or renovation to the date of such certificate shall be in accordance with the approved plans and specifications for the said construction and further, in accordance with the building permits issued for such construction and in accordance with all municipal and other governmental requirements of all authorities having jurisdiction pertaining to such construction and that there shall be no outstanding work orders or other requirements pertaining to construction on the Charged Premises. Such certificates with respect to any values shall not include materials on the site which are not incorporated into the building.
- 26.7 The Borrower shall pay to the Lender on each occasion when an inspection of the Charged Premises is required to confirm construction costs to date and compliance with conditions for further advances, an inspection fee in such reasonable amount as the Lender may charge from time to time for each such inspection and the Lender's solicitors shall be paid their reasonable fees and disbursements for each sub-search and work done prior to each such advance and all such monies shall be deemed to be secured hereunder and the Lender shall be entitled to all rights and remedies with respect to collection of same in the same manner as it would have with respect to collection of principal and interest hereunder or at law.
- 26.8 The Borrower agrees to indemnify and hold the Lender harmless from any and all claims, demands, sums of money, debts, covenants, bonds, accounts, actions, causes of action, rights, obligations and liability of every kind whatsoever which arise out of claims against the property under the *Construction Lien Act* (Ontario) and that any liens for work and/or supplies that are registered against the Borrower's interest in the property will be promptly discharged within seven (7) days from the date of registration of the lien. The Lender may, but is not required to, deal with the lien claimant and pay the lien claim into court pursuant to the provision of the *Construction Lien Act* (Ontario) for the purpose of vacating the lien from title to the property.


The Borrower agrees to be liable for all costs, claims, amounts and fees including, without limitation, all legal fees (on a solicitor and his client basis) incurred by the Lender arising from or in connection with the Borrower or the Lender obtaining and registering either a release of the lien or an order vacating the lien.


ARTICLE 27 - ASSIGNMENT AND SALE

- 27.1 The Loan and all other amounts secured hereby, this Charge, the Security and all documents ancillary or collateral thereto may, in the Lender's sole discretion and without the consent of the Borrower, in whole or in part, be participated, sold, securitized, syndicated or assigned by the Lender from time to time to one or more Persons.
- 27.2 The Lender may disclose to participants, transferees or assignees or to potential participants, transferees or assignees or others in connection with any sale, assignment, participation, securitization, transfer or syndication, such information concerning the Borrower or the Charged Premises as the Lender may consider to be appropriate in connection therewith.
- 27.3 No grant, assignment or transfer pursuant to this Article 27 shall constitute a repayment by the Borrower to the Lender of the Loan or any other amounts owing hereunder and included in such assignment or transfer and the Borrower acknowledges that all obligations under this Charge and the Security with respect to such assignment or transfer will continue and not constitute new obligations.
- 27.4 The Borrower agrees to be bound by and do all things necessary or appropriate to assist and give effect to any transfer, participation, securitization, sale, syndication or assignment, but shall incur no increased liabilities as a result thereof.

DATED this    day of July 2021

2744746 ONTARIO LTD.

Per:   
Name: Christopher A. Morgis  
Title: President  
I have the authority to bind the corporation

  
Christopher A. Morgis as Guarantor

  
Witness: GORDON H. HUNTER



## ACKNOWLEDGEMENT AND DIRECTION

TO: SCHNEIDER RUGGIERO SPENCER MILBURN LLP

AND TO: 1599825 ONTARIO LIMITED, RICK BERWICK FAMILY TRUST, 2702749 ONTARIO INC., PETER & CROCETTA ADAMO, 2494789 ONTARIO INC. , A-ONE AUTO INVESTMENTS INC., CINZIA SORRENTI, ELCRM HOLDINGS INC., SERGIO MOLELLA, TRILEND INC., DONALD IERFINO, IMPERIO SA HOLDINGS INC., 2810056 ONTARIO LIMITED, SALISI INVESTMENTS INC., LORENZO & CARMEN ANTONINI, TINA BETTI, 1545695 ONTARIO INC., ANTHONY & GIUSEPPA BONDI, AND C.P.M.C. MARQUEZ HOLDINGS INC.

RE: 1599825 Ontario Limited, Rick Berwick Family Trust, 2702749 Ontario Inc., Peter & Crocetta Adamo, 2494789 Ontario Inc. , A-One Auto Investments Inc., Cinzia Sorrenti, ELCRM Holdings Inc., Sergio Molella, TriLend Inc., Donald Ierfino, Imperio SA Holdings Inc., 2810056 Ontario Limited, Salisi Investments Inc., Lorenzo & Carmen Antonini, Tina Betti, 1545695 Ontario Inc., Anthony & Giuseppa Bondi, and C.P.M.C. Marquez Holdings Inc. (collectively the "**Lender**") loan/ mortgage to 2744746 Ontario Ltd. (the "**Borrower**") as guaranteed by Christopher A. Morgis (the "**Guarantor**") pursuant to a commitment letter dated 6 April 2021 as it may be amended from time to time (the "**Commitment**") on the primary security of a first charge/ mortgage against those lands and premises municipally known as 346-350 and 352-356 Eglinton Avenue West, Toronto, Ontario and legally described in PINs: 21169-0184 (LT) and 21169-0183 (LT) (the "**Real Property**")

FILE NO.: 42919

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This will confirm that:

1. The undersigned have reviewed the information contained on the document(s) attached hereto for identification purposes and confirms this information is accurate;
2. You are authorized and directed to register electronically on our behalf the following documents, copies of which are attached hereto for identification purposes:
  - (i) First Charge/Mortgage of the Real Property in favour of the Lender in the principal amount of \$15,500,000.00;
  - (ii) Notice of Assignment of Rents- General of the Real Property in favour of the Lender;
3. The effect of the electronic Document(s) described in this Acknowledgment and Direction has been fully explained to the undersigned and understand that it is a party to and is bound by the terms and provisions of the electronic Document(s) to the same extent as if the undersigned had signed this Acknowledgment and Direction;
4. You are hereby authorized and directed to insert any information that may be required in the Document(s) that may not be available to you at the time of execution of this Acknowledgment and Direction;

5. You are hereby authorized to make any minor, non-material alterations that may be required to effect certification of the Document(s) by the Land Registry Office;
6. In the event of any investigation by the Director of Land Registration appointed under subsection 6(1) of the *Registry Act* (the "**Director**") regarding suspected fraudulent or unlawful activity or registration in connection with the Document(s), the undersigned hereby consents to you releasing to the Director a true copy of this Acknowledgement and Direction, upon request by the Director;
7. The undersigned are, in fact, the party named in the electronic Document(s) described in this Acknowledgment and Direction and the undersigned have not misrepresented their identity to you; and
8. You are hereby authorized to rely on a telefaxed or electronically transmitted executed copy of this Acknowledgment and Direction as if it was an originally signed copy.
9. This document may be executed in multiple counterparts, each of which shall be deemed to be an original document and all of which shall constitute one document. All counterparts shall be construed together and shall constitute one and the same document.

DATED this <sup>15</sup> day of July ~~XXXX~~ 2021

2744746 ONTARIO LTD.

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

Name: Christopher Morgis

Title: President

I have the authority to bind the corporation

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

GORDON H. HUNTER

Christopher A. Morgis as Guarantor



Properties

PIN	21169 - 0183	LT	Interest/Estate	Fee Simple
Description	PCL 1-2 SEC M380; PT LT 1 PL M380 TORONTO; PT LT 2 PL M380 TORONTO COMM AT THE S WLY ANGLE OF SAID LT 1; THENCE ELY ALONG THE SLY LIMITS OF LOTS 1 AND 2 - 55 FT MORE OR LESS TO A POINT IN THE SAID SLY LIMIT OF SAID LT 2 DISTANT 5 FT MEASURED ELY THEREON FROM THE S WLY ANGLE OF SAID LT 2; THENCE NLY IN A STRAIGHT LINE 113 FT 5 3/4 INCHES MORE OR LESS TO A POINT IN THE NLY LIMIT OF SAID LT 1 DISTANT 1 FT 6 3/4 INCHES MEASURED WLY THEREON FROM THE N ELY ANGLE OF SAID LT; THENCE WLY ALONG THE NLY LIMIT OF SAID LT 1 - 48 FT 5 1/4 INCHES MORE OR LESS TO THE N WLY ANGLE OF SAID LT; THENCE SLY ALONG THE WLY LIMIT OF SAID LT 1 -114 FT MORE OR LESS TO THE POC; S/T LT345020; T/W LT345020; S/T LT346559; T/W LT346559 (S/T LT263283); S/T LT350268; T/W LT350268; TORONTO ; SUBJECT TO A TEMPORARY EASEMENT AS SET IN EXPROPRIATION PLAN AS IN AT4214430; CITY OF TORONTO			
Address	356 EGLINTON AVENUE WEST TORONTO			
PIN	21169 - 0184	LT	Interest/Estate	Fee Simple
Description	PCL 1-1 SEC M380; PT LT 1 PL M380 TORONTO; PT LT 2 PL M380 TORONTO; PT LT 3 PL M380 TORONTO , IF ANY, COMM AT A POINT IN THE SLY LIMIT OF SAID LT 2 DISTANT 5 FT MEASURED ELY THEREON FROM THE S WLY ANGLE OF SAID LT; THENCE ELY ALONG THE SLY LIMIT OF SAID LT 2, BEING THE NLY LIMIT OF EGLINTON AV W, 45 FT MORE OR LESS TO A POINT DISTANT 78 FT 10 INCHES MEASURED WLY FROM THE SE ANGLE OF LT 3 ON SAID PL; THENCE NLY IN A STRAIGHT LINE 113 FT 4 1/2 INCHES MORE OR LESS TO A POINT IN THE NLY LIMIT OF SAID LT 2 DISTANT 80 FT 6 3/4 INCHES MEASURED WLY THEREON FROM THE N ELY ANGLE OF SAID LT 3; THENCE WLY ALONG THE NLY LIMITS OF SAID LOTS 2 AND 1, 39 FT 7 1/2 INCHES MORE OR LESS TO A POINT IN THE SAID NLY LIMIT OF SAID LT 1 DISTANT 1 FT 6 3/4 INCHES MEASURED WLY THEREON FROM THE N ELY ANGLE OF SAID LT; THENCE SLY IN A STRAIGHT LINE 113 FT 5 3/4 INCHES MORE OR LESS TO THE POC; 1. S/T THE RIGHT OF THE OWNERS OF PCL 2664, SEC L TORONTO, TO USE THE WLY WALL OF THE BRICK STORE BUILDINGS, INCLUDING THE FOOTINGS THEREOF SITUATED ON THE LANDS IN THE ABOVE PCL OR ANY PT THEREOF AS A PARTY WALL , TO FORM THE ELY WALL OR A PT THEREOF OF ANY BUILDING OR BUILDINGS WHICH ARE NOW OR MAY HEREAFTER BE ERECTED ON THE LANDS KNOWN AS PCL 2664, SEC L TORONTO, CONTIGUOUS WITH THE SAID WLY WALL OR ANY PT THEREOF; 2. T/W THE RIGHT TO MAINTAIN THE WLY WALL OF THE BRICK STORE BUILDINGS (INCLUDING THE FOOTINGS THEREOF) SITUATE ON THE LANDS IN THE ABOVE PCL OVER THE LANDS IMMEDIATELY ADJOINING TO THE W OF THESE LANDS IN THE POSITION NOW OCCUPIED BY THE SAID WLY WALL; THE OWNER OR OWNERS FROM TIME TO TIME EITHER OF THE PARCELS AFOREMENTIONED MAY EXTEND THE SAID WLY WALL IN A NLY DIRECTION OR ADD TO THE HEIGHT THEREOF, AND MAY REBUILD THE SAME IN CASE OF THE PARTIAL OR TOTAL DESTRUCTION THEREOF AND WHEN ALL OR ANY PORTION OF THE SAID WLY WALL INCLUDING ANY EXT THEREOF AND ADDITION THERETO, SHALL BE USED BY SUCH AN OWNER OR OWNERS BY WHOM OR BY ANY OF WHOSE PREDECESSORS IN TITLE, THE PROPER SHARE OF THE COSTS OF CONSTRUCTION OF THE PORTION OF THE WALL SO USED WAS NOT PAID, HE, SHE OR THEY SHALL PAY TO THE PERSON OR PERSONS WHO CONSTRUCTED THE SAME OR TO HIS, OR THEIR HER, OR THEIR HEIRS, EXECUTORS, ADMINISTRATORS OR ASSIGNS, ONE-HALF OF THE VALUE AT THE TIME OF SUCH USE AND THEREAFTER ONE-HALF OF THE COST OF MAINTENANCE OF THE WHOLE THICKNESS OF THE PORTION OF SUCH WALL SO USED BY HIM, HER OR THEM, AND THE SUM SO TO BE PAID SHALL, UNTIL PAID, REMAIN A CHARGE UPON THE LAND OF THE PERSON OR PERSONS LIABLE TO PAY THE SAME. AND IT IS AGREED THAT THE COVENANTS HEREIN CONTAINED SHALL RUN WITH THE LAND, BUT NO COVENANT HEREIN CONTAINED SHALL BE PERSONALLY BINDING ON ANY PERSON EXCEPT IN RESPECT OF BREACHES, DURING HIS, HER OR THEIR SEISEN OR TITLE TO THE SAID LANDS; AND IT IS FURTHER AGREED THAT WHENEVER THE SAID WLY WALL SHALL BE EXTENDED IN HEIGHT THE CHIMNEYS, IF ANY, PREVIOUSLY BUILT IN SUCH WALL SHALL BE CARRIED UP TO A PROPER HEIGHT AND ANY INJURY CAUSED BY SUCH EXT SHALL BE MADE GOOD AND SUCH EXT OF THE WALL AND CHIMNEYS SHALL BE AT THE EXPENSE OF THE PARTY MAKING THE EXT. AND IT IS AGREED THAT IF THE PARTIES CANNOT AGREE AS TO ANY VALUE ABOVE MENTIONED, THE AMOUNT THEREOF SHALL BE REFERRED TO THREE DISINTERESTED PERSONS AS VALUATORS OF WHOM THE OWNER OR OWNERS FROM TIME TO TIME OF EACH OF THE SAID PARCELS SHALL APPOINT ONE AND THESE TWO VALUATORS SHALL APPOINT A THIRD AND THE DECISION OF THE THREE SAID VALUATORS OR OF ANY TWO OF THEM IN WRITING UNDER THEIR HANDS SHALL BE BINDING ON THE PARTIES HERETO, THEIR RESPECTIVE HEIRS, EXECUTORS, ADMINISTRATORS AND ASSIGNS; AND IT IS FURTHER AGREED THAT ANY REPAIRS, ADDITIONS OR EXTENSIONS TO THE SAID WLY WALL SHALL BE OF GOOD MATERIALS AND WORKMANSHIP AND WHEN BUILT SHALL BE AND REMAIN A PARTY WALL; 3. S/T A FREE AND UNINTERRUPTED ROW FOR THE USE OF THE OWNER OF PARCELS 2664, SEC L TORONTO, 3887, SEC K TORONTO AND 1-1-A, SEC M256, THEIR HEIRS AND ASSIGNS, INGRESS AND EGRESS FOR PERSONS, ANIMALS AND VEHICLES, THROUGH OVER AND ALONG THOSE PARTS OF LOTS 1 AND 2 ON PL M380, DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE NLY LIMIT OF LT 1, 1 FT 6 3/4 INCHES WLY FROM THE N ELY ANGLE OF LT 1; THENCE SLY ALONG A LINE, WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2			



Properties

AT A POINT 5 FT ELY FROM THE SW ANGLE OF LT 2, 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM A POINT IN THE W LIMIT OF LT 1 DISTANT 96 FT NLY FROM THE N LIMIT OF EGLINTON AV AS WIDENED; THENCE N ELY IN A STRAIGHT LINE 19 FT 6 INCHES TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF LT 2 AND DISTANT 16 FT 01/2 INCH ELY FROM THE N WLY ANGLE THEREOF TO A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED 25 FT ELY FROM ITS INTERSECTION WITH THE WLY LIMIT OF LT 2, THE SAID POINT BEING 10 FT 6 INCHES MORE OR LESS SLY ON THE SAID LINE FROM THE SAID NLY LIMIT OF LT 2; THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF LT 2, 22 FT 3 1/2 INCHES MORE OR LESS TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED 78 FT 10 INCHES WLY FROM THE SE ANGLE OF LT 3 ON SAID PL TO A POINT IN THE N LIMIT OF LT 2, 80 FT 6 3/4 INCHES WLY FROM THE NE ANGLE OF LT 3; THENCE NLY ALONG THE SAID LAST MENTIONED LINE 10 FT 6 INCHES MORE OR LESS TO THE NLY LIMIT OF LT 2; THENCE WLY ALONG THE NLY LIMIT OF LOTS 2 AND 1, 39 FT 7 1/2 INCHES MORE OR LESS TO THE POC AS IN LT346559; 4. T/W A FREE AND UNINTERRUPTED ROW, INGRESS AND EGRESS, FOR PERSONS, ANIMALS AND VEHICLES, THROUGH, ALONG AND OVER THOSE PARTS OF LOTS 1 AND 2 BLK 'A', PL M256, DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE E LIMIT OF LT 1, 96 FT NLY THEREON FROM THE NLY LIMIT OF EGLINTON AV AS WIDENED BY BY-LAW 11494; THENCE WLY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV AS WIDENED 125 FT; THENCE NLY PARALLEL TO THE E LIMIT OF LT 1, 12 FT; THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV AS WIDENED 125 FT TO THE SAID E LIMIT OF LT 1; THENCE SLY ALONG THE SAID E LIMIT 12 FT TO THE POC; PROVIDED THAT THE PROJECTIONS, INCLUDING THE PROJECTION OF THE SECOND STOREY OF THE BUILDING SITUATE ON PCL 1-1-A, SEC M256, EXISTING ON THIS DATE AND A FIRE ESCAPE TO BE ERECTED IN CONNECTION THEREWITH, OVER THE SAID ROW OR ANY PT THEREOF SHALL BE DEEMED NOT TO BE AN ENCROACHMENT UPON THE SAID ROW; 5. T/W A FREE AND UNINTERRUPTED ROW, INGRESS AND EGRESS, FOR PERSONS ANIMALS AND VEHICLES, THROUGH, ALONG AND OVER THOSE PARTS OF LOTS 1 AND 2 ON PL M380, DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE WLY LIMIT OF SAID LT 1 DISTANT 96 FT NLY THEREON FROM EGLINTON AV AS WIDENED UNDER BY-LAW 11494; THENCE NLY ALONG THE SAID WLY LIMIT OF LT 1, 18 FT MORE OR LESS TO THE N WLY ANGLE THEREOF; THENCE ELY ALONG THE NLY LIMIT OF LT 1, 48 FT 5 1/4 INCHES MORE OR LESS TO A POINT 1 FT 6 3/4 INCHES WLY THEREON FROM THE NE ANGLE OF LT 1; THENCE SLY ALONG A LINE, WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2 AT A POINT THEREIN DISTANT 5 FT ELY FROM THE SW ANGLE OF LT 2, A DISTANCE OF 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM THE POC; THENCE WLY ALONG THE SAID MENTIONED LINE 49 FT 4 3/4 INCHES MORE OR LESS TO THE POC; 6. T/W A FREE AND UNINTERRUPTED ROW OVER THE WLY 4 FT 6 INCHES OF LT 90 AND THE ELY 5 FT 6 INCHES OF LT 91 ON PL M512; 7. S/T THE RIGHT OF THE OWNER OF PCL 2664, SEC L TORONTO, TO USE (FOR THE PURPOSE OF ACCESS AND INGRESS TO AND EGRESS FROM THE LANDS COMPRISED IN SAID PCL 2664 OR ANY PT THEREOF, AND/OR THE BUILDINGS THEREON AND FOR THE TURNING OF VEHICLES USING THE ROW 3RDLY, 4THLY, 5THLY AND 6THLY ABOVE DESCRIBED) THE SPACE AT THE REAR OF THE BUILDINGS NOW SITUATED UPON THE LANDS COMPRISED IN ABOVE PCL EXTENDING NLY FROM THE NLY LIMIT AND ITS PRODUCTION ELY AND WLY OF THE SAID BUILDINGS TO THE SLY LIMIT OF THE SAID ROW 3RDLY, 4THLY, 5THLY AND 6THLY. PROVIDED ALWAYS THAT THE RIGHTS THEREBY GRANTED SHALL BE EXERCISED IN SUCH MANNER AS NOT UNREASONABLY TO INTERFERE WITH THE REASONABLE AND PROPER USE OF THE SPACE AT THE REAR OF THE RESPECTIVE BUILDINGS AFORESAID BY THE OWNER AND/OR ANY TENANT OR OCCUPANT OF ANY OF THE SAID BUILDINGS RESPECTIVELY AND/OR BY PERSONS HAVING DEALINGS WITH SUCH OWNER AND/OR ANY SUCH TENANT OR OCCUPANT AS IN LT350268; 8. T/W THE RIGHT TO USE (FOR THE PURPOSE OF ACCESS AND INGRESS TO AND EGRESS FROM THE LANDS COMPRISED IN PCL 2665, SEC L TORONTO, OR ANY PT THEREOF AND/OR THE BUILDINGS THEREON FOR THE TURNING OF VEHICLES USING THE ROW DESCRIBED IN THE ABOVE 3RDLY, 4THLY, 5THLY AND 6THLY) THE SPACE AT THE REAR OF THE BUILDINGS NOW SITUATED UPON THE LANDS COMPRISED IN PCL 2664, SEC L TORONTO, EXTENDING NLY FROM THE NLY LIMIT OF THE SAID BUILDINGS TO THE SLY LIMIT OF THE SAID ROW DESCRIBED IN THE SAID 3RDLY, 4THLY, 5THLY AND 6THLY. PROVIDED ALWAYS THAT THE RIGHTS THEREBY GRANTED SHALL BE EXERCISED IN SUCH MANNER AS NOT UNREASONABLY TO INTERFERE WITH THE REASONABLE THE AND PROPER USE OF THE SPACE AT THE REAR OF THE RESPECTIVE BUILDINGS AFORESAID BY THE OWNER AND/OR ANY TENANT OR OCCUPANT OF ANY OF THE SAID BUILDINGS RESPECTIVELY AND/OR BY PERSONS HAVING DEALINGS WITH SUCH OWNER AND/OR ANY SUCH TENANT OR OCCUPANT; TORONTO ; SUBJECT TO A TEMPORARY EASEMENT AS SET OUT IN EXPROPRIATION PLAN AS IN AT4214429; CITY OF TORONTO

Address 350 EGLINTON AVE W  
TORONTO



This document has not been submitted and may be incomplete.

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                      2744746 ONTARIO LTD.  
Acting as a company  
Address for Service    18 Doctors Lane  
King City, Ontario  
L7B 1A8

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

Chargee(s)CapacityShare

Name	1599285 ONTARIO LIMITED	Tenants In Common	\$1,000,000.00
	Acting as a company		
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		

Name	BERWICK, RICK	Tenants In Common	\$1,000,000.00
	Acting as an individual		
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		

Name	2702749 ONTARIO INC.	Tenants In Common	\$2,000,000.00
	Acting as a company		
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		

Name	ADAMO, PETER	Joint Account, Right Of	\$500,000.00
	Acting as an individual	Survivorship	
Address for Service			

Name	ADAMO, CROCETTA	Joint Account, Right Of	\$500,000.00
	Acting as an individual	Survivorship	
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		

Name	2494789 ONTARIO INC.	Tenants In Common	\$750,000.00
	Acting as a company		
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		

Name	A-ONE AUTO INVESTMENTS INC.	Tenants In Common	\$200,000.00
	Acting as a company		
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		

Name	SORRENTI, CINZIA	Tenants In Common	\$350,000.00
	Acting as an individual		
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		

Name	ELCRM HOLDINGS INC.	Tenants In Common	\$800,000.00
	Acting as a company		
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		

Name	MOLELLA, SERGIO	Tenants In Common	\$500,000.00
	Acting as an individual		
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		

Name	TRILEND INC.	Tenants In Common	\$500,000.00
	Acting as a company		
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		

Name	IERFINO, DONALD	Tenants In Common	\$500,000.00
	Acting as an individual		
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		

Name	IMPERIO SA HOLDINGS INC.	Tenants In Common	\$840,000.00
	Acting as a company		

This document has not been submitted and may be incomplete.

<b>Chargee(s)</b>		<b>Capacity</b>	<b>Share</b>
<i>Address for Service</i>	8830 Jane Street, Vaughan ON L4K 2M9		
<i>Name</i>	2810056 ONTARIO LIMITED	Tenants In Common	\$2,000,000.00
	Acting as a company		
<i>Address for Service</i>	8830 Jane Street, Vaughan ON L4K 2M9		
<i>Name</i>	SALISI INVESTMENTS INC.	Tenants In Common	\$750,000.00
	Acting as a company		
<i>Address for Service</i>	8830 Jane Street, Vaughan ON L4K 2M9		
<i>Name</i>	ANTONINI, LORENZO	Joint Account, Right Of Survivorship	\$250,000.00
	Acting as an individual		
<i>Address for Service</i>	8830 Jane Street, Vaughan ON L4K 2M9		
<i>Name</i>	ANTONINI, CARMEN	Joint Account, Right Of Survivorship	\$250,000.00
	Acting as an individual		
<i>Address for Service</i>	8830 Jane Street, Vaughan ON L4K 2M9		
<i>Name</i>	BETTI, TINA	Tenants In Common	\$500,000.00
	Acting as an individual		
<i>Address for Service</i>	8830 Jane Street, Vaughan ON L4K 2M9		
<i>Name</i>	1545695 ONTARIO INC.	Tenants In Common	\$500,000.00
	Acting as a company		
<i>Address for Service</i>	8830 Jane Street, Vaughan ON L4K 2M9		
<i>Name</i>	BONDI, ANTHONY	Joint Account, Right Of Survivorship	\$960,000.00
	Acting as an individual		
<i>Address for Service</i>	8830 Jane Street, Vaughan ON L4K 2M9		
<i>Name</i>	BONDI, GIUSEPPA	Joint Account, Right Of Survivorship	\$960,000.00
	Acting as an individual		
<i>Address for Service</i>	8830 Jane Street, Vaughan ON L4K 2M9		
<i>Name</i>	C.P.M.C MARQUEZ HOLDINGS INC.	Tenants In Common	\$1,600,000.00
	Acting as a company		
<i>Address for Service</i>	8830 Jane Street, Vaughan ON L4K 2M9		

**Statements**

I DAVIDE JOSEPH DI IULIO solicitor make the following law statement Rick Berwick is the trustee on behalf of the Rick Berwick Family Trust. Peter Adamo and Crocetta Adamo share a \$500,000.00 interest. Lorenzo Antonini and Carmen Antonini share a \$250,000.00 interest. Anthony Bondi and Giuseppa Bondi share a \$960,000.00 interest.

**Provisions**

<i>Principal</i>	\$15,500,000.00	<i>Currency</i>	CDN
<i>Calculation Period</i>	Monthly, not in advance		
<i>Balance Due Date</i>	2022/07/01		
<i>Interest Rate</i>	9.75% per annum		
<i>Payments</i>			
<i>Interest Adjustment Date</i>	2021 07 01		
<i>Payment Date</i>	see Additional Provisions		
<i>First Payment Date</i>	2021 08 01		
<i>Last Payment Date</i>	2022 07 01		
<i>Standard Charge Terms</i>			
<i>Insurance Amount</i>	Full insurable value		
<i>Guarantor</i>			

**Additional Provisions**

The Guarantors for this Charge are Christopher Morgis and Morgis Group. Their address for service is the Chargar's address for service.

**Additional Provisions**

The Chargees shall hold back the sum of \$1,511,250.00 representing interest payable to term.

**File Number**

Chargee Client File Number :                      42919



Properties

PIN21169 - 0183    LT

DescriptionPCL 1-2 SEC M380; PT LT 1 PL M380 TORONTO; PT LT 2 PL M380 TORONTO COMM AT THE S WLY ANGLE OF SAID LT 1; THENCE ELY ALONG THE SLY LIMITS OF LOTS 1 AND 2 - 55 FT MORE OR LESS TO A POINT IN THE SAID SLY LIMIT OF SAID LT 2 DISTANT 5 FT MEASURED ELY THEREON FROM THE S WLY ANGLE OF SAID LT 2; THENCE NLY IN A STRAIGHT LINE 113 FT 5 3/4 INCHES MORE OR LESS TO A POINT IN THE NLY LIMIT OF SAID LT 1 DISTANT 1 FT 6 3/4 INCHES MEASURED WLY THEREON FROM THE N ELY ANGLE OF SAID LT; THENCE WLY ALONG THE NLY LIMIT OF SAID LT 1 - 48 FT 5 1/4 INCHES MORE OR LESS TO THE N WLY ANGLE OF SAID LT; THENCE SLY ALONG THE WLY LIMIT OF SAID LT 1 -114 FT MORE OR LESS TO THE POC; S/T LT345020; T/W LT345020; S/T LT346559; T/W LT346559 (S/T LT263283); S/T LT350268; T/W LT350268; TORONTO ; SUBJECT TO A TEMPORARY EASEMENT AS SET IN EXPROPRIATION PLAN AS IN AT4214430; CITY OF TORONTO

Address356 EGLINTON AVENUE WEST  
TORONTO

PIN21169 - 0184    LT

DescriptionPCL 1-1 SEC M380; PT LT 1 PL M380 TORONTO; PT LT 2 PL M380 TORONTO; PT LT 3 PL M380 TORONTO , IF ANY, COMM AT A POINT IN THE SLY LIMIT OF SAID LT 2 DISTANT 5 FT MEASURED ELY THEREON FROM THE S WLY ANGLE OF SAID LT; THENCE ELY ALONG THE SLY LIMIT OF SAID LT 2, BEING THE NLY LIMIT OF EGLINTON AV W, 45 FT MORE OR LESS TO A POINT DISTANT 78 FT 10 INCHES MEASURED WLY FROM THE SE ANGLE OF LT 3 ON SAID PL; THENCE NLY IN A STRAIGHT LINE 113 FT 4 1/2 INCHES MORE OR LESS TO A POINT IN THE NLY LIMIT OF SAID LT 2 DISTANT 80 FT 6 3/4 INCHES MEASURED WLY THEREON FROM THE N ELY ANGLE OF SAID LT 3; THENCE WLY ALONG THE NLY LIMITS OF SAID LOTS 2 AND 1, 39 FT 7 1/2 INCHES MORE OR LESS TO A POINT IN THE SAID NLY LIMIT OF SAID LT 1 DISTANT 1 FT 6 3/4 INCHES MEASURED WLY THEREON FROM THE N ELY ANGLE OF SAID LT; THENCE SLY IN A STRAIGHT LINE 113 FT 5 3/4 INCHES MORE OR LESS TO THE POC; 1. S/T THE RIGHT OF THE OWNERS OF PCL 2664, SEC L TORONTO, TO USE THE WLY WALL OF THE BRICK STORE BUILDINGS, INCLUDING THE FOOTINGS THEREOF SITUATED ON THE LANDS IN THE ABOVE PCL OR ANY PT THEREOF AS A PARTY WALL , TO FORM THE ELY WALL OR A PT THEREOF OF ANY BUILDING OR BUILDINGS WHICH ARE NOW OR MAY HEREAFTER BE ERECTED ON THE LANDS KNOWN AS PCL 2664, SEC L TORONTO, CONTIGUOUS WITH THE SAID WLY WALL OR ANY PT THEREOF; 2. T/W THE RIGHT TO MAINTAIN THE WLY WALL OF THE BRICK STORE BUILDINGS (INCLUDING THE FOOTINGS THEREOF) SITUATE ON THE LANDS IN THE ABOVE PCL OVER THE LANDS IMMEDIATELY ADJOINING TO THE W OF THESE LANDS IN THE POSITION NOW OCCUPIED BY THE SAID WLY WALL; THE OWNER OR OWNERS FROM TIME TO TIME EITHER OF THE PARCELS AFOREMENTIONED MAY EXTEND THE SAID WLY WALL IN A NLY DIRECTION OR ADD TO THE HEIGHT THEREOF, AND MAY REBUILD THE SAME IN CASE OF THE PARTIAL OR TOTAL DESTRUCTION THEREOF AND WHEN ALL OR ANY PORTION OF THE SAID WLY WALL INCLUDING ANY EXT THEREOF AND ADDITION THERETO, SHALL BE USED BY SUCH AN OWNER OR OWNERS BY WHOM OR BY ANY OF WHOSE PREDECESSORS IN TITLE, THE PROPER SHARE OF THE COSTS OF CONSTRUCTION OF THE PORTION OF THE WALL SO USED WAS NOT PAID, HE, SHE OR THEY SHALL PAY TO THE PERSON OR PERSONS WHO CONSTRUCTED THE SAME OR TO HIS, OR THEIR HER, OR THEIR HEIRS, EXECUTORS, ADMINISTRATORS OR ASSIGNS, ONE-HALF OF THE VALUE AT THE TIME OF SUCH USE AND THEREAFTER ONE-HALF OF THE COST OF MAINTENANCE OF THE WHOLE THICKNESS OF THE PORTION OF SUCH WALL SO USED BY HIM, HER OR THEM, AND THE SUM SO TO BE PAID SHALL, UNTIL PAID, REMAIN A CHARGE UPON THE LAND OF THE PERSON OR PERSONS LIABLE TO PAY THE SAME. AND IT IS AGREED THAT THE COVENANTS HEREIN CONTAINED SHALL RUN WITH THE LAND, BUT NO COVENANT HEREIN CONTAINED SHALL BE PERSONALLY BINDING ON ANY PERSON EXCEPT IN RESPECT OF BREACHES, DURING HIS, HER OR THEIR SEISEN OR TITLE TO THE SAID LANDS; AND IT IS FURTHER AGREED THAT WHENEVER THE SAID WLY WALL SHALL BE EXTENDED IN HEIGHT THE CHIMNEYS, IF ANY, PREVIOUSLY BUILT IN SUCH WALL SHALL BE CARRIED UP TO A PROPER HEIGHT AND ANY INJURY CAUSED BY SUCH EXT SHALL BE MADE GOOD AND SUCH EXT OF THE WALL AND CHIMNEYS SHALL BE AT THE EXPENSE OF THE PARTY MAKING THE EXT. AND IT IS AGREED THAT IF THE PARTIES CANNOT AGREE AS TO ANY VALUE ABOVE MENTIONED, THE AMOUNT THEREOF SHALL BE REFERRED TO THREE DISINTERESTED PERSONS AS VALUATORS OF WHOM THE OWNER OR OWNERS FROM TIME TO TIME OF EACH OF THE SAID PARCELS SHALL APPOINT ONE AND THESE TWO VALUATORS SHALL APPOINT A THIRD AND THE DECISION OF THE THREE SAID VALUATORS OR OF ANY TWO OF THEM IN WRITING UNDER THEIR HANDS SHALL BE BINDING ON THE PARTIES HERETO, THEIR RESPECTIVE HEIRS, EXECUTORS, ADMINISTRATORS AND ASSIGNS; AND IT IS FURTHER AGREED THAT ANY REPAIRS, ADDITIONS OR EXTENSIONS TO THE SAID WLY WALL SHALL BE OF GOOD MATERIALS AND WORKMANSHIP AND WHEN BUILT SHALL BE AND REMAIN A PARTY WALL; 3. S/T A FREE AND UNINTERRUPTED ROW FOR THE USE OF THE OWNER OF PARCELS 2664, SEC L TORONTO, 3887, SEC K TORONTO AND 1-1-A, SEC M256, THEIR HEIRS AND ASSIGNS, INGRESS AND EGRESS FOR PERSONS, ANIMALS AND VEHICLES, THROUGH OVER AND ALONG THOSE PARTS OF LOTS 1 AND 2 ON PL M380, DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE NLY LIMIT OF LT 1, 1 FT 6 3/4 INCHES WLY FROM THE N ELY ANGLE OF LT 1; THENCE SLY ALONG A LINE, WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2



Properties

AT A POINT 5 FT ELY FROM THE SW ANGLE OF LT 2, 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM A POINT IN THE W LIMIT OF LT 1 DISTANT 96 FT NLY FROM THE N LIMIT OF EGLINTON AV AS WIDENED; THENCE N ELY IN A STRAIGHT LINE 19 FT 6 INCHES TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF LT 2 AND DISTANT 16 FT 01/2 INCH ELY FROM THE N WLY ANGLE THEREOF TO A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED 25 FT ELY FROM ITS INTERSECTION WITH THE WLY LIMIT OF LT 2, THE SAID POINT BEING 10 FT 6 INCHES MORE OR LESS SLY ON THE SAID LINE FROM THE SAID NLY LIMIT OF LT 2; THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF LT 2, 22 FT 3 1/2 INCHES MORE OR LESS TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED 78 FT 10 INCHES WLY FROM THE SE ANGLE OF LT 3 ON SAID PL TO A POINT IN THE N LIMIT OF LT 2, 80 FT 6 3/4 INCHES WLY FROM THE NE ANGLE OF LT 3; THENCE NLY ALONG THE SAID LAST MENTIONED LINE 10 FT 6 INCHES MORE OR LESS TO THE NLY LIMIT OF LT 2; THENCE WLY ALONG THE NLY LIMIT OF LOTS 2 AND 1, 39 FT 7 1/2 INCHES MORE OR LESS TO THE POC AS IN LT346559; 4. T/W A FREE AND UNINTERRUPTED ROW, INGRESS AND EGRESS, FOR PERSONS, ANIMALS AND VEHICLES, THROUGH, ALONG AND OVER THOSE PARTS OF LOTS 1 AND 2 BLK 'A', PL M256, DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE E LIMIT OF LT 1, 96 FT NLY THEREON FROM THE NLY LIMIT OF EGLINTON AV AS WIDENED BY BY-LAW 11494; THENCE WLY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV AS WIDENED 125 FT; THENCE NLY PARALLEL TO THE E LIMIT OF LT 1, 12 FT; THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV AS WIDENED 125 FT TO THE SAID E LIMIT OF LT 1; THENCE SLY ALONG THE SAID E LIMIT 12 FT TO THE POC; PROVIDED THAT THE PROJECTIONS, INCLUDING THE PROJECTION OF THE SECOND STOREY OF THE BUILDING SITUATE ON PCL 1-1-A, SEC M256, EXISTING ON THIS DATE AND A FIRE ESCAPE TO BE ERECTED IN CONNECTION THEREWITH, OVER THE SAID ROW OR ANY PT THEREOF SHALL BE DEEMED NOT TO BE AN ENCROACHMENT UPON THE SAID ROW; 5. T/W A FREE AND UNINTERRUPTED ROW, INGRESS AND EGRESS, FOR PERSONS ANIMALS AND VEHICLES, THROUGH, ALONG AND OVER THOSE PARTS OF LOTS 1 AND 2 ON PL M380, DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE WLY LIMIT OF SAID LT 1 DISTANT 96 FT NLY THEREON FROM EGLINTON AV AS WIDENED UNDER BY-LAW 11494; THENCE NLY ALONG THE SAID WLY LIMIT OF LT 1, 18 FT MORE OR LESS TO THE N WLY ANGLE THEREOF; THENCE ELY ALONG THE NLY LIMIT OF LT 1, 48 FT 5 1/4 INCHES MORE OR LESS TO A POINT 1 FT 6 3/4 INCHES WLY THEREON FROM THE NE ANGLE OF LT 1; THENCE SLY ALONG A LINE, WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2 AT A POINT THEREIN DISTANT 5 FT ELY FROM THE SW ANGLE OF LT 2, A DISTANCE OF 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM THE POC; THENCE WLY ALONG THE SAID MENTIONED LINE 49 FT 4 3/4 INCHES MORE OR LESS TO THE POC; 6. T/W A FREE AND UNINTERRUPTED ROW OVER THE WLY 4 FT 6 INCHES OF LT 90 AND THE ELY 5 FT 6 INCHES OF LT 91 ON PL M512; 7. S/T THE RIGHT OF THE OWNER OF PCL 2664, SEC L TORONTO, TO USE (FOR THE PURPOSE OF ACCESS AND INGRESS TO AND EGRESS FROM THE LANDS COMPRISED IN SAID PCL 2664 OR ANY PT THEREOF, AND/OR THE BUILDINGS THEREON AND FOR THE TURNING OF VEHICLES USING THE ROW 3RDLY, 4THLY, 5THLY AND 6THLY ABOVE DESCRIBED) THE SPACE AT THE REAR OF THE BUILDINGS NOW SITUATED UPON THE LANDS COMPRISED IN ABOVE PCL EXTENDING NLY FROM THE NLY LIMIT AND ITS PRODUCTION ELY AND WLY OF THE SAID BUILDINGS TO THE SLY LIMIT OF THE SAID ROW 3RDLY, 4THLY, 5THLY AND 6THLY. PROVIDED ALWAYS THAT THE RIGHTS THEREBY GRANTED SHALL BE EXERCISED IN SUCH MANNER AS NOT UNREASONABLY TO INTERFERE WITH THE REASONABLE AND PROPER USE OF THE SPACE AT THE REAR OF THE RESPECTIVE BUILDINGS AFORESAID BY THE OWNER AND/OR ANY TENANT OR OCCUPANT OF ANY OF THE SAID BUILDINGS RESPECTIVELY AND/OR BY PERSONS HAVING DEALINGS WITH SUCH OWNER AND/OR ANY SUCH TENANT OR OCCUPANT AS IN LT350268; 8. T/W THE RIGHT TO USE (FOR THE PURPOSE OF ACCESS AND INGRESS TO AND EGRESS FROM THE LANDS COMPRISED IN PCL 2665, SEC L TORONTO, OR ANY PT THEREOF AND/OR THE BUILDINGS THEREON FOR THE TURNING OF VEHICLES USING THE ROW DESCRIBED IN THE ABOVE 3RDLY, 4THLY, 5THLY AND 6THLY) THE SPACE AT THE REAR OF THE BUILDINGS NOW SITUATED UPON THE LANDS COMPRISED IN PCL 2664, SEC L TORONTO, EXTENDING NLY FROM THE NLY LIMIT OF THE SAID BUILDINGS TO THE SLY LIMIT OF THE SAID ROW DESCRIBED IN THE SAID 3RDLY, 4THLY, 5THLY AND 6THLY. PROVIDED ALWAYS THAT THE RIGHTS THEREBY GRANTED SHALL BE EXERCISED IN SUCH MANNER AS NOT UNREASONABLY TO INTERFERE WITH THE REASONABLE THE AND PROPER USE OF THE SPACE AT THE REAR OF THE RESPECTIVE BUILDINGS AFORESAID BY THE OWNER AND/OR ANY TENANT OR OCCUPANT OF ANY OF THE SAID BUILDINGS RESPECTIVELY AND/OR BY PERSONS HAVING DEALINGS WITH SUCH OWNER AND/OR ANY SUCH TENANT OR OCCUPANT; TORONTO ; SUBJECT TO A TEMPORARY EASEMENT AS SET OUT IN EXPROPRIATION PLAN AS IN AT4214429; CITY OF TORONTO

Address    350 EGLINTON AVE W  
TORONTO



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.

Name2744746 ONTARIO LTD.

Acting as a company

Address for Service18 Doctors Lane

King City, Ontario

L7B 1A8

I, Christopher Morgis 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	1599825 ONTARIO LIMITED	Tenants In Common	\$1,000,000.00
	Acting as a company		
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		
Name	BERWICK, RICK	Tenants In Common	\$1,000,000.00
	Acting as an individual		
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		
Name	2702749 ONTARIO INC.	Tenants In Common	\$2,000,000.00
	Acting as an individual		
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		
Name	ADAMO, PETER	Joint Account, Right Of Survivorship	\$500,000.00
	Acting as an individual		
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		
Name	2494789 ONTARIO INC.	Tenants In Common	\$750,000.00
	Acting as a company		
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		
Name	A-ONE AUTO INVESTMENTS INC.	Tenants In Common	\$200,000.00
	Acting as a company		
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		
Name	SORRENTI, CINZIA	Tenants In Common	\$350,000.00
	Acting as an individual		
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		
Name	ELCRM HOLDINGS INC.	Tenants In Common	\$800,000.00
	Acting as a company		
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		
Name	MOLELLA, SERGIO	Tenants In Common	\$500,000.00
	Acting as an individual		
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		
Name	TRILEND INC.	Tenants In Common	\$500,000.00
	Acting as a company		
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		
Name	IERFINO, DONALD	Tenants In Common	\$500,000.00
	Acting as a company		
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		
Name	IMPERIO SA HOLDINGS INC.	Tenants In Common	\$840,000.00
	Acting as a company		
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		
Name	2810056 ONTARIO LIMITED	Tenants In Common	\$2,000,000.00
	Acting as a company		
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		

<b>Party To(s)</b>		<b>Capacity</b>	<b>Share</b>
<i>Name</i>	SALISI INVESTMENTS INC. Acting as a company	Tenants In Common	\$750,000.00
<i>Address for Service</i>	8830 Jane Street, Vaughan ON L4K 2M9		
<i>Name</i>	ANTONINI, LORENZO Acting as an individual	Joint Account, Right Of Survivorship	\$250,000.00
<i>Address for Service</i>	8830 Jane Street, Vaughan ON L4K 2M9		
<i>Name</i>	BETTI, TINA Acting as a company	Tenants In Common	\$500,000.00
<i>Address for Service</i>	8830 Jane Street, Vaughan ON L4K 2M9		
<i>Name</i>	1545695 ONTARIO INC. Acting as a company	Tenants In Common	\$500,000.00
<i>Address for Service</i>	8830 Jane Street, Vaughan ON L4K 2M9		
<i>Name</i>	BONDI, ANTHONY Acting as a company	Joint Account, Right Of Survivorship	\$960,000.00
<i>Address for Service</i>	8830 Jane Street, Vaughan ON L4K 2M9		
<i>Name</i>	C.P.M.C. MARQUEZ HOLDINGS INC. Acting as a company	Tenants In Common	\$1,600,000.00
<i>Address for Service</i>	8830 Jane Street, Vaughan ON L4K 2M9		
<i>Name</i>	ADAMO. CROCETTA Acting as a company	Joint Account, Right Of Survivorship	\$500,000.00
<i>Address for Service</i>	8830 Jane Street, Vaughan ON L4K 2M9		
<i>Name</i>	ANTONINI, CARMEN Acting as an individual	Joint Account, Right Of Survivorship	\$250,000.00
<i>Address for Service</i>	8830 Jane Street, Vaughan ON L4K 2M9		
<i>Name</i>	BONDI, GIUSEPPA Acting as an individual	Joint Account, Right Of Survivorship	\$960,000.00
<i>Address for Service</i>	8830 Jane Street, Vaughan ON L4K 2M9		

**Statements**

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

**File Number**

Party To Client File Number :                      42919

# TAB I

This is **Exhibit “I”** referred to  
in the Affidavit of Donald Ierfino  
sworn before me, the 19th day of April, 2024.



---

A Commissioner etc.

Sara Mosadeq  
LSO No.: 67864K



## GENERAL SECURITY AGREEMENT

TO: SCHNEIDER RUGGIERO SPENCER MILBURN LLP

AND TO: 1599825 ONTARIO LIMITED, RICK BERWICK FAMILY TRUST, 2702749 ONTARIO INC., PETER & CROCETTA ADAMO, 2494789 ONTARIO INC. , A-ONE AUTO INVESTMENTS INC., CINZIA SORRENTI, ELCRM HOLDINGS INC., SERGIO MOLELLA, TRILEND INC., DONALD IERFINO, IMPERIO SA HOLDINGS INC., 2810056 ONTARIO LIMITED, SALISI INVESTMENTS INC., LORENZO & CARMEN ANTONINI, TINA BETTI, 1545695 ONTARIO INC., ANTHONY & GIUSEPPA BONDI, AND C.P.M.C. MARQUEZ HOLDINGS INC.

RE: 1599825 Ontario Limited, Rick Berwick Family Trust, 2702749 Ontario Inc., Peter & Crocetta Adamo, 2494789 Ontario Inc. , A-One Auto Investments Inc., Cinzia Sorrenti, ELCRM Holdings Inc., Sergio Molella, TriLend Inc., Donald Ierfino, Imperio SA Holdings Inc., 2810056 Ontario Limited, Salisi Investments Inc., Lorenzo & Carmen Antonini, Tina Betti, 1545695 Ontario Inc., Anthony & Giuseppa Bondi, and C.P.M.C. Marquez Holdings Inc. (collectively the "**Lender**") loan/ mortgage to 2744746 Ontario Ltd. (the "**Borrower**") as guaranteed by Christopher A. Morgis (the "**Guarantor**") pursuant to a commitment letter dated 6 April 2021 as it may be amended from time to time (the "**Commitment**") on the primary security of a first charge/ mortgage against those lands and premises municipally known as 346-350 and 352-356 Eglinton Avenue West, Toronto, Ontario and legally described in PINs: 21169-0184 (LT) and 21169-0183 (LT) (the "**Real Property**")

FILE NO.: 42919

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### SECURITY INTEREST

- (a) For value received, the undersigned hereby grants to the Lender a security interest (the "**Security Interest**") in the undertaking of the Debtor, and in all of the Debtor's present and after acquired personal property including, without limitation, in all Goods (including all parts, accessories, attachments, special tools, additions and accessions thereto), Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles, Money and Securities now owned or hereafter owned or acquired by or on behalf of the Debtor (including such as may be returned to or repossessed by the Debtor) and in all proceeds and renewals thereof, accretions thereto and substitutions therefore and relating to the Real Property (hereinafter collectively called "**Collateral**"), and including, without limitation, all of the following, now owned or hereafter owned or acquired by or on behalf of the Debtor:
- (i) all inventory of whatever kind and wherever situate;
  - (ii) all equipment (other than Inventory) of whatever kind and wherever situate, including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures and vehicles of whatsoever nature or kind;
  - (iii) all Accounts and book debts and generally all debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including letters of credit and advices of credit, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by the Debtor (the "**Debts**");
  - (iv) all deeds, documents, writings, papers, books of account and other books relating to or being records of the Debts, Chattel Paper or Documents of Title by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
  - (v) all contractual rights and insurance claims;
  - (vi) all patents, industrial designs, trade-marks, trade secrets and know-how, including without limitation environmental technology and biotechnology, confidential information, trade-names, goodwill, copyrights, personality rights, plant breeders' rights, integrated circuit topographies, software and all other forms of intellectual and industrial property, and any registrations



and applications for registration of any of the foregoing (collectively, "**Intellectual Property**"); and

- (vii) without in any way limiting the foregoing, all cash and reserve accounts of the Debtor.
- (b) The Security Interest granted hereby shall not extend or apply to, and Collateral shall not include the last day of the term of any lease or agreement therefor, but upon the enforcement of the Security Interest, the Debtor shall stand possessed of such last day in trust to assign the same to any person acquiring such term.
- (c) The terms "Goods", "Chattel Paper", "Document of Title", "Instrument", "Intangible", "Security", "proceed", "Inventory", "accession", "Money", "Account", "financing statement" and "financing change statement" whenever used herein shall be interpreted pursuant to their respective meanings when used in the Personal Property Security Act of the Province of Ontario, as amended from time to time, which Act, including amendments thereto and any Act substituted therefor and amendments thereto is herein referred to as the "P.P.S.A.". Provided always that the term "Goods" when used herein shall not include "consumer goods" of the Debtor as that term is defined in the P.P.S.A., and the term "Inventory" when used herein shall include livestock and the young thereof after conception and crops that become such within one year of execution of this Security Agreement. Any reference herein to "**Collateral**" shall, unless the context otherwise requires, be deemed a reference to "**Collateral or any part thereof**".

## 2. INDEBTEDNESS SECURED

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

## 3. REPRESENTATIONS AND WARRANTIES OF DEBTOR

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

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



#### 4. COVENANTS OF THE DEBTOR

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

- (a) to defend the Collateral against the claims and demands of all other parties claiming the same or an interest therein; to diligently initiate and prosecute legal action against all infringes of the Debtor's rights in Intellectual Property; to take all reasonable action to keep the Collateral free from all prior Encumbrances, except for the Security Interest, licences which are compulsory under federal or provincial legislation and those shown on Schedule A, and not to sell, exchange, transfer, assign, lease license or otherwise dispose of Collateral or any interest therein without the prior written consent of the Lender save and except in the normal course of business or as may be required by law or contract; provided always that, until default, Debtor may, in the ordinary course of the Debtor's business, sell or lease inventory and, subject to Clause 7 hereof, use Money available to the Debtor;
- (b) to notify the Lender promptly of:
  - (i) any change in the information contained herein or in the Schedules hereto relating to the Debtor, the Debtor's business or Collateral;
  - (ii) the details of any significant acquisition of Collateral;
  - (iii) the details of any claims or litigation affecting the Debtor or Collateral, (iv) any loss or damage to Collateral;
  - (iv) any default by any Account Debtor in payment or other performance of his /her obligations with respect to Collateral; and
  - (v) the return to or repossession by the Debtor of Collateral.
- (c) to keep Collateral in good order, condition and repair and not to use Collateral in violations of the provisions of this Security Agreement or any other agreement relating to Collateral or any policy insuring Collateral or any applicable statute, law, by-law, rule, regulation or ordinance; to keep all agreements, registrations and applications relating to Intellectual Property and intellectual property used by the Debtor in its business in good standing and to renew all agreements and registrations as may be necessary or desirable to protect Intellectual Property, unless otherwise agreed in writing by the Lender; to apply to register all existing and future copyrights, trademarks, patents, integrated circuit topographies and industrial designs whenever it is commercially reasonable to do so;
- (d) to do, execute, acknowledge and deliver such financing statements, financing change statements and further assignment, transfers, documents, acts, matters and things (including further schedules hereto) as may be reasonably requested by the Lender of or with respect to Collateral all in order to give effect to these presents and to pay all costs for searches and filings in connection therewith;
- (e) to pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of the Debtor or Collateral as and when the same become due and payable;
- (f) to insure Collateral for such periods, in such amounts, on such terms and against loss or damage by fire and such other risks as the Lender shall reasonably direct, with loss payable to the Lender and the Debtor, as insureds, as their respective interests may appear, and to pay all premiums therefor;
- (g) to prevent Collateral, save Inventory sold or leased as permitted hereby or intended to be affixed to real property, from being or becoming an accession to other property not covered by this Security Agreement;
- (h) to carry on and conduct the business of the Debtor in a proper and efficient manner, so as to protect and preserve Collateral and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for the Debtor's business as well as accurate and complete records concerning Collateral, and mark any and all such records and Collateral at the Lender's request so as to indicate the Security Interest;
- (i) to deliver to the Lender from time to time promptly upon request:



- (i) any Documents of Title, Instruments, Securities and Chattel Paper constituting, representing or relating to Collateral;
- (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to Collateral for the purpose of inspecting, auditing or copying the same;
- (iii) all financial statements prepared by or for the Debtor regarding the Debtor's business;
- (iv) all policies and certificates of insurance relating to Collateral: and
- (v) such information concerning Collateral, the Debtor and the Debtor's business and affairs as the Lender may reasonably request.

#### 5. USE AND VERIFICATION OF COLLATERAL

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

#### 6. SECURITIES

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

#### 7. COLLECTION OF DEBTS

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

#### 8. INCOME FROM AND INTEREST ON COLLATERAL

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

#### 9. INCREASES, PROFITS, PAYMENTS OR DISTRIBUTIONS

- (a) Whether or not default has occurred, the Debtor authorizes the Lender:
  - (i) to receive any increase in or profits on Collateral (other than Money) and to hold the same as part of Collateral. Money so received shall be treated as income for the purposes of Clause 8 hereof and deal with accordingly;



- (ii) to receive any payment or distribution upon redemption or retirement or upon dissolution and liquidation of the issuer of Collateral; to surrender such Collateral in exchange therefor and to hold any such payment or distribution as part of Collateral.
- (b) If the Debtor receives any such increase or profits (other than Money) or payments or distributions, the Debtor will deliver the same promptly to the Lender to be held by the Lender as herein provided.

#### 10. DISPOSITION OF MONEY

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

#### 11. EVENTS OF DEFAULT

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

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

#### 12. ACCELERATION



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

### 13. REMEDIES

- (a) Upon default, the Lender may appoint or re-appoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of the Lender or not, to be a receiver or receivers (hereinafter called a "**Receiver**", which term when used herein shall include a receiver and manager) of Collateral (including any interest, income or profits therefrom) and may remove any Receiver so appointed and appoint another in his/her stead. Any such Receiver shall, so far as concerns responsibility for his/her acts, be deemed the agent of Debtor and not the Lender, and the Lender shall not be in any way responsible for any misconduct, negligence or non-feasance on the part of any such Receiver, his/her servants, agents or employees. Subject to the provisions of the instrument appointing him/her, any such Receiver shall have power to take possession of Collateral to preserve Collateral or its value, to carry on or concur in carrying on all or any part of the business of the Debtor and to sell, lease, license or otherwise dispose of or concur in selling, leasing, licensing or otherwise disposing of Collateral. To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others, including the Debtor, enter upon, use and occupy all premises owned or occupied by the Debtor wherein Collateral may be 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 Lender, all Money received from time to time by such Receiver in carrying out his/her appointment shall be received in trust for and paid over to the Lender. Every such Receiver may, in the discretion of the Lender, be vested with all or any of the rights and powers of the Lender.
- (b) Upon default, the Lender may, either directly or through its agents or nominees, exercise any or all of the powers and rights given to a Receiver by virtue of the foregoing sub-clause (a).
- (c) The Lender may take possession of, collect, demand, sue on, enforce, recover and receive Collateral and give valid and binding receipts and discharges therefor and in respect thereof and, upon default, the Lender may sell, license, lease or otherwise dispose of Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as to the Lender may seem reasonable.
- (d) In addition to those rights granted herein and in any other agreement now or hereafter in effect between Debtor and the Lender, and in addition to any other rights the Lender may have at law or in equity, the Lender shall have, both before and after default, all rights and remedies of a secured party under the P.P.S.A. Provided always, that the Lender shall not be liable or accountable for any failure to exercise its remedies, take possession of; collect, enforce, realize, sell, lease, license or otherwise dispose of Collateral or to institute any proceedings for such purposes. Furthermore, the Lender shall have no obligation to take any steps to preserve rights against prior parties to any Instrument or Chattel Paper, whether Collateral or proceeds, and whether or not in the Lender's possession, and shall not be liable or accountable for failure to do so.
- (e) The Debtor acknowledges that the Lender or any Receiver appointed by it may take possession of Collateral wherever it may be located and by any method permitted by law, and Debtor agrees upon request from The Lender or any such Receiver to assemble and deliver possession of Collateral at such place or places as directed.
- (f) The Debtor agrees to be liable for and to pay all costs, charges and expenses reasonably incurred by the Lender or any Receiver appointed by it, whether directly or for services rendered (including reasonable solicitors and auditors costs and other legal expenses and Receiver remuneration), in operating Debtor's accounts, in preparing or enforcing this Security Agreement, taking and maintaining custody of; preserving, repairing, processing, preparing for



disposition and disposing of Collateral and in enforcing or collecting indebtedness and all such costs, charges and expenses, together with any amounts owing as a result of any borrowing by The Lender or any Receiver appointed by it, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of Collateral and shall be secured hereby.

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

#### 14. MISCELLANEOUS

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



default remedied and without waiving any other prior or subsequent default by the Debtor. All rights and remedies of the Lender granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.

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

companies and to the amalgamated company, such that the Security Interest granted hereby:

- (i) shall extend to "Collateral" (as that term is herein defined) owned by each of the amalgamating companies and the amalgamated company at the time of the amalgamation and to any "Collateral" thereafter owned or acquired by the amalgamated company, and
- (ii) shall secure the "Indebtedness" (as that term is herein defined) of each of the amalgamating companies and the amalgamated company to the Lender at the time of amalgamation and any "Indebtedness" of the amalgamated company to the Lender thereafter arising. The Security Interest shall attach to "Collateral" owned by each company amalgamating with the Debtor, and by the amalgamated company, at the time of the amalgamation, and shall attach to any "Collateral" thereafter owned or acquired by the amalgamated company when such becomes owned or is acquired.
- (q) This security agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the Province of Ontario, as the same may from time to time be in effect, including, where applicable, the P.P.S.A.

15. COPY OF AGREEMENT

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

DATED this <sup>15</sup> day of ~~June~~ 2021  
July

2744746 ONTARIO LTD.

Per: 


Name: Christopher A. Morgis

Title: President

I have the authority to bind the corporation

  
Witness:

GORDON H. HUNTER

  
Christopher A. Morgis as Guarantor

## SCHEDULE A

**SCHEDULE B**

1. Location of the Debtor's Business Operations:  
18 Doctors Lane, P.O. Box 760, King City, Ontario L7B 1A8  
346-350 and 352-356 Eglinton Avenue West, Toronto, Ontario
2. Location of Collateral:  
18 Doctors Lane, P.O. Box 760, King City, Ontario L7B 1A8  
346-350 and 352-356 Eglinton Avenue West, Toronto, Ontario
3. Location of Business Records relating to Collateral:  
18 Doctors Lane, P.O. Box 760, King City, Ontario L7B 1A8



# TAB J

This is **Exhibit “J”** referred to  
in the Affidavit of Donald Ierfino  
sworn before me, the 19th day of April, 2024.



---

A Commissioner etc.

Sara Mosadeq  
LSO No.: 67864K

Properties

PIN	21169 - 0183    LT
Description	PCL 1-2 SEC M380; PT LT 1 PL M380 TORONTO; PT LT 2 PL M380 TORONTO COMM AT THE S WLY ANGLE OF SAID LT 1; THENCE ELY ALONG THE SLY LIMITS OF LOTS 1 AND 2 - 55 FT MORE OR LESS TO A POINT IN THE SAID SLY LIMIT OF SAID LT 2 DISTANT 5 FT MEASURED ELY THEREON FROM THE S WLY ANGLE OF SAID LT 2; THENCE NLY IN A STRAIGHT LINE 113 FT 5 3/4 INCHES MORE OR LESS TO A POINT IN THE NLY LIMIT OF SAID LT 1 DISTANT 1 FT 6 3/4 INCHES MEASURED WLY THEREON FROM THE N ELY ANGLE OF SAID LT; THENCE WLY ALONG THE NLY LIMIT OF SAID LT 1 - 48 FT 5 1/4 INCHES MORE OR LESS TO THE N WLY ANGLE OF SAID LT; THENCE SLY ALONG THE WLY LIMIT OF SAID LT 1 -114 FT MORE OR LESS TO THE POC; S/T LT345020; T/W LT345020; S/T LT346559; T/W LT346559 (S/T LT263283); S/T LT350268; T/W LT350268; TORONTO ; SUBJECT TO A TEMPORARY EASEMENT AS SET IN EXPROPRIATION PLAN AS IN AT4214430; CITY OF TORONTO
Address	356 EGLINTON AVENUE WEST TORONTO
PIN	21169 - 0184    LT
Description	PCL 1-1 SEC M380; PT LT 1 PL M380 TORONTO; PT LT 2 PL M380 TORONTO; PT LT 3 PL M380 TORONTO , IF ANY, COMM AT A POINT IN THE SLY LIMIT OF SAID LT 2 DISTANT 5 FT MEASURED ELY THEREON FROM THE S WLY ANGLE OF SAID LT; THENCE ELY ALONG THE SLY LIMIT OF SAID LT 2, BEING THE NLY LIMIT OF EGLINTON AV W, 45 FT MORE OR LESS TO A POINT DISTANT 78 FT 10 INCHES MEASURED WLY FROM THE SE ANGLE OF LT 3 ON SAID PL; THENCE NLY IN A STRAIGHT LINE 113 FT 4 1/2 INCHES MORE OR LESS TO A POINT IN THE NLY LIMIT OF SAID LT 2 DISTANT 80 FT 6 3/4 INCHES MEASURED WLY THEREON FROM THE N ELY ANGLE OF SAID LT 3; THENCE WLY ALONG THE NLY LIMITS OF SAID LOTS 2 AND 1, 39 FT 7 1/2 INCHES MORE OR LESS TO A POINT IN THE SAID NLY LIMIT OF SAID LT 1 DISTANT 1 FT 6 3/4 INCHES MEASURED WLY THEREON FROM THE N ELY ANGLE OF SAID LT; THENCE SLY IN A STRAIGHT LINE 113 FT 5 3/4 INCHES MORE OR LESS TO THE POC; 1. S/T THE RIGHT OF THE OWNERS OF PCL 2664, SEC L TORONTO, TO USE THE WLY WALL OF THE BRICK STORE BUILDINGS, INCLUDING THE FOOTINGS THEREOF SITUATED ON THE LANDS IN THE ABOVE PCL OR ANY PT THEREOF AS A PARTY WALL , TO FORM THE ELY WALL OR A PT THEREOF OF ANY BUILDING OR BUILDINGS WHICH ARE NOW OR MAY HEREAFTER BE ERECTED ON THE LANDS KNOWN AS PCL 2664, SEC L TORONTO, CONTIGUOUS WITH THE SAID WLY WALL OR ANY PT THEREOF; 2. T/W THE RIGHT TO MAINTAIN THE WLY WALL OF THE BRICK STORE BUILDINGS (INCLUDING THE FOOTINGS THEREOF) SITUATE ON THE LANDS IN THE ABOVE PCL OVER THE LANDS IMMEDIATELY ADJOINING TO THE W OF THESE LANDS IN THE POSITION NOW OCCUPIED BY THE SAID WLY WALL; THE OWNER OR OWNERS FROM TIME TO TIME EITHER OF THE PARCELS AFOREMENTIONED MAY EXTEND THE SAID WLY WALL IN A NLY DIRECTION OR ADD TO THE HEIGHT THEREOF, AND MAY REBUILD THE SAME IN CASE OF THE PARTIAL OR TOTAL DESTRUCTION THEREOF AND WHEN ALL OR ANY PORTION OF THE SAID WLY WALL INCLUDING ANY EXT THEREOF AND ADDITION THERETO, SHALL BE USED BY SUCH AN OWNER OR OWNERS BY WHOM OR BY ANY OF WHOSE PREDECESSORS IN TITLE, THE PROPER SHARE OF THE COSTS OF CONSTRUCTION OF THE PORTION OF THE WALL SO USED WAS NOT PAID, HE, SHE OR THEY SHALL PAY TO THE PERSON OR PERSONS WHO CONSTRUCTED THE SAME OR TO HIS, OR THEIR HER, OR THEIR HEIRS, EXECUTORS, ADMINISTRATORS OR ASSIGNS, ONE-HALF OF THE VALUE AT THE TIME OF SUCH USE AND THEREAFTER ONE-HALF OF THE COST OF MAINTENANCE OF THE WHOLE THICKNESS OF THE PORTION OF SUCH WALL SO USED BY HIM, HER OR THEM, AND THE SUM SO TO BE PAID SHALL, UNTIL PAID, REMAIN A CHARGE UPON THE LAND OF THE PERSON OR PERSONS LIABLE TO PAY THE SAME. AND IT IS AGREED THAT THE COVENANTS HEREIN CONTAINED SHALL RUN WITH THE LAND, BUT NO COVENANT HEREIN CONTAINED SHALL BE PERSONALLY BINDING ON ANY PERSON EXCEPT IN RESPECT OF BREACHES, DURING HIS, HER OR THEIR SEISEN OR TITLE TO THE SAID LANDS; AND IT IS FURTHER AGREED THAT WHENEVER THE SAID WLY WALL SHALL BE EXTENDED IN HEIGHT THE CHIMNEYS, IF ANY, PREVIOUSLY BUILT IN SUCH WALL SHALL BE CARRIED UP TO A PROPER HEIGHT AND ANY INJURY CAUSED BY SUCH EXT SHALL BE MADE GOOD AND SUCH EXT OF THE WALL AND CHIMNEYS SHALL BE AT THE EXPENSE OF THE PARTY MAKING THE EXT. AND IT IS AGREED THAT IF THE PARTIES CANNOT AGREE AS TO ANY VALUE ABOVE MENTIONED, THE AMOUNT THEREOF SHALL BE REFERRED TO THREE DISINTERESTED PERSONS AS VALUATORS OF WHOM THE OWNER OR OWNERS FROM TIME TO TIME OF EACH OF THE SAID PARCELS SHALL APPOINT ONE AND THESE TWO VALUATORS SHALL APPOINT A THIRD AND THE DECISION OF THE THREE SAID VALUATORS OR OF ANY TWO OF THEM IN WRITING UNDER THEIR HANDS SHALL BE BINDING ON THE PARTIES HERETO, THEIR RESPECTIVE HEIRS, EXECUTORS, ADMINISTRATORS AND ASSIGNS; AND IT IS FURTHER AGREED THAT ANY REPAIRS, ADDITIONS OR EXTENSIONS TO THE SAID WLY WALL SHALL BE OF GOOD MATERIALS AND WORKMANSHIP AND WHEN BUILT SHALL BE AND REMAIN A PARTY WALL; 3. S/T A FREE AND UNINTERRUPTED ROW FOR THE USE OF THE OWNER OF PARCELS 2664, SEC L TORONTO, 3887, SEC K TORONTO AND 1-1-A, SEC M256, THEIR HEIRS AND ASSIGNS, INGRESS AND EGRESS FOR PERSONS, ANIMALS AND VEHICLES, THROUGH OVER AND ALONG THOSE PARTS OF LOTS 1 AND 2 ON PL M380, DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE NLY LIMIT OF LT 1, 1 FT 6 3/4 INCHES WLY FROM THE N ELY ANGLE OF LT 1; THENCE SLY ALONG A LINE, WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2

Properties

AT A POINT 5 FT ELY FROM THE SW ANGLE OF LT 2, 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM A POINT IN THE W LIMIT OF LT 1 DISTANT 96 FT NLY FROM THE N LIMIT OF EGLINTON AV AS WIDENED; THENCE N ELY IN A STRAIGHT LINE 19 FT 6 INCHES TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF LT 2 AND DISTANT 16 FT 01/2 INCH ELY FROM THE N WLY ANGLE THEREOF TO A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED 25 FT ELY FROM ITS INTERSECTION WITH THE WLY LIMIT OF LT 2, THE SAID POINT BEING 10 FT 6 INCHES MORE OR LESS SLY ON THE SAID LINE FROM THE SAID NLY LIMIT OF LT 2; THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF LT 2, 22 FT 3 1/2 INCHES MORE OR LESS TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED 78 FT 10 INCHES WLY FROM THE SE ANGLE OF LT 3 ON SAID PL TO A POINT IN THE N LIMIT OF LT 2, 80 FT 6 3/4 INCHES WLY FROM THE NE ANGLE OF LT 3; THENCE NLY ALONG THE SAID LAST MENTIONED LINE 10 FT 6 INCHES MORE OR LESS TO THE NLY LIMIT OF LT 2; THENCE WLY ALONG THE NLY LIMIT OF LOTS 2 AND 1, 39 FT 7 1/2 INCHES MORE OR LESS TO THE POC AS IN LT346559; 4. T/W A FREE AND UNINTERRUPTED ROW, INGRESS AND EGRESS, FOR PERSONS, ANIMALS AND VEHICLES, THROUGH, ALONG AND OVER THOSE PARTS OF LOTS 1 AND 2 BLK 'A', PL M256, DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE E LIMIT OF LT 1, 96 FT NLY THEREON FROM THE NLY LIMIT OF EGLINTON AV AS WIDENED BY BY-LAW 11494; THENCE WLY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV AS WIDENED 125 FT; THENCE NLY PARALLEL TO THE E LIMIT OF LT 1, 12 FT; THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV AS WIDENED 125 FT TO THE SAID E LIMIT OF LT 1; THENCE SLY ALONG THE SAID E LIMIT 12 FT TO THE POC; PROVIDED THAT THE PROJECTIONS, INCLUDING THE PROJECTION OF THE SECOND STOREY OF THE BUILDING SITUATE ON PCL 1-1-A, SEC M256, EXISTING ON THIS DATE AND A FIRE ESCAPE TO BE ERECTED IN CONNECTION THEREWITH, OVER THE SAID ROW OR ANY PT THEREOF SHALL BE DEEMED NOT TO BE AN ENCROACHMENT UPON THE SAID ROW; 5. T/W A FREE AND UNINTERRUPTED ROW, INGRESS AND EGRESS, FOR PERSONS ANIMALS AND VEHICLES, THROUGH, ALONG AND OVER THOSE PARTS OF LOTS 1 AND 2 ON PL M380, DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE WLY LIMIT OF SAID LT 1 DISTANT 96 FT NLY THEREON FROM EGLINTON AV AS WIDENED UNDER BY-LAW 11494; THENCE NLY ALONG THE SAID WLY LIMIT OF LT 1, 18 FT MORE OR LESS TO THE N WLY ANGLE THEREOF; THENCE ELY ALONG THE NLY LIMIT OF LT 1, 48 FT 5 1/4 INCHES MORE OR LESS TO A POINT 1 FT 6 3/4 INCHES WLY THEREON FROM THE NE ANGLE OF LT 1; THENCE SLY ALONG A LINE, WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2 AT A POINT THEREIN DISTANT 5 FT ELY FROM THE SW ANGLE OF LT 2, A DISTANCE OF 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM THE POC; THENCE WLY ALONG THE SAID MENTIONED LINE 49 FT 4 3/4 INCHES MORE OR LESS TO THE POC; 6. T/W A FREE AND UNINTERRUPTED ROW OVER THE WLY 4 FT 6 INCHES OF LT 90 AND THE ELY 5 FT 6 INCHES OF LT 91 ON PL M512; 7. S/T THE RIGHT OF THE OWNER OF PCL 2664, SEC L TORONTO, TO USE (FOR THE PURPOSE OF ACCESS AND INGRESS TO AND EGRESS FROM THE LANDS COMPRISED IN SAID PCL 2664 OR ANY PT THEREOF, AND/OR THE BUILDINGS THEREON AND FOR THE TURNING OF VEHICLES USING THE ROW 3RDLY, 4THLY, 5THLY AND 6THLY ABOVE DESCRIBED) THE SPACE AT THE REAR OF THE BUILDINGS NOW SITUATED UPON THE LANDS COMPRISED IN ABOVE PCL EXTENDING NLY FROM THE NLY LIMIT AND ITS PRODUCTION ELY AND WLY OF THE SAID BUILDINGS TO THE SLY LIMIT OF THE SAID ROW 3RDLY, 4THLY, 5THLY AND 6THLY. PROVIDED ALWAYS THAT THE RIGHTS THEREBY GRANTED SHALL BE EXERCISED IN SUCH MANNER AS NOT UNREASONABLY TO INTERFERE WITH THE REASONABLE AND PROPER USE OF THE SPACE AT THE REAR OF THE RESPECTIVE BUILDINGS AFORESAID BY THE OWNER AND/OR ANY TENANT OR OCCUPANT OF ANY OF THE SAID BUILDINGS RESPECTIVELY AND/OR BY PERSONS HAVING DEALINGS WITH SUCH OWNER AND/OR ANY SUCH TENANT OR OCCUPANT AS IN LT350268; 8. T/W THE RIGHT TO USE (FOR THE PURPOSE OF ACCESS AND INGRESS TO AND EGRESS FROM THE LANDS COMPRISED IN PCL 2665, SEC L TORONTO, OR ANY PT THEREOF AND/OR THE BUILDINGS THEREON FOR THE TURNING OF VEHICLES USING THE ROW DESCRIBED IN THE ABOVE 3RDLY, 4THLY, 5THLY AND 6THLY) THE SPACE AT THE REAR OF THE BUILDINGS NOW SITUATED UPON THE LANDS COMPRISED IN PCL 2664, SEC L TORONTO, EXTENDING NLY FROM THE NLY LIMIT OF THE SAID BUILDINGS TO THE SLY LIMIT OF THE SAID ROW DESCRIBED IN THE SAID 3RDLY, 4THLY, 5THLY AND 6THLY. PROVIDED ALWAYS THAT THE RIGHTS THEREBY GRANTED SHALL BE EXERCISED IN SUCH MANNER AS NOT UNREASONABLY TO INTERFERE WITH THE REASONABLE THE AND PROPER USE OF THE SPACE AT THE REAR OF THE RESPECTIVE BUILDINGS AFORESAID BY THE OWNER AND/OR ANY TENANT OR OCCUPANT OF ANY OF THE SAID BUILDINGS RESPECTIVELY AND/OR BY PERSONS HAVING DEALINGS WITH SUCH OWNER AND/OR ANY SUCH TENANT OR OCCUPANT; TORONTO ; SUBJECT TO A TEMPORARY EASEMENT AS SET OUT IN EXPROPRIATION PLAN AS IN AT4214429; CITY OF TORONTO

Address    350 EGLINTON AVE W  
TORONTO

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.

Name2744746 ONTARIO LTD.  
Address for Service18 Doctors Lane  
King City, Ontario  
L7B 1A8

I, Christopher Morgis 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	1599825 ONTARIO LIMITED	Tenants In Common	\$1,000,000.00
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		
Name	BERWICK, RICK	Tenants In Common	\$1,000,000.00
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		
Name	2702749 ONTARIO INC.	Tenants In Common	\$2,000,000.00
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		
Name	ADAMO, PETER	Joint Account, Right Of Survivorship	\$500,000.00
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		
Name	2494789 ONTARIO INC.	Tenants In Common	\$750,000.00
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		
Name	A-ONE AUTO INVESTMENTS INC.	Tenants In Common	\$200,000.00
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		
Name	SORRENTI, CINZIA	Tenants In Common	\$350,000.00
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		
Name	ELCRM HOLDINGS INC.	Tenants In Common	\$800,000.00
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		
Name	MOLELLA, SERGIO	Tenants In Common	\$500,000.00
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		
Name	TRILEND INC.	Tenants In Common	\$500,000.00
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		
Name	IERFINO, DONALD	Tenants In Common	\$500,000.00
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		
Name	IMPERIO SA HOLDINGS INC.	Tenants In Common	\$840,000.00
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		
Name	2810056 ONTARIO LIMITED	Tenants In Common	\$2,000,000.00
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		
Name	SALISI INVESTMENTS INC.	Tenants In Common	\$750,000.00
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		
Name	ANTONINI, LORENZO	Joint Account, Right Of Survivorship	\$250,000.00
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		
Name	BETTI, TINA	Tenants In Common	\$500,000.00
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		
Name	1545695 ONTARIO INC.	Tenants In Common	\$500,000.00
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		
Name	BONDI, ANTHONY	Joint Account, Right Of Survivorship	\$960,000.00
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		
Name	C.P.M.C. MARQUEZ HOLDINGS INC.	Tenants In Common	\$1,600,000.00

Party To(s)		Capacity	Share
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		
Name	ADAMO. CROCETTA	Joint Account, Right Of Survivorship	\$500,000.00
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		
Name	ANTONINI, CARMEN	Joint Account, Right Of Survivorship	\$250,000.00
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		
Name	BONDI, GIUSEPPA	Joint Account, Right Of Survivorship	\$960,000.00
Address for Service	8830 Jane Street, Vaughan ON L4K 2M9		

Statements

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

Schedule: See Schedules

I DAVIDE JOSEPH DI IULIO solicitor make the following law statement Rick Berwick is the trustee on behalf of the Rick Berwick Family Trust. Peter Adamo and Crocetta Adamo share a \$500,000.00 interest. Lorenzo Antonini and Carmen Antonini share a \$250,000.00 interest. Anthony Bondi and Giuseppa Bondi share a \$960,000.00 interest.

Signed By

Davide Joseph Di Iulio	1000-120 Adelaide St. W. Toronto M5H 3V1	acting for Applicant(s)	Signed	2021 07 16
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Tel        416-363-2211

Fax        416-363-0645

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

Davide Joseph Di Iulio	1000-120 Adelaide St. W. Toronto M5H 3V1	acting for Party To(s)	Signed	2021 07 16
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Tel        416-363-2211

Fax        416-363-0645

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

Submitted By

Schneider Ruggiero Spencer Milburn LLP	1000-120 Adelaide St. W. Toronto M5H 3V1		2021 07 16
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Tel        416-363-2211

Fax        416-363-0645

Fees/Taxes/Payment

Statutory Registration Fee	\$65.30
Total Paid	\$65.30

File Number

Party To Client File Number :                      42919

GENERAL ASSIGNMENT OF LEASES AND RENTS

TO: SCHNEIDER RUGGIERO SPENCER MILBURN LLP

AND TO: 1599825 ONTARIO LIMITED, RICK BERWICK FAMILY TRUST, 2702749 ONTARIO INC., PETER & CROCETTA ADAMO, 2494789 ONTARIO INC. , A-ONE AUTO INVESTMENTS INC., CINZIA SORRENTI, ELCRM HOLDINGS INC., SERGIO MOLELLA, TRILEND INC., DONALD IERFINO, IMPERIO SA HOLDINGS INC., 2810056 ONTARIO LIMITED, SALISI INVESTMENTS INC., LORENZO & CARMEN ANTONINI, TINA BETTI, 1545695 ONTARIO INC., ANTHONY & GIUSEPPA BONDI, AND C.P.M.C. MARQUEZ HOLDINGS INC.

RE: 1599825 Ontario Limited, Rick Berwick Family Trust, 2702749 Ontario Inc., Peter & Crocetta Adamo, 2494789 Ontario Inc. , A-One Auto Investments Inc., Cinzia Sorrenti, ELCRM Holdings Inc., Sergio Molella, TriLend Inc., Donald Ierfino, Imperio SA Holdings Inc., 2810056 Ontario Limited, Salisi Investments Inc., Lorenzo & Carmen Antonini, Tina Betti, 1545695 Ontario Inc., Anthony & Giuseppa Bondi, and C.P.M.C. Marquez Holdings Inc. (collectively the "**Lender**") loan/ mortgage to 2744746 Ontario Ltd. (the "**Borrower**") as guaranteed by Christopher A. Morgis (the "**Guarantor**") pursuant to a commitment letter dated 6 April 2021 as it may be amended from time to time (the "**Commitment**") on the primary security of a first charge/ mortgage against those lands and premises municipally known as 346-350 and 352-356 Eglinton Avenue West, Toronto, Ontario and legally described in PINs: 21169-0184 (LT) and 21169-0183 (LT) (the "**Real Property**")

FILE NO.: 42919

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RECITALS

1.1 Description of Underlying Obligation

The Lender (the "Chargee") has or is about to extend a mortgage loan in the amount of \$15,500,000.00 (the "**Loan**") to the Borrower, specifically 2494789 Ontario Inc as the "Chargor" of the Real Property pursuant to the Commitment and the Chargee requires that the indebtedness of the Chargor pursuant to the Commitment Letter and under the Loan be further secured by a \$15,500,000.00 mortgage on the Charged Premises (the "**Charge**") and the presents hereinafter set out.

2. GRANTING CLAUSES

- 2.1 To secure the Chargor's obligations to the Chargee and to assure performance of the agreements contained herein, the Charge, the Commitment Letter and in any other loan document, Chargor assigns to Chargee, Chargor's right, title and interest in:
- (a) All oral and written leases, offers to lease with, or other agreements for use or occupancy made to or agreed to by any person or entity (including without limitation of the foregoing, Chargor and Chargee under the powers granted herein), and any and all amendments, extensions, renewals, modifications and replacements thereof pertaining to all or any part of the Charged Premises, whether such leases or other agreements have heretofore been made or as are in the future made or agreed to (such leases, offers to lease and other use or occupancy agreements being referred to as the "**Leases**");
  - (b) The rents, issues and profits (collectively the "**Rents**") which may hereafter become due pursuant to any of the Leases pertaining to all or any part of the Charged Premises;
  - (c) Subject to section 4.2, all rights, powers, privileges, options and other benefits (collectively the "**Rights**") of Chargor under the Leases, including without limitation the following:
    - (i) The immediate and continuing right to receive and collect all Rents, income, revenues, insurance proceeds, condemnation awards, moneys and security deposits or the like pursuant to any

of the provisions thereof, whether as Rents or otherwise (except sums payable directly to any person other than the lessor thereunder);

- (ii) The right to make all waivers and agreements, including waivers of obligations of lessees;
- (iii) The right to give all notices, permissions, consents and releases, including consent to the subordination of the interest of a lessee;
- (iv) The right to take such action upon the happening of a default under the Leases (including the commencement, conduct and consummation of proceedings at law or in equity) as shall be permitted under any provisions of the Leases or by law;
- (v) The right to do any and all other things whatsoever which Chargor, as lessor, is or may become entitled to under the Leases;
- (vi) The right to exercise any option; and
- (d) Any and all guarantees (the "**Guarantees**") of any of the Leases, and the rights, powers, privileges and other benefits of the Chargor under the Guarantees;

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

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

### 3. COVENANTS, REPRESENTATIONS AND WARRANTIES

#### 3.1 Power Coupled with Interest

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

#### 3.2 Notice of Lessor's Default

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

#### 3.3 Chargee to be Creditor of Lessee

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



under the Charge. Chargor hereby appoints Chargee as its irrevocable attorney in fact to appear in any action and/or collect any such money, award or payment.

#### 4. **DEFAULTS AND REMEDIES**

##### 4.1 Defaults

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

##### 4.2 Exercise of the Assignment of Leases and Rents

- (a) Until Default shall have been made in payment of any sum as provided in the Charge, and so long as that Default is not cured, the Chargor shall be entitled to receive all Rents and other amounts payable under the Leases and Guarantees;
- (b) In the event of Default, and so long as that Default is not cured, then in addition to the rights hereby assigned to the Chargee the Chargee may collect the Rents and/or manage the Charged Premises without regard to the adequacy of the security and without waiving such Default;
- (c) In the event Chargee elects to invoke any of its rights hereunder and thereafter, for any reason, relinquishes to the Chargor such rights, this Assignment of Leases and Rents shall in no respect be terminated but instead remain in full force and effect until the indebtedness represented by the Charge is paid in full, it being the intent of the parties that Chargee shall, from time to time upon the occurrence of any Default under this Assignment of Leases and Rents and/or the Charge, have all the rights granted hereby.

##### 4.3 Nature of Remedies

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

##### 4.4 Application of Rents

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

##### 4.5 Limitation of Chargee's Obligations

Chargee's obligations as to any Rents actually collected shall be discharged by application of such Rents for any of the purposes described in this Assignment of Leases and Rents. Chargee shall not be liable for uncollected rents or for any claim for damages or set off arising out of the Chargee's management of the Charged Premises. Chargee shall not be liable to any lessee for the return of any security deposit made under any lease of any portion of the Charged Premises unless Chargee shall have received such security deposit from the lessor or such lessee. Chargee shall not by reason of this Assignment of Leases and Rents or the exercise of any right granted herein be obligated to perform any

obligation of the lessor under any of the Leases, nor shall Chargee be responsible for any act committed by the lessor, or any breach or failure to perform by the lessor with respect to any of the Leases. Nothing contained herein shall be deemed to have the effect of making the Chargee a mortgagee in possession of the Charged Premises or any part thereof.

4.6 Reimbursement

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

4.7 Authorization to Lessees

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

4.8 Discharge

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

5. **MISCELLANEOUS**

5.1 Modification of Loan Terms

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

5.2 Successors and Assigns

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

5.3 No Merger

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

5.4 Notices

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

Chargee: TRILEND INC. on behalf of the Chargee  
8830 Jane St., Woodbridge, Ontario

Chargor: 2494789 Ontario Inc.

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

5.5 Governing Law

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

5.6 Severability

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

5.7 Captions

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

DATED this    day of June 2021

2744746 ONTARIO LTD.

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

Name:

Title:

I have the authority to bind the corporation

# TAB K

This is **Exhibit “K”** referred to  
in the Affidavit of Donald Ierfino  
sworn before me, the 19th day of April, 2024.



---

A Commissioner etc.

Sara Mosadeq  
LSO No.: 67864K

## GUARANTEE

TO: SCHNEIDER RUGGIERO SPENCER MILBURN LLP

AND TO: 1599825 ONTARIO LIMITED, RICK BERWICK FAMILY TRUST, 2702749 ONTARIO INC., PETER & CROCETTA ADAMO, 2494789 ONTARIO INC. , A-ONE AUTO INVESTMENTS INC., CINZIA SORRENTI, ELCRM HOLDINGS INC., SERGIO MOLELLA, TRILEND INC., DONALD IERFINO, IMPERIO SA HOLDINGS INC., 2810056 ONTARIO LIMITED, SALISI INVESTMENTS INC., LORENZO & CARMEN ANTONINI, TINA BETTI, 1545695 ONTARIO INC., ANTHONY & GIUSEPPA BONDI, AND C.P.M.C. MARQUEZ HOLDINGS INC.

RE: 1599825 Ontario Limited, Rick Berwick Family Trust, 2702749 Ontario Inc., Peter & Crocetta Adamo, 2494789 Ontario Inc. , A-One Auto Investments Inc., Cinzia Sorrenti, ELCRM Holdings Inc., Sergio Molella, TriLend Inc., Donald Ierfino, Imperio SA Holdings Inc., 2810056 Ontario Limited, Salisi Investments Inc., Lorenzo & Carmen Antonini, Tina Betti, 1545695 Ontario Inc., Anthony & Giuseppa Bondi, and C.P.M.C. Marquez Holdings Inc. (collectively the "**Lender**") loan/ mortgage to 2744746 Ontario Ltd. (the "**Borrower**") as guaranteed by Christopher A. Morgis (the "**Guarantor**") pursuant to a commitment letter dated 6 April 2021 as it may be amended from time to time (the "**Commitment**") on the primary security of a first charge/ mortgage against those lands and premises municipally known as 346-350 and 352-356 Eglinton Avenue West, Toronto, Ontario and legally described in PINs: 21169-0184 (LT) and 21169-0183 (LT) (the "**Real Property**")

FILE NO.: 42919

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IN CONSIDERATION of **Lender** dealing with the **Borrower**, the undersigned and each of them, if more than one, hereby jointly and severally guarantee payment to the Lender of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Borrower to the Lender or remaining unpaid by the Borrower to the Lender, whether arising from dealings between the Borrower and the Lender or from any other dealings by which the Borrower may become in any manner whatever liable to the Lender either alone or jointly with any other corporation, person or persons or otherwise including all costs and disbursements incurred by the Lender with a view to recovering or attempting to recover said debts and liabilities (such debts and liabilities being herein called the "**Guaranteed Liabilities**") provided that the liability of the undersigned and of each of them, if more than one, is limited to \$15,500,000.00 of the loan amounts together with all costs, charges, expenses and interest accruing from date of demand for payment at the rate of 9.75% per annum.

AND THE UNDERSIGNED and each of them, if more than one, hereby, jointly and severally agrees with the Lender as follows:

1. In this guarantee the word "**Guarantor**" shall mean the undersigned and, if there is more than one guarantor, it shall mean each of them.
2. This guarantee shall be a continuing guarantee of one hundred percent (100%) of the Guaranteed Liabilities and shall apply to and secure any ultimate balance due or remaining unpaid to the Lender and this guarantee shall not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Lender.
3. The Lender shall not be bound to exhaust its recourse against the Borrower or others or any security or other guarantees before being entitled to payment from the Guarantor of the Guaranteed Liabilities and it shall not be obliged to deliver its security before its whole claim has been paid.
4. The Guarantor's liability to make payment under this guarantee shall arise forthwith after demand for payment has been made in writing on the undersigned or any one of them, if more than one, and such demand shall be deemed to have been duly made when delivered to or served at the address of the undersigned or such one of them last known to the Lender, on the third business day following posting if sent by regular mail, postage prepaid, to such address, or on the business day next following if sent by facsimile transmission.
5. In addition to the Lender's right to demand payment at any time, upon default in payment of any sum owing by the Borrower to the Lender at any time, the Lender may treat all



Guaranteed Liabilities as due and payable and may forthwith collect from the Guarantor the total amount hereby guaranteed and may apply the sum so collected upon the Guaranteed Liabilities or may place it to the credit of a special account. A written statement of the Lender as to the amount remaining unpaid to the Lender at any time by the Borrower shall, if agreed to by the Borrower, be conclusive evidence and shall, in any event, be prima facie evidence against the Guarantor as to the amount remaining unpaid to the Lender at such time by the Borrower.

6. This guarantee shall be in addition to and not in substitution for any other guarantees or other security which the Lender may now or hereafter hold in respect of the Guaranteed Liabilities and the Lender shall be under no obligation to marshal in favour of the Guarantor any other guarantees or other security or any moneys or other assets which the Lender may be entitled to receive or may have a claim upon and no loss of or in respect of or unenforceability of any other guarantees or other security which the Lender may now or hereafter hold in respect of the Guaranteed Liabilities, whether occasioned by the fault of the Lender or otherwise, shall in any way limit or lessen the Guarantor's liability.
7. Without prejudice to or in any way limiting or lessening the Guarantor's liability and without obtaining the consent of or giving notice to the Guarantor, the Lender may discontinue, reduce, increase or otherwise vary the credit of the Borrower, may grant time, renewals, extensions, indulgences, releases and discharges to and accept compositions from or otherwise deal with the Borrower and others, including the Guarantor and any other guarantor as the Lender may see fit, and the Lender may apply all money received from the Borrower or others or from security or guarantees upon such parts of the Guaranteed Liabilities as the Lender may see fit and change any such application in whole or in part from time to time.
8. Until repayment in full of all the Guaranteed Liabilities, all dividends, compositions, proceeds of security, security valued or payments received by the Lender from the Borrower or others or from estates in respect of the Guaranteed Liabilities shall be regarded for all purposes as payments in gross without any right on the part of the Guarantor to claim the benefit thereof in reduction of the liability under this guarantee, and the Guarantor shall not claim any set-off or counterclaim against the Borrower in respect of any liability of the Borrower to the Guarantor, claim or prove in the Bankruptcy or insolvency of the Borrower in competition with the Lender or have any right to be subrogated to the Lender.
9. This guarantee shall not be discharged or otherwise affected by the death or loss of capacity of the Borrower, by any change in the name of the Borrower, or in the membership of the Borrower, if a partnership, or in the objects, capital structure or constitution of the Borrower, if a corporation, or by the sale of the Borrower's business or any part thereof or by the Borrower amalgamating with a corporation, but shall, notwithstanding any such event, continue to apply to all Guaranteed Liabilities whether theretofore or thereafter incurred and in the case of a change in the membership of a Borrower which is a partnership or in the case of liabilities of the resulting partnership or corporation, the term "**Borrower**" shall include each such resulting partnership and corporation.
10. The Guarantor represents and warrants to the Lender that it is fully aware of the financial condition of the Borrower and agrees to monitor changes in the financial condition of the Borrower. The Guarantor acknowledges that the Lender has made no representations or warranties regarding the financial condition of the Borrower, that the Lender expressly disclaims any obligation to advise the Guarantor of any changes in the financial condition of the Borrower and hereby releases the Lender from any liability arising therefrom.
11. All advances, renewals and credits made or granted by the Lender to or for the Borrower after the death, loss of capacity, Bankruptcy or insolvency of the Borrower, but before the Lender has received notice thereof shall be deemed to form part of the Guaranteed Liabilities and all advances, renewals and credits obtained from the Lender by or on behalf of the Borrower shall be deemed to form part of the Guaranteed Liabilities notwithstanding any lack or limitation of power, incapacity or disability of the Borrower or of the directors, partners or agents thereof, or that the Borrower may not be a legal or suable entity, or any irregularity, defect or informality in the obtaining of such advances, renewals or credits, whether or not the Lender had knowledge thereof; and any such advance, renewal or credit which may not be recoverable from the undersigned as guarantor(s) shall be recoverable from the undersigned and each of them, if more than one, jointly and severally as principal debtor(s) in respect thereof and shall be paid to the Lender on demand.



12. All debts and liabilities, present and future, of the Borrower to the Guarantor are hereby assigned to the Lender and postponed to the Guaranteed Liabilities and all money received by the Guarantor in respect thereof shall be received in trust for the Lender and forthwith upon receipt shall be paid over to the Lender, the whole without in any way lessening or limiting the liability of the Guarantor under this guarantee; and this assignment and postponement is independent of the guarantee and shall remain in full force and effect until repayment in full to the Lender of all the Guaranteed Liabilities, notwithstanding that the liability of the undersigned or any of them under this guarantee may have been discharged or terminated.
13. This guarantee embodies all the agreements between the parties hereto relative to the guarantee, assignment and postponement and none of the parties shall be bound by any representation or promise made by any person relative thereto which is not embodied herein and it is specifically agreed that the Lender shall not be bound by any representations or promises made by the Borrower to the Guarantor. Possession of this instrument by the Lender shall be conclusive evidence against the Guarantor that the instrument was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been fulfilled.
14. This guarantee shall be binding upon every signatory hereof notwithstanding the non-execution hereof or of a similar guarantee by any other proposed signatory or signatories.
15. This guarantee shall not be discharged or affected by the death of the undersigned or any of them, if more than one, and shall enure to the benefit of and be binding upon the Lender, its successors and assigns, and the Guarantor, its heirs, executors, administrators, successors and assigns.
16. This guarantee shall be governed in all respects by the laws of the Province of Ontario and the laws of Canada applicable therein.
17. The undersigned are domiciled at the locations disclosed on identification presented to the Lender and/ or Lender's counsel and will not change such domicile without providing the Lender with prior written notice setting forth its new domicile and the effective date of the change.
18. The Guarantor acknowledges having read this guarantee before signing it and declares that he/she/it understands the terms, conditions and undertakings contained herein. The Guarantor acknowledges receipt of a fully executed copy of this guarantee hereby waives any right to receive a copy of any financing statement, financing change statement or verification statement filed at any time in connection with this guarantee.

DATED this <sup>15</sup> day of <sup>July</sup> ~~June~~ 2021

Witness:



GORDON H. HUNTER



Christopher A. Morgis



# TAB L

This is **Exhibit “L”** referred to  
in the Affidavit of Donald Ierfino  
sworn before me, the 19th day of April, 2024.



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A Commissioner etc.

Sara Mosadeq  
LSO No.: 67864K

## AMENDMENT TO COMMITMENT LETTER

TO: SCHNEIDER RUGGIERO SPENCER MILBURN LLP

AND TO: FREDY ROSSI, 2438747 ONTARIO LIMITED, 2205633 ONTARIO LIMITED, 1620375 ONTARIO LIMITED, 1288601 ONTARIO LIMITED, AMSTEL MANUFACTURING (1993) INC., BRUCE MCKINLAY, SALISI INVESTMENTS LTD., M ANTONINI HOLDINGS INC., AND GABRIELE PIZZARDI

RE: Fredy Rossi, 2438747 Ontario Limited, 2205633 Ontario Limited, 1620375 Ontario Limited, 1288601 Ontario Limited, Amstel Manufacturing (1993) Inc., Bruce McKinlay, Salisi Investments Ltd., M Antonini Holdings Inc., and Gabriele Pizzardi (the "**Lender**") loan/ mortgage to 1000193772 Ontario Ltd. and 1000195736 Ontario Ltd. (collectively the "**Borrower**") as guaranteed by Christopher A. Morgis (the "**Guarantor**") pursuant to a commitment letter dated 6 April 2022 as it may be amended from time to time (the "**Commitment**") on the primary security of a first charge/ mortgage against those lands and premises municipally known as 366-368 Eglinton Avenue West, Toronto, Ontario (the "**Real Property**") as 366-368 Eglinton Avenue West, Toronto, Ontario (the "**Real Property**")

FILE NO.: 44072

WHEREAS the Lender, Borrower and Guarantor have entered into and accepted the terms of the Commitment;

AND WHEREAS the Lender has agreed and confirmed to amend the Commitment as follows;

NOW THEREFORE THE UNDERSIGNED hereby acknowledge, confirm, covenant, declare and agree that the Commitment be amended as follows:

**INSERT:**

Borrower: 1000193772 Ontario Ltd. and 1000195736 Ontario Ltd.

**DELETE:**

Borrower: 2744746 Ontario Ltd.

All other terms of the Commitment Letter remain the same and time to remain of the essence.

DATED this 12 day of May 2022.

1000193772 ONTARIO LTD.

Per: 

Name: Christopher Morgis

Title: President

I have the authority to bind the corporation

1000195736 ONTARIO LTD.

Per: 


Name: Christopher Morgis

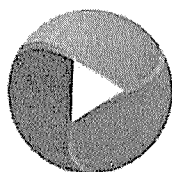
Title: President

I have the authority to bind the corporation

Witness: 

GORDON H. HUNTER

  
Christopher A. Morgis as Guarantor



# TRILEND

RESIDENTIAL • COMMERCIAL • DEVELOPMENT

## Commitment Letter

**April 6, 2022**

RE: Purchase of 366, 368 Eglinton Ave. West, Toronto ON., M5N 1A2 with collateral on 346-350 Eglinton Ave. W and 352-356 Eglinton Ave. W., Toronto ON., M5N 1A2

Please be advised that the Lender is prepared to provide to the Borrower financing on the security of the Real Property in accordance with the following terms and conditions.

Subject to the discovery of undisclosed information relevant to this mortgage loan, Trilend Inc. and/or its assigns ("the Lender") is pleased to provide a conditional mortgage commitment loan offer, subject to, but not limited to conditions contained herein.

This document is a conditional Mortgage Commitment Letter, conditional on areas of concern to the Lender/Mortgagee arising during the finalization of this loan, being resolved to the satisfaction of the Lender/Mortgagee. The Mortgagee has the absolute discretion to withdraw from this conditional commitment at any time prior to funding with no penalty or recourse by the Mortgagor (s) / Guarantor (s) against the Mortgagee.

**Borrower:**

**MORGIS GROUP  
2744746 ONTARIO LTD.**

**Guarantor:**

**Christopher A. Morgis**

**Lender:**

TriLend Inc. and its investors

**Address:**

366, 368 Eglinton Ave. West, Toronto ON  
(subject property)  
346-350 Eglinton Ave. W and 352-356 Eglinton Ave. W., Toronto ON  
(collateral property)

**Amount:**

\$33,000,000.00

**Amortization:**

Not Applicable, interest only mortgage

**Purpose of Loan:**

Purchase of the subject property

To provide funding for the purchase relating to the Real Property secured by a first (1st) mortgage

**Availability:**

Available by way of two advances. The first advance is anticipated to take place on or about April 14, 2022 in the amount of \$8,000,000.00 following completion of legal security in support of this loan. The second advance is anticipated to take place on or about April 22, 2022, in the amount of \$25,000,000.00.

**TriLend Inc.**

8830 Jane St., Vaughan, ON L4K 2M9  
FSCO Brokerage #12788 FSCO Administrator #12832  
**CONFIDENTIAL 2021**

Initials: \_\_\_\_\_

**Term:**

The loan shall be due on March 1, 2023. The Lender at its unfettered discretion may renew the mortgage for an additional 12-month term subject to a renewal fee. Any and all brokerage and legal fees associated with such renewal shall be borne by the borrower,

**Interest Rate:**

Nine and eighty-five one hundredths (9.85%) percent per annum, calculated monthly and payable interest only monthly. In this case, \$2,708,750.00 will be deducted from advance and will represent 10 month's payments.


The Borrower may prepay all or any part of the principal amount outstanding herein at any time upon providing the lesser of three months' interest bonus, or the balance of interest, to the Lender.

The Guarantor jointly and severally unconditionally guarantees payment to the Lender of all monies hereby secured and does further agree to postpone to and in favour of the Lender all present and future debts and liabilities direct or indirect, absolute or contingent, now or at any time hereafter due or owing from the Borrower to the Guarantor.

**Conditions:**

- i) Title to the Real Property to be satisfactory to the Lender and its solicitors in their absolute discretion;
- ii) The Borrower shall provide an up to date survey of the Real Property by no later than the closing date;
- iii) The Borrower shall provide its solicitor's opinion letter that all of the security documentation required hereunder has been properly authorized and executed and all of the obligations of the Borrower and the Guarantors are valid, binding and enforceable and further that all documents were executed in the office of the Borrower's solicitor and all of the parties are who they purport to be;
- iv) The Borrower to provide all corporate certificates and documentation in support of the loan as may be required by the Lender's solicitors;
- v) The Lender is to receive no adverse financial information with respect to the Borrower or any the Guarantors prior to closing or thereafter;
- vi) The Borrower shall provide to the Lender evidence that, as of the closing date, the Real Property will comply with all provincial regulations and there will be no outstanding work orders affecting the Real Property; and
- vii) The Borrower and Guarantor are to execute *all* of the security documentation provided for herein including the Lender's standard charge terms and any other documentation required by the Lender or its solicitors to further secure the repayment of the indebtedness.
- viii) The Borrower is to provide the following, all of which must be satisfactory to the Lender,

**TriLend Inc.**  
8830 Jane St., Vaughan, ON L4K 2M9  
FSCO Brokerage #12788 FSCO Administrator #12832  
**CONFIDENTIAL 2021**

Initials: 

prior to advance of funds:

1. Verification that borrower, and guarantor if applicable, do not owe CRA taxes (personally or corporately) or HST
2. Verification of ability to pay
3. Satisfactory proof of down payment
4. Satisfactory purchase agreement, with all schedules, and a copy of the MLS
5. Current original Colliers International appraisal of 346-350, 352-356, 366-368 Eglinton Ave. W., Toronto ON addressed to TriLend Inc. reflecting a value of no less than \$66,640,000.00. TriLend Inc. will order all appraisals unless otherwise agreed or a satisfactory appraisal is already completed. If a satisfactory appraisal exists, TriLend Inc. requires a letter of transmittal addressed to "TriLend Inc. & its investors"
6. An invoice will be issued to the borrower for the full cost of the appraisal plus any applicable administration fees
7. Confirmation that TriLend Inc.'s first mortgage does not exceed \$15,500,000.00 and is up to date for the collateral properties (346-350, 352-356 Eglinton Ave. W., Toronto ON)
8. Satisfactory interview with the Borrower(s)/Guarantor(s) to be conducted at a mutually convenient time. (if requested)
9. A deposit of \$330,000.00 is due upon acceptance of this commitment. The deposit is refundable under the following provisions:  
In the event that the loan transaction is not completed through no fault of the Lender, the Borrower agrees to pay on demand the Lender's legal fees and disbursements as well as forfeit the deposit (\$330,000.00).  
In the event that the loan transaction is not completed through no fault of the Borrower the Lender agrees to refund the deposit (\$330,000.00) minus any reasonable expenses incurred.
10. Satisfactory Phase I / Phase II Environment report and Geotechnical report
11. Planning review to the satisfaction of TriLend Inc. to be conducted by a TriLend approved planning consultant, at the borrower's expense.
12. Identification for all borrowers, scanned not faxed, front and back and clearly presented
13. Letter of direction for the Broker fee (if applicable)
14. Proof of fire insurance
15. Client's Solicitor details
16. SIGNED Disclosure to borrower, Amortization Schedule, and Consent Form to be provided by Broker prior to Solicitor Instruction
17. Broker to provide a satisfactory investor/lender disclosure for signature prior to close addressed to 'TriLend Inc. and its Investors'
18. All documentation is to be to the complete satisfaction of TriLend Inc. and its Solicitor.
19. This Commitment Letter may be executed in counterparts and all such counterparts shall for all purposes constitute one agreement binding all of the parties hereto, notwithstanding that all parties are not signatory to the same counterpart.
20. Title insurance at the expense of the Borrower;
21. The Borrower(s) and/or Guarantor(s) to have Independent Legal Representation

22. Borrower(s) and/or Guarantor(s) hereby acknowledge and direct TriLend Inc. or its designates to obtain all required information from third parties to facilitate the closing of this loan.

ix) Any other reasonable documentation or security requested by TriLend Inc. not specified in this commitment.

**Security:**

The liability and indebtedness of the Borrower under the Loan and this Commitment shall be evidenced, governed and secured, as the case may be, by the following documents (the "**Security Documents**") completed in form and manner satisfactory to the Lender and its solicitors:

- i) First (1<sup>st</sup>) mortgage against the Real Property (366-368 Eglinton Ave. W., Toronto ON) and a Second (2<sup>nd</sup>) mortgage against the Real Property (346-350 and 352-356 Eglinton Ave. W., Toronto ON) in the amount of \$33,000,000.00.
- ii) First position General Assignment of Rents pledging the rental income of the Real Property as additional security for the repayment of the mortgage indebtedness; (if applicable)
- iii) General Security Agreement in favour of the Lender registered under the Personal Property Security Act providing a first position floating charge over the assets of the Borrower; (if applicable)
- iv) Assignment of Insurance with Loss Payable to the Lender;
- v) All supporting certificates, opinions and other documentation as the Lender or its solicitors may reasonably require.

**Events of Default:**

All of the standard Lender events of default shall be deemed included in the security documentation including but not limited to the following:

- a) the Borrower ceasing to carry on all or a substantial part of its business;
- b) the winding up, liquidation, bankruptcy, assignment into bankruptcy, or receivership of the Borrower or the levying of distress against the Borrower;
- c) re-organization, amalgamation, or transfer of ownership of the Borrower or the Real Property without the prior written consent of the Lender;
- d) failure of the Borrower to maintain adequate insurance coverage against the Real Property including but not limited to insurance for the renovation work to be performed;
- e) failure of the Borrower to repair the Real Property or any other assets secured under this commitment following notice from the Borrower;



- f) failure of the Borrower to keep the Real Property free of environmental contaminants;
- g) failure of the Borrower to pay real property taxes as they fall due; or
- h) failure of the Borrower to obtain any municipal approval required for the purchaser's intended development.
- i) Trilend Inc. shall charge a three (3) month bonus upon any event default including but not limited to non-renewal of the mortgage

The occurrence of any event of default under any security document referred to in this commitment letter shall be an event of default under all other security documents referred to herein.

**Insurance:**

The Borrower shall provide proof of insurance by a copy of the insurance policy or a certificate thereof confirmed by the insuring company, satisfactory to the Lender and subject to review by the Lender's insurance consultant. This letter of insurance must specifically provide for the insurance of the premises during the Borrower's intended renovation period.

**Financial Statements:**

If requested by the Lender, the Borrower is to provide financial statements within 120 days of its fiscal year end.

**Income and Operating Statements:**

If requested by the Lender, the Borrower is to provide annual income and operating statements for the Real Property and annual financial statements for the Guarantors.

**Corporate Documentation:**

The Borrower will provide such corporate documentation in support of the loan as may be required by the Lender's solicitors as they relate to this project.

**Zoning:**

The Borrower shall provide evidence satisfactory to the Lender to confirm that the Real Property complies with all applicable zoning and building by-laws.

**Expropriation:**

The Borrower shall acknowledge that the proceeds of any expropriation of all or any part of the Real Property shall be paid to the Lender at the option of the Lender subject to the rights of the first mortgage holder.

**Access to Real Property:**

The Lender shall have access to the Real Property at any time during the loan term with no less

than 48 hours written notice to the borrower.

**Representations:**

The Borrower and the Guarantor represent and warrant that all statements made hereunder are completely accurate and in the event of any discrepancy, at the option of the Lender, this commitment letter shall become null and void.

**Solicitors:**

Our solicitors for the purpose of this mortgage transaction are Schneider Ruggiero Spencer Milburn LLP, or such other solicitors as the Lender may designate.

**Fees:**

By executing this commitment letter, the Borrower and the Guarantor unconditionally undertake to pay all fees and expenses (including legal fees) incurred or to be incurred in connection with this loan whether or not the loan is completed, and any funds are ever advanced hereunder.

The Borrower shall pay a Lender Fee in the amount of \$1,455,000.00 on the total loan exposure amount of \$48,500,000.00. Said fee shall be deemed to have been fully earned by the Lender upon acceptance of this commitment letter. The borrower hereby irrevocably directs the Lenders solicitor to pay from the closing proceeds, any outstanding balance of the subject fees. In the event that the loan transaction is not completed through no fault of the Lender, the Borrower agrees to pay on demand the full amount of the Lender Fee.

**Independent Legal Advice:**

The Borrower and the Guarantor acknowledge and agree that they have received independent legal advice prior to executing this Commitment and confirm that they have not looked to the Lender or the Lender's solicitor for any legal advice in connection with this transaction.

The Lender shall appoint a solicitor of its choosing. Any and all legal fees plus disbursement associated with the loan closing, ongoing monitoring, and repayment and discharge of this loan shall be borne by the Borrower.

**Acceptance:**

The Borrower and the Guarantor must execute this commitment prior to 5:00 p.m. on April 6, 2022 or at the option of the Lender, the commitment shall become null and void and of no further force or effect.

**Cancellation:**

This commitment, once accepted, shall expire on April 28, 2022 and unless an advance of loan proceeds is made on or before that date, the commitment may be cancelled at Lender's option.

**Survival of Representations and Warranties:**

The representations, warranties, covenants and obligations herein set out shall not merge upon

the execution and registration of the security documents and the advance of mortgage monies hereunder but shall survive until all obligations under this commitment, the mortgage as registered and any other security document executed in accordance herewith have been fully performed and all amounts outstanding to the Lender hereunder have been paid in full.

**Costs:**

The Borrower and the Guarantor shall be unconditionally responsible to pay all costs including but not limited to legal, appraisal, insurance consultants, environmental inspections, and any other costs incurred or to be incurred by the Lender in connection with this loan.

**Authorization:**

The Borrower for good and valuable consideration authorizes the Lender to accept telecopier communications on behalf of the Borrower as full and sufficient authority to act in accordance with communications as received by the Lender from the Borrower.

The Borrower shall be bound by all such telecopier communications from itself in the same manner and extent as if such communications were originally handwritten and signed by the Borrower and the Borrower shall hold the Lender at all times fully indemnified from all claims and demands in respect of all such instructions, in the event such telex, and telecopier communications, were made without authority or otherwise.

Neither anything contained herein nor the execution and registration of any security documents shall obligate the Lender to advance any monies hereunder. In addition, the advance of part or parts of the monies herein shall not obligate the Lender to advance any unadvanced portion thereof.

Yours very truly,



Cinzia Sorrenti  
Trilend Inc,

---

**Acknowledgement**


We hereby acknowledge the terms and conditions set out above and understand and agree that this Commitment Letter is subject to Lender Due Diligence. Until such a time that the Lender formally acknowledges, in writing to the Borrower that the Lender is satisfied with the outcome of its due diligence, the Lender reserves the right to amend, change, or decline this Loan. All parties hereto shall hold in strict confidence and shall not make any disclosure to any third party any of the terms and conditions of this Commitment letter.

If you are in agreement with the above terms, please indicate such agreement by signing and forwarding to us a copy of the Commitment Letter together with a \$330,000.00 Cheque made payable to TRILEND INC. as partial payment of the Lender fee. The Lender Fee shall be deemed to be fully earned upon acceptance of this Commitment Letter.

We the undersigned do hereby accept the loan and terms above and authorize you to instruct

**TriLend Inc.**

8830 Jane St., Vaughan, ON L4K 2M9  
FSCO Brokerage #12788 FSCO Administrator #12832  
**CONFIDENTIAL 2021**

Initials: 

your solicitors to prepare the necessary documentation. We hereby submit with this signed Commitment a cheque in the amount of \$330,000.00 payable to TriLend Inc. In the event that the loan is advanced in accordance with the terms of this Commitment, the \$330,000.00 will be credited to the Borrower at the time of the first advance. In the event that the Borrower defaults in performing the Borrower's obligations herein contained, the said sum shall be forfeited by the Borrower to the Lender as liquidated damages and not as a penalty.

The Borrower and Guarantor acknowledge and agree that in consideration of the Lender furnishing this Commitment and providing the funding as contemplated hereunder, the Borrower and the Guarantor shall pay the following fees at the times and in the amounts as follows:

a) lender fee to TriLend Inc. in the amount of 3.00% of the loan exposure amount herein;

b) legal fees to Schneider Ruggiero Spencer Milburn LLP, inclusive of disbursements, plus HST for preparation of the mortgage commitment and legal fees for the preparation and registration of security to secure this loan transaction

DATED this 6 day of April, 2022.

**MORGIS GROUP**

Per: 

Name: \_\_\_\_\_

Title: \_\_\_\_\_

I have the authority to bind the  
corporation

**2744746 ONTARIO LTD.**

Per: 

Name: \_\_\_\_\_

Title: \_\_\_\_\_

I have the authority to bind the  
corporation

Per: 

Name: Christopher A. Morgis

**TriLend Inc.**

8830 Jane St., Vaughan, ON L4K 2M9  
FSCO Brokerage #12788 FSCO Administrator #12832  
**CONFIDENTIAL 2021**

Initials: 

**TAB M**

This is **Exhibit “M”** referred to  
in the Affidavit of Donald Ierfino  
sworn before me, the 19th day of April, 2024.



---

A Commissioner etc.

Sara Mosadeq  
LSO No.: 67864K

Properties

PIN	21169 - 0182	LT	Interest/Estate	Fee Simple
Description	<p>PCL 1-3-A SEC M256; PT LT 1 BLK A PL M256 TORONTO COMM AT A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED BY BY-LAW # 11494 OF THE CORPORATION OF THE CITY OF TORONTO AT THE INTERSECTION WITH THE ELY LIMIT OF THE SAID LT 1. THENCE WLY ALONG THE SAID NLY LIMIT OF EGLINTON AV 34 FT 6 1/2 INCHES MORE OR LESS TO THE INTERSECTION WITH THE PRODUCTION SLY OF THE CENTRE LINE OF THE PARTY WALL BTN THE BUILDINGS ERECTED ON THESE LANDS AND ON LAND LYING WLY AND ADJACENT THERETO. THENCE NLY ALONG THE SAID PRODUCTION TO AND ALONG THE SAID CENTRE LINE OF WALL AND ITS PRODUCTION NLY IN ALL 96 FT. THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV 34 FT 6 1/2 INCHES TO THE INTERSECTION WITH THE SAID ELY LIMIT OF LT 1. THENCE SLY ALONG THE SAID ELY LIMIT OF LT 1, 96 FT TO THE FRONT OF COMMENCEMENT; T/W A ROW OVER PARTS OF LOTS 1 AND 2 IN BLK A ON PL M256; COMM AT A POINT IN THE ELY LIMIT OF LT 1 DISTANT 96 FT MEASURED NLY THEREON FROM THE SAID NLY LIMIT OF EGLINTON AV AS WIDENED. THENCE WLY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV AS WIDENED 125 FT. THENCE NLY PARALLEL TO THE SAID ELY LIMIT OF LT 1, 12 FT. THENCE ELY PARALLEL TO THE NLY LIMIT OF EGLINTON AV 125 FT TO ITS INTERSECTION WITH THE SAID ELY LIMIT OF LT 1. THENCE SLY ALONG THE SAID ELY LIMIT OF LT 1, 12 FT TO THE POC. PROVIDED THAT THE PROJECTIONS INCLUDING THE PROJECTIONS OF THE SECOND STORY OF THE BUILDING SITUATE ON THE LANDS DESCRIBED IN PCL 3021 SEC K TORONTO EXISTING AT THIS DATE JULY 5, 1943 T/W THE FIRE ESCAPE ERECTED IN CONNECTION HERewith OVER THE SAID ROW OR ANY PT THEREOF SHALL BE DEEMED NOT TO BE AN ENCROACHMENT UPON THE SAID ROW; T/W A ROW OVER THAT PT OF LT 125 ON PL M512; COMM AT A POINT IN THE ELY LIMIT OF LT 125 DISTANT 96 FT MEASURED NLY THEREON FROM THE SE ANGLE OF SAID LT. THENCE WLY PARALLEL TO THE SLY LIMIT OF SAID LT 22 FT 4 INCHES MORE OR LESS TO A POINT 77 FT 8 INCHES MEASURED ELY FROM THE WLY LIMIT OF LT 124 ON SAID PL. THENCE NLY IN A STRAIGHT LINE 14 FT MORE OR LESS TO A POINT IN THE NLY LIMIT OF THE SAID LT 125 DISTANT 77 FT 8 INCHES MEASURED ELY THEREON FROM THE NW ANGLE OF LT 124. THENCE ELY ALONG THE NLY LIMIT OF LT 125, 22 FT 4 INCHES MORE OR LESS TO THE NE ANGLE THEREOF. THENCE SLY ALONG THE ELY LIMIT OF LT 125 A DISTANCE OF 14 FT MORE OR LESS TO THE POB; T/W A ROW OVER THE WLY 4 FT 6 INCHES OF LT 90 AND THE ELY 5 FT 6 INCHES OF LT 91 ON PL M512; T/W A ROW OVER PARTS OF LOTS 1 AND 2 ON PL M380; COMM AT A POINT IN THE WLY LIMIT OF LT 1 DISTANT 96 FT NLY THEREON FROM EGLINTON AV AS WIDENED BY BY-LAW # 11494. THENCE NLY ALONG THE SAID WLY LIMIT OF LT 1, 18 FT MORE OR LESS TO THE N WLY ANGLE THEREOF. THENCE ELY ALONG THE NLY LIMIT OF LT 1, 48 FT 5 1/4 INCHES MORE OR LESS TO A POINT 1 FT 6 3/4 INCHES WLY THEREON FROM THE NE ANGLE OF SAID LT 1. THENCE SLY ALONG A LINE WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2 AT A POINT THEREIN DISTANT 5 FT ELY FROM THE SW ANGLE OF LT 2 A DISTANCE OF 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM THE POC. THENCE WLY ALONG THE SAID MENTIONED LINE 49 FT 4 3/4 INCHES MORE OR LESS TO THE POC; T/W A ROW OVER PARTS OF LOTS 1 AND 2 ON PL M380; COMM AT A POINT IN THE NLY LIMIT OF LT 1 DISTANT 1 FT 6 3/4 INCHES WLY THEREON FROM THE N ELY ANGLE OF LT 1. THENCE SLY ALONG A LINE WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2 AT A POINT THEREON 5 FT ELY FROM THE SW ANGLE OF LT 2 AT A DISTANCE OF 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM A POINT IN THE W LIMIT OF LT 1 DISTANT 96 FT NLY FROM THE N LIMIT OF EGLINTON AV AS WIDENED. THENCE N ELY IN A STRAIGHT LINE 19 FT 6 INCHES TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF LT 2 AND DISTANT 16 FT 1/2 AN INCH MEASURED ELY THEREON FROM THE N WLY ANGLE THEREOF TO A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED, DISTANT 25 FT MEASURED ELY THEREON FROM ITS INTERSECTION WITH THE WLY LIMIT OF LT 2, THE SAID POINT BEING DISTANT 10 FT 6 INCHES MORE OR LESS MEASURED SLY ON THE SAID LINE FROM THE SAID NLY LIMIT OF LT 2. THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF LT 2, 22 FT 3 1/2 INCHES MORE OR LESS TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED DISTANT 78 FT 10 INCHES MEASURED WLY FROM THE SE ANGLE OF LT 3 ON SAID PL TO A POINT IN THE N LIMIT OF SAID LT 2 DISTANT 80 FT 6 3/4 INCHES MEASURED WLY THEREON FROM THE NE ANGLE OF LT 3. THENCE NLY ALONG THE SAID LAST MENTIONED LINE 10 FT 6 INCHES MORE OR LESS TO THE NLY LIMIT OF LT 2. THENCE WLY ALONG THE NLY LIMIT OF SAID LT 2 AND 1, 39 FT 7 1/2 INCHES MORE OR LESS TO THE POC; TORONTO , CITY OF TORONTO</p>			
Address	366 EGLINTON AVENUE WEST TORONTO			

Chargor(s)

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

Name

1000193772 ONTARIO LTD.

Address for Service

18 Doctors Lane, P.O. Box 760, King  
City, Ontario L7B 1A8

A person or persons with authority to bind the corporation has/have consented to the registration of this document.

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

Chargee(s)		Capacity	Share
Name	1288601 ONTARIO LIMITED	Tenants In Common	\$500,000.00 of \$33,000,000.00
Address for Service	8830 Jane Street, Vaughan, Ontario L4K 2M9		
Name	AMSTEL MANUFACTURING (1993) INC.	Tenants In Common	\$500,000.00 of \$33,000,000.00
Address for Service	8830 Jane Street, Vaughan, Ontario L4K 2M9		
Name	MCKINLAY, BRUCE	Tenants In Common	\$500,000.00 of \$33,000,000.00
Address for Service	8830 Jane Street, Vaughan, Ontario L4K 2M9		
Name	SALISI INVESTMENTS LTD.	Tenants In Common	\$500,000.00 of \$33,000,000.00
Address for Service	8830 Jane Street, Vaughan, Ontario L4K 2M9		
Name	M ANTONINI HOLDINGS INC.		\$250,000.00 of \$33,000,000.00
Address for Service	8830 Jane Street, Vaughan, Ontario L4K 2M9		
Name	PIZZARDI, GABRIELE	Tenants In Common	\$1,050,000.00 of \$33,000,000.00
Address for Service	8830 Jane Street, Vaughan, Ontario L4K 2M9		
Name	ROSSI, FREDY	Tenants In Common	\$12,500,000.00 of \$33,000,000.00
Address for Service	8830 Jane Street, Vaughan, Ontario L4K 2M9		
Name	2438747 ONTARIO LIMITED	Tenants In Common	\$15,000,000.00 of \$33,000,000.00
Address for Service	8830 Jane Street, Vaughan, Ontario L4K 2M9		
Name	2205633 ONTARIO LIMITED	Tenants In Common	\$1,350,000.00 of \$33,000,000.00
Address for Service	8830 Jane Street, Vaughan, Ontario L4K 2M9		
Name	1620375 ONTARIO LIMITED	Tenants In Common	\$850,000.00 of \$33,000,000.00
Address for Service	8830 Jane Street, Vaughan, Ontario L4K 2M9		

Statements

Schedule: See Schedules

Provisions

Principal	\$33,000,000.00	Currency	CDN
Calculation Period	Interest only, monthly		
Balance Due Date	2023/03/01		
Interest Rate	9.85%		
Payments	\$325,050.00		
Interest Adjustment Date	2022 05 01		



Provisions	
Payment Date	see Additional Provisions
First Payment Date	2022 06 01
Last Payment Date	2023 03 01
Standard Charge Terms	
Insurance Amount	Full insurable value
Guarantor	Christopher A. Morgis

Additional Provisions

An interest reserve is in place representing total interest payable to term.

Signed By

Davide Joseph Di Iulio	1000-120 Adelaide St. W. Toronto M5H 3V1	acting for Chargor(s)	Signed    2022 05 13
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Tel        416-363-2211

Fax        416-363-0645

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

Submitted By

Schneider Ruggiero Spencer Milburn LLP	1000-120 Adelaide St. W. Toronto M5H 3V1	2022 05 13
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Tel        416-363-2211

Fax        416-363-0645

Fees/Taxes/Payment	
Statutory Registration Fee	\$66.30
Total Paid	\$66.30

File Number

Chargor Client File Number :                      44072

## SCHEDULE TO THE ATTACHED CHARGE/MORTGAGE

### RECITALS

The Lender has agreed to make a loan in favour of the Borrower upon the terms and conditions more particularly contained herein.

The Borrower is the registered owner of the lands and premises described in the electronic Charge to which this schedule is attached.

This Charge is given by the Borrower to the Lender as continuing security for the repayment by the Borrower to the Lender of such loan and the performance by the Borrower of its obligations as more particularly described herein.

### ARTICLE 1 - DEFINITIONS

1.1 For the purposes of this Charge the following definitions will apply:

“Applicable Laws” means, at any time, in respect of any Person, property, transaction, event or other matter, as applicable, all then current laws, rules, statutes, regulations, treaties, orders, judgments and decrees and all official directives, rules, guidelines, orders, policies, decisions and other requirements of any Governmental Authority (whether or not having the force of law) (collectively, the “Law”) relating or applicable to such Person, property, transaction, event or other matter and shall also include any interpretation of the Law or any part of the Law by any Person having jurisdiction over it or charged with its administration or interpretation;

“Applicable Rate” means the interest rate set out in the electronic Charge to which this schedule is attached or, in the alternative, the interest rate set out in the Commitment;

“Bills” has the meaning ascribed thereto in Section 10.1(a);

“Borrower” means the party identified as “Chargor” set out in the electronic Charge to which this schedule is attached and its successors and assigns;

“Business Day” means a day on which the Lender is open for business but specifically excluding Saturdays, Sundays or statutory holidays pursuant to the laws of Canada or the Province of Ontario and “Business Days” means more than one Business Day;

“Charge” means this charge/mortgage of land and all instruments supplemental hereto or in amendment, renewal, extension, restatement, replacement or confirmation hereof;

“Charged Premises” means, collectively, the Lands and the Improvements;

“Commitment” means the letter of commitment between the Borrower and the Lender, as the same has been or may be amended, restated, supplemented, renewed, extended or superseded from time to time;

“Environmental Approvals” has the meaning ascribed to it in Section 12.1 hereof;

“Environmental Laws” or “Environmental Law” has the meaning ascribed to them in Section 12.1 hereof;

“Event of Default” has the meaning ascribed thereto in Section 18.1 hereof;

“Event of Insolvency” means the occurrence of any one of the following events:

- (a) If the Borrower, or the Guarantor(s), shall, other than as expressly permitted hereby:
  - (i) be wound up, dissolved or liquidated, whether pursuant to the provisions of the laws of the Province of Ontario or the federal laws of Canada applicable therein, or any other law or otherwise, or becomes subject to the provisions of the *Winding-Up and Restructuring Act* (Canada), or has its existence terminated or has any resolution passed therefor; or
  - (ii) makes a general assignment for the benefit of its creditors or files a proposal or a notice of intention to make a proposal under the *Bankruptcy and Insolvency Act* (Canada), shall otherwise acknowledge its insolvency or shall be declared or become bankrupt or insolvent; or
  - (iii) proposes a compromise or arrangement or otherwise brings proceedings under or becomes subject to the provisions of the *Companies' Creditors Arrangement Act* (Canada) or shall file any petition or answer seeking any re-organization, arrangement, composition, re-adjustment, liquidation, dissolution or any other relief for itself under, or in any way takes the benefit of, the *Bankruptcy and Insolvency Act* (Canada) or any other present or future law relative to bankruptcy, insolvency or other relief for debtors or for or against the benefit of creditors; or
  - (iv) be unable, by reason of insolvency or similar circumstances, to pay its trade creditors generally, within one hundred and twenty (120) days of the rendering of trade accounts or admit its inability to pay its debts or perform its obligations as they become due; or
- (b) If a court of competent jurisdiction shall enter an order, judgment or decree against the Borrower in respect of any re-organization, arrangement, composition, re-adjustment, liquidation, dissolution, winding-up, termination of existence, declaration of bankruptcy or insolvency, or similar relief under any present or future law relative to bankruptcy, insolvency or other relief for debtors or for or against the benefit of creditors, or the Borrower shall acquiesce in the entry of such order, judgment or decree, unless the Borrower is also proceeding forthwith to diligently and in good faith contest the same and, provided that none of the Charged Premises, the Charge or the Security, the value of the Charged Premises or the operation thereof, are adversely affected and there is no prejudice to the Lender in the Lender's reasonable opinion, and such order, judgement or decree is vacated or permanently stayed within fifteen (15) days of its making; or
- (c) If any trustee in bankruptcy, receiver, receiver and manager, monitor or liquidator or any other officer with similar powers shall

be appointed for the Charged Premises or any portion thereof, or for the Borrower or the Guarantor(s), or for all or any substantial part of its assets or its interest in the Charged Premises with the consent or acquiescence of the Borrower; or

- (d) If, other than as expressly permitted hereby, an encumbrancer or the holder of any lien or charge or any other creditor takes possession of the Charged Premises or the Borrower's interest in the Charged Premises, or any part thereof, or if a distress, execution, garnishment or any similar process is levied or enforced upon or against the same;

"Governmental Authority" means any federal, provincial, territorial or municipal government and any executive, judicial, regulatory or administrative functions of, or pertaining to, government (including, without limitation, all boards, commissions, agencies, departments and ministries);

"Guarantor(s)" means any Person from time to time guaranteeing the Indebtedness;

"Hazardous Substance" has the meaning ascribed to it in Section 12.1 hereof;

"Improvements" means the buildings, erections, structures, fixed machinery, fixed equipment, plant, and improvements now located on the Lands and all appurtenances pertaining thereto, together with all other buildings, structures, fixtures and improvements hereafter located from time to time in, on or under the Lands and all personal property, equipment and chattels now or hereafter affixed to the Lands or to such buildings, erections, structures, fixed machinery, fixed equipment, plant, and improvements owned by the Borrower;

"Indebtedness" means, collectively, the Principal Sum, any debts, liabilities, obligations, covenants and duties owing by the Borrower to the Lender of any kind or nature, present or future and arising under, pursuant to or in connection with this Charge, the Security or any other document delivered pursuant to or in connection herewith or therewith, whether or not evidenced by any note, guarantee or other instrument, whether or not for the payment of money, whether arising by reason of an extension of credit, loan, guarantee, indemnification, or in any other manner, whether direct or indirect (including those acquired by assignment), absolute or contingent, due or to become due, now existing or hereafter arising and however acquired and in all cases arising under, pursuant to or in connection with this Charge, the Security or any other document delivered pursuant to or in connection herewith or therewith. The term includes, without limitation, all interest, yield maintenance, charges, expenses, fees, including all processing and commitment fees and all legal fees and disbursements (in each case whether or not allowed), and any other sum chargeable to the Borrower under, pursuant to or in connection with this Charge, the Security or any other document delivered pursuant to or in connection herewith or therewith;

"Inspections" has the meaning ascribed to it in Section 12.1 hereof;

"Interest Adjustment Date" means the interest adjustment date set by the Lender for the purposes of setting a payment schedule;

"Lands" means the lands and premises described in the electronic Charge to which this schedule is attached, including all tenements, hereditaments and appurtenances belonging or in any way appertaining thereto, and the reversion or reversions, remainder and remainders, rents, issues and profits therefrom, and all the estate, right, title, interest, property claim and demand whatsoever of the Borrower of, in and to the same and of, in and to every part thereof;

"Lease Benefits" means the benefit of all covenants and obligations of tenants, licencees or occupants contained in any of the Leases, including, without limitation, all rights and benefits of any guarantees thereof, the right to demand, sue for, collect, recover and receive all Rents, to enforce the landlord's rights under any Lease and generally any collateral advantage or benefit to be derived from the Leases or any of them;

"Lease Rights" means, collectively, the Leases, the Rents and the Lease Benefits;

"Leases" means all present and future leases, subleases, licences, agreements to lease, agreements to sublease, options to lease or sublease, rights of renewal or other agreements by which the Borrower, or any predecessor or successor in title thereto, has granted or will grant the right to use or occupy all or part or parts of the Charged Premises, including all agreements collateral thereto, but which, for the purpose of this definition does not include the Property Lease, and "Lease" means any one of them;

"Lender" means the party identified as "Chargee" in the electronic Charge to which this schedule is attached, and its successors and assigns;

"Loan" means the loan extended or to be extended by the Lender to the Borrower in the principal amount set out in the electronic Charge to which this schedule is attached and secured by this Charge and other security given to the Lender by the Borrower and the Guarantor(s), if any;

"Major Tenant Leases" means any agreements to lease, offers to lease or leases, subleases or occupancy agreements in respect of premises situate on the Charged Premises and which are determined by the Lender in its discretion to be material to the Charged Premises and the extension and maintenance of the Loan;

"Maturity Date" means, subject to early maturity by reason of the occurrence of an Event of Default and the acceleration of repayment at the option of the Lender, the balance due date set out in the electronic Charge to which this schedule is attached;

"Permitted Encumbrances" means the items more particularly set out in Schedule 'A' hereto together with such other encumbrances, liens and interests affecting the Charged Premises which are acceptable to the Lender in its sole discretion. If no Schedule 'A' is attached hereto, there are no permitted encumbrances;

"Person" means any natural person, sole proprietorship, partnership, syndicate, trust, joint venture, Governmental Authority or any incorporated or unincorporated or entity or association of any nature;

"Principal" or "Principal Sum" means the principal amount of the Loan owing from time to time by the Borrower to the Lender;

"Rents" means all rents, issues and profits now due or to become due under or derived from the Leases;

"Security" means, collectively, all other or additional security, other than this Charge, given by the Borrower or others to the Lender as security for the Loan;

“Taxes” means for each year during the term of this Charge all real property taxes, business taxes, rates, duties, charges, assessments, impositions, taxes, levies and charges for local improvements or otherwise, imposed upon or assessed against the Charged Premises or any part or parts thereof by any Governmental Authority including, without limitation, school boards, and paid or payable by the Borrower or any tenant of the Charged Premises, but shall not include franchise, capital levy or transfer tax or any income, excess profits or revenue tax or any other tax or impost of a personal nature charged or levied upon the Borrower or any tenant of the Charged Premises. If the system of real property taxation or business shall be altered or varied and any new tax shall be levied or imposed on all or any portion of the Charged Premises or the revenues therefrom in substitution for, or in addition to, taxes presently levied or imposed, then any such new tax or levy shall be deemed to be and shall be included herein; and

“Term” means the term of this Charge and being a period which expires on the Maturity Date.

## ARTICLE 2 - CHARGING PROVISIONS

- 2.1 Now therefore witnesseth that the Borrower, being the registered owner of a freehold estate in fee simple in possession of the Lands, in consideration of the Loan advanced or to be advanced by the Lender to the Borrower or for its benefit, and as security for the repayment of all Indebtedness and the performance of the obligations of the Borrower hereunder, does hereby grant, mortgage, charge and create a security interest in, to and in favour of the Lender all of its estate, right, title and interest in and to the Charged Premises and covenants and agrees to and with the Lender as hereinafter provided.
- 2.2 The last day of any term reserved by any lease or sublease, verbal or written, or any agreement therefor, now held or hereafter acquired by the Borrower, as lessee, and forming part of the Charged Premises is hereby excepted out of the mortgage, charge, assignment and security interest hereby created or granted or any instrument in implementations hereof, and the same shall be deemed to be a charge by way of sublease. As further security for the payment of the Indebtedness, the Borrower agrees that it will stand possessed of the reversion of such last day of the term and shall hold it in trust for the Lender for the purpose of this Charge and to assign and dispose thereof, without cost or expense to the Lender, in such manner as the Lender shall by notice in writing, for such purpose, direct. Upon any sale, assignment, sublease or other disposition of such leasehold interest or any part thereof, the Lender, for the purpose of vesting the aforesaid one day residue of such term or renewal thereof in any purchaser, assignee, sublessee or other acquirer thereof, shall be entitled by deed or writing to appoint such party or parties as a new trustee or trustees of the aforesaid residue of any such term or renewal thereof in the place of the Borrower and to vest the same accordingly in the new trustee or trustees so appointed freed and discharged from any obligation respecting the same.

## ARTICLE 3 - REPAYMENT AND INTEREST

- 3.1 The Borrower covenants to pay to or to the order of the Lender at its offices as set out in Article 23 hereof or at such other address as the Lender may from time to time designate in writing, without set-off, compensation or deduction, and without deduction for bank service or any other charges, the Principal Sum together with all other Indebtedness with interest thereon at the Applicable Rate, as well after as before maturity and both before and after default, demand and judgment. Such interest at the Applicable Rate shall be computed from the date of advance to become due and be paid initially on the Interest Adjustment Date and thereafter to be paid in equal instalments of interest, commencing on the first payment date set out in the Commitment or in the electronic Charge to which this schedule is attached and continuing each month during the Term, to and including the last payment date set out in the Commitment or the electronic Charge to which this schedule is attached, each such instalment to be in the amount stipulated in the Commitment or in the electronic Charge to which this schedule is attached and the last instalment, in the amount of the then remaining balance of the Principal Sum, other Indebtedness and accrued interest thereon, to be paid on the Maturity Date.
- 3.2 The Borrower acknowledges and agrees that monthly instalments for interest described in Section 3.1 together with all payments for Taxes as set out in Section 10.1 hereof must pass through a single bank account on which the Borrower will have provided post-dated cheques (as required by the Lender) or have pre-authorized the Lender to withdraw the monthly payments under this Charge plus any Taxes payable in respect of the Charged Premises if not otherwise paid by the Borrower. In addition, the Borrower must maintain at all times in such account a minimum balance equal to the sum of the monthly payment of principal, interest and Taxes (as such Taxes become due).
- 3.3 It is hereby agreed that if default should occur in payment of any sum due at the time appointed for payment thereof as herein provided, compound interest at the Applicable Rate shall be payable on the sum in arrears from time to time, as well after as before maturity, and if interest as compounded is not paid within one (1) month from the time of default, a rest shall be made, and compound interest at the Applicable Rate shall be payable on the aggregate then due, as well after as before maturity, both before and after default, demand and judgement and so on from time to time and all such interest and compound interest shall be a charge on the Charged Premises.
- 3.4 All interest in arrears shall be treated (as to payment of interest thereon) as Principal and shall bear compound interest, as well after as before maturity, default and judgement as provided in Section 3.3 hereof.
- 3.5 The Borrower will pay interest, including interest on overdue interest, at the Applicable Rate on any arrears of instalments of interest, and any payment by the Borrower shall be applied by the Lender first on account of interest and then on account of principal.
- 3.6 All payments of principal and interest pursuant to Section 3.1 shall be made to and received by the Lender prior to 3:00 p.m. on the date due, failing which such payment shall be deemed received on the next succeeding Business Day provided that in such case, such extension of time shall be included for the purpose of computation for interest; provided further that in the event any payment is due on a day which is not a Business Day, it shall be payable prior to 3:00 p.m. on the next succeeding Business Day and provided such payment is received by such date and such time, then, save in respect of repayment of the Indebtedness at the Maturity Date where interest shall be charged for extensions to the next succeeding Business Day, interest shall not be charged for such extension.

#### **ARTICLE 4 - CRIMINAL RATE OF INTEREST**

- 4.1 Notwithstanding any other provisions of this Charge, in no event shall the aggregate “interest” (as defined in Section 347 of the Criminal Code, (Canada), as the same shall be amended, replaced or re-enacted from time to time) payable to the Lender under this Charge exceed the effective annual rate of interest on the “credit advances” (as defined in that section) under this Charge lawfully permitted under that section and, if any payment, collection or demand pursuant to this Charge in respect of “interest” (as defined in that section) is determined to be contrary to the provisions of that section, such payment, collection, or demand shall be deemed to have been made by mutual mistake of the Lender and the Borrower and the amount of such payment or collection in excess of that lawfully permitted shall be refunded by the Lender to the Borrower.

#### **ARTICLE 5 - INTEREST ACT (CANADA)**

- 5.1 For the purposes of this Charge, whenever interest is payable or stated not on the basis of a yearly rate, such rate of interest may be determined by multiplying the Applicable Rate by a fraction the numerator of which is the actual number of days in the calendar year in which the same is to be ascertained and the denominator of which is the number of days in the period for which such rate is determined to be payable.
- 5.2 All calculations of interest or fees under this Charge are to be made on the basis of the stated rates set out herein and not on any basis which gives effect to the principle of deemed re-investment.

#### **ARTICLE 6 - PREPAYMENT**

- 6.1 Subject to prepayment provisions provided for in the Commitment, if any, or early maturity by reason of the acceleration of the repayment of the Indebtedness at the option of the Lender upon the occurrence of an Event of Default, the Borrower shall not be entitled to prepay all or any portion of the Principal under this Charge prior to the Maturity Date.

#### **ARTICLE 7 - NO OBLIGATION TO ADVANCE**

- 7.1 The Borrower acknowledges and agrees that the Lender is not bound to make any advance of any of the Principal Sum or any unadvanced portion thereof by reason of the registration of this Charge in any place or registry office or the advance of any part of the said Principal Sum, it being acknowledged by the Borrower that any advance hereunder is subject, inter alia, to: (i) the representations and warranties contained herein being true and correct as of the date of any advance of the Loan; (ii) no default having occurred hereunder, under any of the Security or under the Commitment; and (iii) the conditions precedent contained in the Commitment having been satisfied.
- 7.2 In the event this Charge is registered and either no advance whatsoever is made hereunder by the Lender or the Borrower’s ability to draw down funds is terminated by the Lender before any funds are advanced, the Lender will, at the expense of the Borrower and upon payment of all monies, costs, fees and disbursements then due to the Lender, promptly upon request by the Borrower execute and deliver to the Borrower, or any agent thereof, registrable discharges of this Charge and of the Security, for use in every registry office where they or notices thereof have been recorded or filed; provided that the Borrower acknowledges that this Section 7.2 shall be of no effect once any advance of the funds is made hereunder by the Lender.

#### **ARTICLE 8 - REPRESENTATIONS AND WARRANTIES**

- 8.1 The Borrower represents and warrants in favour of the Lender, acknowledging that the Lender is relying on such representations and warranties in extending the Loan:
- (a) The Borrower is a corporation duly organized, validly subsisting and in good standing under the laws of its incorporating jurisdiction and has all necessary corporate power and authority to enter into this Charge and the Security and to perform or cause to be performed its obligations contained herein and therein, to own and operate the Charged Premises and to carry on it business pertaining thereto as presently carried on;
- (b) There are no provisions in the articles or bylaws of the Borrower or any unanimous shareholders agreement of or with respect to the Borrower or to which the Borrower is a party which restrict, limit or regulate in any way the powers of the Borrower to borrow on credit or to issue, sell or pledge any of the property or assets now or hereafter owned by it to secure its debt obligations, save and except any provisions which have been complied with. No steps or proceedings have been taken or are pending to amend or supersede the articles or bylaws of the Borrower in a manner which would impair or limit the Borrower’s ability to perform its obligations hereunder or under the Security;
- (c) The Borrower has taken all necessary corporate action to authorize the execution and delivery of this Charge and the Security, and performance of the provisions of each in accordance with its terms;
- (d) The authorization, creation, execution or delivery of this Charge or the Security or the Borrower’s performance of its obligations hereunder or thereunder does not require any approval or consent of any Governmental Authority having jurisdiction nor will any such action be in conflict with or contravene any of the Borrower’s articles, bylaws, unanimous shareholders agreement, if any, or resolutions of directors or shareholders, or the provisions of any indenture, instrument, agreement or undertaking to which the Borrower is a party or by which it or its properties or assets are bound, or result in the creation, imposition or crystallization of any hypothec, title retention, charge, pledge, lien, encumbrance or security interest of any kind upon any of its property or assets subject to the Charge or security interest created thereby or by the Security other than in accordance with the provisions of this Charge and the Security. This Charge and the Security when executed and delivered will constitute valid and legally binding obligations of the Borrower, enforceable against it in accordance with its terms;
- (e) There is not now pending or, to the best of the Borrower’s knowledge or belief after due inquiry, threatened against the Borrower, any litigation, action, suit, investigation or other proceeding by or before any court, tribunal or other competent Governmental Authority which would materially adversely affect the present or prospective ability of the Borrower to perform its obligations under this Charge or the Security, as the case may be, or which calls into question the validity or enforceability of this Charge or the Security;
- (f) No Event of Insolvency has occurred or is threatened or pending;

- (g) The Borrower is the registered owner of and has a good and marketable title in fee simple to the Lands, and, unless otherwise disclosed to the Lender in writing, is the legal and beneficial owner of the Charged Premises, free and clear of all security interests, charges, liens and other encumbrances whatsoever except for the Permitted Encumbrances, which Permitted Encumbrances are in good standing;
  - (h) The Borrower has the right to charge the Charged Premises to the Lender;
  - (i) The Borrower has not received any notice of or threat of a lien under the *Construction Lien Act* (Ontario), as amended, against the Charged Premises nor has any lien been registered against the Charged Premises in respect of labour, materials or services furnished with respect to any improvement thereon which has not been discharged;
  - (j) Unless expressly stipulated in the Commitment, the Charge is not being given with the intention to use the proceeds thereof to finance any alterations, additions or repairs to, or any construction, erection, demolition or installation on the Charged Premises or any structure thereon;
  - (k) Unless expressly stipulated in the Commitment, the Charge is not a building mortgage, within the meaning of the *Construction Lien Act* (Ontario), as amended, and the funds to be advanced by the Lender are not being used to repay a building mortgage;
  - (l) There has been no improvement or materials supplied on or in respect of the Charged Premises in respect of which a construction lien could arise and which has not been completed or abandoned within the forty-five (45) days immediately preceding the date hereof;
  - (m) Except as disclosed to the Lender in writing, the existing and proposed uses, the operation of the Charged Premises and the business conducted thereon comply and, to the best of the Borrower's knowledge and belief, have (including all prior uses) at all times complied with all Applicable Laws, including all Environmental Laws, and the Borrower is not in violation of, and does not violate, by virtue of the ownership, use, maintenance or operation of the Charged Premises or the conduct of any business related thereto, any Applicable Laws, including all Environmental Laws;
  - (n) The Charged Premises may be charged by the Borrower in compliance with the *Planning Act* (Ontario), and no severance of any adjoining lands owned by the Borrower is required;
  - (o) All financial statements and data delivered or presented to the Lender by the Borrower up to and including the date hereof are true and correct in all material respects as at the dates and for the periods indicated and have been prepared in accordance with Canadian generally accepted accounting principles and disclose to the Lender all financial information relevant to the Lender in respect of making the Loan and there is no information, financial or otherwise, which has not been disclosed to the Lender which would be material to the Lender in its decision to advance the Loan, and, without limiting the foregoing, neither the Guarantor(s) nor the Borrower has failed to disclose to the Lender any facts or information material to the making of the Loan;
  - (p) No Event of Default, or an event which with the giving of notice, lapse of time or otherwise, would constitute an Event of Default exists;
  - (q) Each Permitted Encumbrance is in good standing and all obligations and covenants required to be met or complied with thereunder on the part of the Borrower have been complied with and, in respect to any other party thereto to the best of the Borrower's knowledge and belief, have been met or complied with;
  - (r) All Leases entered into as of the date hereof are valid, subsisting and enforceable leases and are in good standing as of the date hereof without right of set-off or abatement;
  - (s) The Borrower is not bound by any indenture, agreement, lease or other instrument, nor is it subject to any trust agreement, charter, by-law, unanimous shareholders agreement or other corporate restriction or any of the Applicable Laws, which materially adversely affects its business operations in respect of the Charged Premises or the performance of its obligations under this Charge or the Security;
  - (t) The Borrower has complied with all Applicable Laws in respect of any residential unit located on the Charged Premises, including in respect of any conversion, demolition, rentals charged or filings or applications to be made and there are no outstanding orders, decisions or directives made or pending which are or would be adverse to the Borrower or the Charged Premises in respect of any residential unit located on the Charged Premises;
  - (u) Each partner of the limited partnership of which the Borrower is the general partner is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada);
  - (v) With respect to each partner of the limited partnership of which the Borrower is a general partner that is a Canadian corporation, either (i) the shares of that corporation do not derive their value, directly or indirectly, primarily from foreign property, all within the meaning of the *Income Tax Act* (Canada) or (ii) the corporation is a corporation described in subsection 206(1.1) of the *Income Tax Act* (Canada), as that provision may be amended from time to time;
  - (w) The Borrower shall not, without the prior written consent of the Lender, execute or deliver any mortgage, charge, lien or other encumbrance of the Lands intended to rank subordinate to this Charge; and
  - (x) The Borrower is not and shall not be during the Term (without the prior written consent of the Lender), a farmer within the meaning of the *Farm Debt Mediation Act* (Canada).
- 8.2 The representations and warranties set out in this Article 8 shall speak as of the date made, survive the execution and delivery of this Charge and the making of any advance hereunder and continue to be true and accurate during the Term of this Charge, notwithstanding any investigations or examinations which may be made by the Lender or the Lender's solicitors and the Lender shall be deemed to have relied on such representations and warranties in making advances under the Loan.
- 8.3 The Borrower shall indemnify and save harmless the Lender from and against all losses, damages, claims and expenses directly

or indirectly incurred or suffered by the Lender resulting from any omission, inaccuracy or misrepresentation of the Borrower herein relating to or concerning the Charged Premises and with respect to all losses, charges, claims and expenses directly or indirectly incurred or suffered by the Lender resulting from or arising in connection with environmental matters relating to, arising from, in connection with or concerning the Charged Premises, whether referred to or contemplated herein or hereby.

#### ARTICLE 9 – COVENANTS

- 9.1 The Borrower covenants with the Lender that upon the occurrence of an Event of Default, the Lender shall have quiet possession of the Charged Premises, free from any encumbrances, save and except for the Permitted Encumbrances.
- 9.2 The Borrower shall not without the prior written consent of the Lender, which may be withheld in the sole discretion of the Lender permit or suffer to exist any charges, liens, security interests or other encumbrances against the Charged Premises, save and except for the Permitted Encumbrances; and the Borrower shall maintain the Permitted Encumbrances in good standing and provide notice to the Lender forthwith of any default under any of the Permitted Encumbrances.
- 9.3 The Borrower shall not initiate, permit or suffer to exist any Event of Insolvency, in respect of itself or, to the extent that the Loan, this Charge or the Security is affected by the occurrence of any such event, of any related person or corporation, including without limitation, any parent corporation of the Borrower. The Borrower covenants and agrees (i) to provide two Business Days' notice prior to the occurrence of an Event of Insolvency (an "Insolvency Notice"), and agrees that the receipt of an Insolvency Notice by the Lender shall constitute an immediate Event of Default if the Borrower or any Guarantor(s) is an applicant or takes the benefit of such statute or proceeding or if any of these proceedings otherwise affect the rights or entitlements of the Lender under the Loan, this Charge or the Security or the Lender's ability to enforce this Charge or the Security, and (ii) prior to the commencement of any such proceedings, to deliver to the Lender copies of all relevant filing materials, including, without limitation, copies of draft court orders, plans of compromise, proposals and notices of intention, it being intended by the Borrower that the Lender be entitled during the period after receipt of an Insolvency Notice to enforce this Charge and the Security for the purpose of, among other things, taking possession and control of the Charged Premises, in the Lender's sole discretion.
- 9.4 The Borrower shall not, without the prior written consent of the Lender, initiate, join in or consent to any change to or modification in any private restrictive covenant, municipal or other governmental law, rule or regulation, by-law, or any other public or private restrictions, limiting or defining the uses which may be made of the Charged Premises, or any part thereof and which could adversely affect the Charge, the Security, the day-to-day operations of the Charged Premises, the income derived therefrom or the value of the Charged Premises.
- 9.5 The Borrower shall comply in all respects with all covenants, deed restrictions, easements and Applicable Laws which pertain to the ownership, use or operation of the Charged Premises or the performance by the Borrower of its obligations under this Charge and shall ensure that all representations and warranties contained herein continue to be true and accurate at all times during the Term.
- 9.6 The Borrower shall permit the Lender, or cause to be made available to the Lender, access to all records, both written and electronic, pertaining to the Charged Premises and upon request shall make copies of such information for the Lender. For such purposes, the Lender shall have reasonable access to the Charged Premises or such other place as such records are kept upon reasonable prior written notice to the Borrower.
- 9.7 The Borrower shall fulfil on a timely basis any undertaking provided by it to the Lender at the time of the advance of the Loan.
- 9.8 The Borrower covenants to ensure that this Charge will remain a valid and enforceable mortgage of the Charged Premises with first priority subject only to the Permitted Encumbrances and the Borrower will fully and effectively maintain and keep the Security as valid and effective security during the currency hereof.
- 9.9 The Borrower shall promptly give written notice to the Lender of any litigation, proceeding or dispute affecting the Charged Premises if the result thereof might have a material adverse effect on the Charged Premises, the financial condition or operations of the Borrower or any Guarantor(s) or its ability to perform its obligations hereunder and shall, from time to time, furnish to the Lender all reasonable information requested by the Lender concerning the status of such litigation, proceeding or dispute and shall in all such cases diligently and in good faith proceed to defend, settle or otherwise deal with any such litigation, proceeding or dispute in a commercially reasonable manner.
- 9.10 The Borrower shall promptly give notice to the Lender upon becoming aware of and provide particulars in respect of:
- (a) An Event of Default or any event which with the passage of time or giving of notice would constitute an Event of Default;
  - (b) Any default under a Lease;
  - (c) Details of material renovations to the Charged Premises when the Borrower intends to or reasonably anticipates that it will renovate the Charged Premises;
  - (d) Any default under any Permitted Encumbrance;
  - (e) Any notice of expropriation, action or proceeding materially affecting the Charged Premises or the violation of any Applicable Law which may have a material adverse affect on the Charged Premises; and
  - (f) Any matter which may have a material adverse affect upon the Borrower or the Guarantor(s) or Charged Premises or the operations conducted thereon, or the security constituted by this Charge and the Security.
- 9.11 The Borrower covenants at all times:
- (a) to perform or cause to be performed all of the covenants and obligations on the part of lessor contained in the Leases

(except the extent the same have been expressly waived by the other parties to such Leases and except in circumstances where the tenant is in default and the Borrower is acting prudently and in the best interests of the Charged Premises);

- (b) to maintain or cause to be maintained the Lease Rights in good standing and not to do, permit to be done or omit to do anything which may impair the enforceability of the Lease Rights;
  - (c) save for the deposits for the first and last month rentals, not to accept Rents more than one (1) month in advance of the dates when Rents fall due;
  - (d) not to enter into Leases which are not at arm's length unless the terms thereof are at least equal to current market terms;
  - (e) not to enter into Lease which do not constitute Major Tenant Leases (each of which must be approved by the Lender as hereafter provided) unless such leases are substantially on Lender pre-approved standard lease forms and not to enter into Major Tenant Leases without the Lender's approval as hereafter provided;
  - (f) not to or to permit termination, alteration or amendment or waiver of rights or remedies or otherwise take any action with respect to any of the Leases which in the aggregate would create a material reduction in Rents from those payable as of the date hereof, without the prior approval of the Lender;
  - (g) not to further assign, mortgage or pledge or permit the assignment, mortgaging or pledging of any Lease or the rents thereunder, save for assignments by tenants of their tenant's interest in Leases, to the extent permitted under such Leases; and
  - (h) to ensure in respect of all Leases now or hereafter entered into that (i) the tenant thereunder, at the option of the Lender, subordinates its lease to the security of this Charge and attorns to and becomes a tenant of the Lender or any purchaser from the Lender in the event of the exercise of a sale remedy by the Lender, for the unexpired residue of the term and upon the terms and conditions of said lease, provided the Lender will agree to enter into non-disturbance agreements on commercially reasonable terms with all such tenants; and (ii) at the request of the Lender, provide as further security specific assignments of Leases hereinafter entered into.
- 9.12 The Borrower shall not, without the prior written consent of the Lender, acting reasonably and promptly, enter into any agreement or document in respect of the Charged Premises (except for leases in accordance with the terms hereof and the Security) which is material to the ownership, value, operation, or use of the Charged Premises unless the same is in the ordinary course of business.
- 9.13 With respect to any Major Tenant Lease, the Borrower shall not and shall not permit without the prior written consent of the Lender:
- (a) cancel or modify any Major Tenant Lease, release the obligations of any lessee thereunder, accept a surrender of a Major Tenant Lease, accept any prepayment of Rents thereunder or consent to any sublet or assignment by the lessee under any Major Tenant lease (except where the provisions of such Major Tenant Lease require the landlord to do so); or
  - (b) enter into any Major Tenant Lease unless the terms, form and substance of such Major Lease is satisfactory to the Lender, acting reasonably; or
  - (c) to further assign, mortgage, pledge, hypothecate or otherwise deal with any Major Tenant Lease.
- 9.14 The Borrower shall do or cause to be done all things necessary to keep in full force and effect all rights, franchises, licences and qualifications necessary or incidental to perform or cause to be performed its obligations contained in this Charge and the Security and to carry on its business pertaining thereto as presently carried on.
- 9.15 The Borrower shall from time to time to pay or cause to be paid all amounts related to taxes, wages, workers compensation obligations, government royalties, and any other similar amounts relating to the business conducted on the Charged Premises if non-payment thereof may result in an encumbrance (other than a Permitted Encumbrance) against the Charged Premises or any of the assets secured in favour of the Lender by the Security.
- 9.16 The Borrower shall not, without the prior written consent of the Lender, acting reasonably and promptly, cause or permit any change in the status of the Borrower that results in the representations contained in Subparagraph 8.1(u) or Subparagraph 8.1(v) ceasing to be accurate in all material respects.
- 9.17 The Borrower covenants, subject to the rights of reorganization herein contained, to continue as a corporation duly organized, validly subsisting and in good standing under the laws of its incorporating jurisdiction and maintain all necessary corporate power and authority to perform or cause to be performed its obligations contained herein and in the Security, to own and operate the Charged Premises and to carry on its business pertaining thereto as presently carried on.
- 9.18 The Borrower covenants that, unless in respect of a reorganization of the Borrower permitted under Paragraph 18.1(h) or with the consent of the Lender as provided therein, no steps or proceedings will be taken to amend or supersede the articles or bylaws of the Borrower and in any event no steps or proceedings, including any reorganization of the Borrower, will be taken in a manner which would impair or limit the Borrower's or its successor's ability to perform its obligations hereunder or under the Security.
- 9.19 The Borrower will not enter into any indenture, agreement, lease or other instrument, nor become subject to any trust agreement, charter, by-law, unanimous shareholders agreement or other corporate restriction, which materially adversely affects the Charged Premises.



## ARTICLE 10 - TAXES/LIENS

### 10.1

- (a) The Borrower shall pay or cause to be paid, all Taxes together with such other amounts, the failure to pay which would give rise to a lien against the Charged Premises, as and when the same shall fall due and payable (collectively, the "Bills").
- (b) With respect to Taxes at the option of the Lender, the Borrower shall pay to the Lender in equal monthly instalments on the first day of each month in each calendar year during the Term, commencing on the first day of the month next following the Interest Adjustment Date, one-twelfth (1/12) of the annual Taxes (or such amount as may be required in order to pay the Taxes as they become due) as reasonably estimated by the Lender; said payments of Taxes shall be paid to the Lender in addition to the instalments of interest due and payable under this Charge, to be deposited upon receipt and held by the Lender in an interest-bearing account for the payment of Taxes, with interest to accrue thereon to the benefit of the Borrower and to be credited in reduction of the amount required to be paid to the Lender for Taxes. The Lender agrees that upon and subject to receipt of monies for Taxes it will remit such monies to the proper municipal offices in payment of Taxes as required from time to time; provided that if any Event of Default shall occur and be continuing, then the Lender, at its sole option, may apply all or any part of any funds held in such account to any amount due hereunder, whether principal, interest or otherwise. The Borrower shall also pay, or cause to be paid, to the Lender before the due date for the payment of Taxes (or next periodic instalment date therefor, as the case may be) any sums in addition to the aforesaid monthly instalments which may be required in order that out of such sums held in trust or escrow by the Lender and such additional sums, the Lender may pay the whole amount of Taxes assessed thereto, on the due date for payment thereof. Notwithstanding the foregoing provisions of this Paragraph 10.1(b), the Borrower acknowledges that the Lender is under no obligation to collect from the Borrower monthly instalments on account of Taxes. In addition, the Borrower acknowledges its obligation to pay all Taxes when due, whether or not the payment of all Taxes are the responsibilities of tenants and whether or not such tenants have remitted the same to the Borrower.
- (c) The Lender may, after written notice being given to the Borrower, pay all unpaid and due Taxes, and any amounts, the failure to pay which would give rise to a lien and any amounts so paid by the Lender shall become part of the Principal hereby secured and be a charge on the Charged Premises in favour of the Lender and shall be payable forthwith by the Borrower to the Lender with interest at the Applicable Rate until paid.
- (d) If the Charged Premises or any part thereof are sold or forfeited for nonpayment of Taxes while any sum remains unpaid hereunder, the Lender may acquire the title and rights of the purchaser at any sale, or the rights of any other person or corporation becoming entitled on or under any such forfeiture, or the Lender may pay, either in its own name or in the name of the Borrower and on the Borrower's behalf, any and all sums necessary to be paid to redeem such land so sold or forfeited, and to revert such lands in the Borrower, and the Borrower hereby nominates and appoints the Lender as agent to pay such monies on the Borrower's behalf and in the Borrower's name, and any monies so expended by the Lender shall become part of the Principal Sum hereby secured and be a charge on the Charged Premises in favour of the Lender and shall be payable forthwith by the Borrower to the Lender and until so paid shall bear interest at the Applicable Rate or in the alternative, the Lender may purchase the Charged Premises at any tax sale of the same.
- (e) Notwithstanding anything to the contrary herein contained, the Borrower shall have the right to contest or defend any actions brought to recover, or appeal any judgments recovered against it in respect of any Bills, or other like charges, or any construction or other liens levied or registered against the Charged Premises, by appropriate proceedings diligently conducted in good faith, provided that the Borrower shall have first deposited with the Lender, or otherwise provided to the reasonable satisfaction of the Lender, such security as the Lender acting reasonably may require including, without limitation, security for the payment of such Bills, charges or liens and any costs payable in connection therewith, and further provided that the Lender shall have determined, to its reasonable satisfaction, that any such contest, defence or appeal or any delay or nonpayment of such Bills, charges or liens shall not materially prejudice the prior charge or lien of this Charge or the title of the Borrower to the Charged Premises. Should the Lender at any time thereafter determine, in its reasonable discretion, that any such contest, defence or appeal or any delay or nonpayment of such Bills, charges or liens shall materially prejudice the prior charge or lien of this Charge or the title of the Borrower to the Charged Premises, the Lender may realize upon such security for payment as aforesaid and pay such Bills, charges or liens. Upon termination of such proceedings, the Borrower shall promptly pay or cause to be paid the amount of the Bills, charges or liens and any other costs, fees, interest and penalties as are properly payable upon determination of such proceedings and promptly cause any tax notifications, caveats, liens, certificates of or pertaining litigation or any other form of notice or encumbrance in respect thereof to be promptly discharged from the title to the Charged Premises at the sole expense of the Borrower whereupon all such security deposited or otherwise provided to the Lender and any proceeds from the realization thereof not paid on account of Bills as aforesaid, shall be returned and paid to the Borrower.
- (f) The Borrower agrees to and does hereby indemnify the Lender against all claims, demands, costs, damages and expenses which arise in respect of any default, late payment, omission, act or proceeding by the Borrower, under or in respect of this Section 10.1.
- (g) If the Lender comes into and for as long as it is in possession of the Charged Premises, the Lender, in its sole discretion, shall be entitled to and shall enjoy all the rights of the Borrower set out in Paragraph 10.1(d) hereof, to the exclusion of the Borrower.

## ARTICLE 11 – INSURANCE

- 11.1 The Borrower will immediately insure, unless already insured, and during the continuance of the Charge keep insured against loss or damage by fire, in such proportions upon each building as may be required by the Lender, the buildings on the land to the amount of not less than their full insurable value on a replacement cost basis in dollars of lawful money of Canada. Such insurance shall be placed with a company approved by the Lender. Buildings shall include all buildings whether now or hereafter erected on the land, and such insurance shall include not only insurance against loss or damage by fire but also insurance against loss or damage by explosion, tempest, tornado, cyclone, lightning and all other extended perils customarily

provided in insurance policies including "all risks" insurance. The covenant to insure shall also include where appropriate or if required by the Lender, boiler, plate glass, rental and public liability insurance in amounts and on terms satisfactory to the Lender. Evidence of continuation of all such insurance having been effected shall be produced to the Lender at least fifteen (15) days before the expiration thereof; otherwise the Lender may provide therefore and charge the premium paid and interest thereon at the rate provided for in the Charge to the Borrower and the same shall be payable forthwith and shall also be a charge upon the land. It is further agreed that the Lender may at any time require any insurance of the buildings to be cancelled and new insurance effected in a company to be named by the Lender and also of his own accord may effect or maintain any insurance herein provided for, and any amount paid by the Lender therefore shall be payable forthwith by the Borrower with interest at the rate provided for in the Charge and shall also be a charge upon the land. Policies of insurance herein required shall provide that loss, if any, shall be payable to the Lender as his interest may appear, subject to the standard form of mortgage clause approved by the Insurance Bureau of Canada which shall be attached to the policy of insurance.

11.2 During any construction on the Charged Property, the Borrower shall maintain:

- (i) Builders' all-risk coverage for 100% of the construction cost with loss payable to the Lender by way of an Insurance Bureau of Canada ("IBC") approved mortgage clause. The policy must cover flood, earthquake, building by-laws, delayed opening, must allow for partial occupancy of the premises and provide for interim loss payments during reconstruction;
- (ii) Wrap-Up Liability coverage in an amount not less than \$10,000,000 per occurrence;
- (iii) Project performance and completion bonds and insurance, including coverage for labour and material bonds; and
- (iv) Professional Liability coverage in an amount not less than \$10,000,000.

## ARTICLE 12 - ENVIRONMENTAL

12.1 The following capitalized terms shall have the following respective meanings:

"Environmental Approvals" means all applicable permits, licences, authorizations, consents, directions or approvals required by Governmental Authorities pursuant to the Environmental Laws with respect to the use, occupation, ownership or operation of the Charged Premises;

"Environmental Laws" means all applicable federal, provincial and municipal laws, by-laws, regulations, executory orders, judgments and protocols, relating in whole or in part, to the environment or its protection, and without restricting the generality of the foregoing, includes without limitation, those laws relating to the manufacturing, processing, use, handling, packaging, labelling, sale, storage, recycling, transportation, treatment, destruction, burial or disposal of Hazardous Substances, employee safety, and the emission, discharge, release, deposit, issuance, spraying, dumping, throwing, pouring, spilling, emptying, placing, leaking, seeping, exhausting or abandonment of Hazardous Substances into the atmosphere, air, surface water, ground water, land surface or subsurface strata and, in each such case, as such Environmental Laws may be amended or supplemented from time to time, and "Environmental Law" means any of them;

"Hazardous Substance" means any pollutant, contaminant, waste, hazardous waste, toxic substance or dangerous good which is defined or identified in or the object of any Environmental Law, the presence of which in the environment is in contravention of any Environmental Law; and

"Inspections" means all inspections, evaluations or tests conducted by the Lender or any agent or consultant thereof for the purpose of determining the environmental condition of the Charged Premises, as the Lender may deem appropriate, acting reasonably.

12.2 The Borrower represents and warrants (which representations and warranties shall continue throughout the Term of the Loan) that:

- (a) The condition and use of the Charged Premises is and, to the best of the Borrower's knowledge, any prior use of the same was, in compliance in all material respects with all applicable Environmental Laws;
- (b) The Charged Premises is not subject to any judicial or administrative proceedings alleging violation of any Environmental Laws and there are no outstanding orders or proceedings against the Charged Premises from a Governmental Authority responsible for protecting the environment alleging the violation of any Environmental Laws;
- (c) To the knowledge of the Borrower, the Charged Premises is not the subject of any investigation by Governmental Authorities having jurisdiction evaluating whether any remedial action is needed to respond to a contravention of any Environmental Laws; and
- (d) There is no contingent liability of which the Borrower has knowledge or reasonably should have knowledge in connection with the contravention of any Environmental Laws.

12.3 The Borrower covenants with the Lender:

- (a) If not already provided, to provide to the Lender within ninety (90) days of the execution of this Charge, an environmental audit with respect to the Lands, and if an event shall have occurred after the date of this Charge, which the Lender, acting reasonably, believes may have resulted or may result in material adverse change in the environmental condition of the Charged Premises or any part thereof, to provide such further environmental audits as the Lender may require;
- (b) To provide notice within fifteen (15) days of either having learned of any enactment or promulgation of any Environmental Laws which may result in any material adverse change in the condition, financial or otherwise, of the Charged Premises;

- (c) To defend, indemnify and hold harmless the Lender, its directors, officers, employees, agents and their respective successors and assigns, against any and all loss, cost, expense, claim, liability or alleged liability arising out of any environmental damage occasioned to the Charged Premises contravention of any Environmental Laws;
- (d) To, at all times and at its own expense, conduct its business and maintain the Charged Premises in compliance with all Environmental Laws and Environmental Approvals including causing all tenants of the Charged Premises to comply with the same;
- (e) If the Borrower:
  - (i) receives notice from any Governmental Authority having jurisdiction that violation of any Environmental Law or Environmental Approval has been committed by the Borrower or any tenant with respect to the Charged Premises;
  - (ii) receives notice that any remedial order or other proceeding has been filed against the Borrower or any tenant alleging in respect of the Charged Premises violations of any Environmental Law or requiring the Borrower to take any action in connection with the release of a Hazardous Substance into the environment; or
  - (iii) receives any notice from a Governmental Authority having jurisdiction in respect of the Charged Premises that the Borrower or any tenant may be liable or responsible for costs associated with a nuisance or a response to, or clean up of, a release of a Hazardous Substance into the environment or any damages caused thereby;

to provide to the Lender a copy of such notice within ten (10) days of the Borrower's receipt thereof, and thereafter shall keep the Lender informed in a timely manner of any developments in such matters, and shall provide to the Lender such other information in respect thereto as may be reasonably requested by the Lender from time to time and shall proceed to deal with the same diligently and in good faith in order to bring the Charged Premises into compliance to the extent necessary to comply with Environmental Laws;
- (f) Unless in existence on the Charged Premises on the date of this Charge, not to use, discharge, transport or install in or upon the Charged Premises any material or equipment containing PCBs or permit any tenant of the Charged Premises to do so and, to the extent in existence on the Charged Premises as of the date of this Charge, to maintain the same in compliance with all Environmental Laws;
- (g) To maintain, and to require all occupants of the Charged Premises to maintain in good leak-proof condition all above-ground and underground storage tanks and drums on the Charged Premises;
- (h) Not to install asbestos or permit asbestos to be installed in the Charged Premises. With respect to any asbestos present in the Charged Premises on the date of this Charge, the Borrower shall, at its expense, promptly comply with the requirements of Environmental Laws and Governmental Authorities respecting the use, removal and disposal of asbestos; and
- (i) To obtain or cause its solicitors to obtain copies of all relevant environmental studies or assessments of the Charged Premises which the Borrower or its solicitors or agents have commissioned or which are in the possession or control of the Borrower, as of the date of this Charge and, to the extent any such assessments or studies are required by the Lender from time to time, to promptly provide same to the Lender upon request and hereby authorizes and directs its solicitors, agents and consultants to promptly release same to the Lender.

12.4 Having due regard to the rights of any tenant of the Borrower, the Lender and its employees and agents shall have the right, and are hereby granted permission by the Borrower, to enter the Charged Premises from time to time, and to have access to the Borrowers' relevant documents and records, in order to conduct Inspections, to determine compliance with Environmental Laws as the Lender, acting reasonably, may deem appropriate. Inspections shall be:

- (a) at such times and to such extent as may be reasonable in the circumstances on prior notice to the Borrower if the Lender has reasonable grounds for believing that:
  - (i) there are, contrary to Environmental Laws or Environmental Approvals, Hazardous Substances in or upon the Charged Premises which have not been disclosed to and approved by the Lender and appropriate Government Authorities; or
  - (ii) the Borrower is in breach of any environmental representations in this Charge or its covenants in this Article; or
  - (iii) the Borrower is not in compliance with any Environmental Laws or material Environmental Approvals; and
- (b) at any time without prior notice upon the occurrence of an Event of Default which is continuing.

If the Borrower is found not to be in compliance with the Environmental Laws or Environmental Approvals and such failure to comply becomes an Event of Default that is continuing, the Lender may, at its option (but without any obligation to do so) take such actions as are required, acting reasonably, to bring the Charged Premises into compliance, and the costs thereof shall immediately become due and payable to the Lender by the Borrower and shall be secured by the Security.

12.5 The Lender shall not, by virtue of being the chargee under this Charge or the enforcement of its rights contained herein for purposes of the Environmental Laws, be or be deemed to be the owner of, any of the Charged Premises, or to have management, charge, control, occupation or possession of any of the Charged Premises or the businesses of the Borrower, or of any Hazardous Substances located on, upon or within any of the Charged Premises.

12.6 The Borrower hereby covenants and agrees to be responsible for, and to indemnify and hold harmless the Lender and each of its officers, directors, employees, shareholders, all unitholders of any pooled funds under its management and agents and their

respective successors and assigns (in this Section, collectively referred to as the “Indemnified Parties”) from and against all claims, demands, liabilities, losses, costs, damages and expenses (including, without limitation, reasonable legal fees and all costs incurred in the investigation, pursuing of any claim, or in any proceeding with respect to, defense and settlement of any item or matter hereinafter set out) that the Indemnified Parties may incur or suffer, directly or indirectly as a result of or in connection with:

- (a) Any inaccuracy in or breach of the Borrower’s representations and warranties relating to the environmental matters contained herein;
- (b) The presence of any Hazardous Substance on, upon or within the Charged Premises, or the escape, seepage, leakage, spillage, discharge, emission, release, disposal or transportation away from the Charged Premises of any Hazardous Substance, whether or not there is compliance with all applicable Environmental Laws and Environmental Approvals;
- (c) The imposition of any remedial order affecting the Lands, or any non-compliance with Environmental Laws or Environmental Approvals pertaining to the Charged Premises by any person, including the Borrower, the Lender or any person acting on behalf of the Lender; and
- (d) Any diminution in the value or any loss on the disposition of the Charged Premises arising directly or indirectly as a result of the presence on the Lands of any Hazardous Substance, or as a result of the imposition of any remedial order or the breach by any person of any Environmental Law or Environmental Approval.

This indemnity shall survive the satisfaction and release of this Charge and the Security and the payment and satisfaction of all indebtedness hereunder. The benefit of this indemnity may be assigned by the Lender to any successor or assign of the Lender and the Borrower hereby consents to any such assignment.

#### **ARTICLE 13 - ASSIGNMENT OF RENTS AND LEASES**

- 13.1 As further security for the payment of all monies owing and the performance of all obligations to be performed hereunder, the Borrower does, as and by way of security, hereby sell, assign, transfer and set over unto to the Lender all of the Borrower’s right, title and interest, both at law and equity, in and to the Lease Rights, to hold and receive the same unto the Borrower with full power and authority to demand, collect, sue for, recover and receive and give receipts for Rents and enforce payments of the same and enforce performance of the obligations of tenants under the Leases, provided, however, that, subject to the terms of this Charge, the Borrower shall have the full right, so long as no Event of Default has occurred and is continuing, to continue to collect Rents, to take or cause to take all actions as it deems necessary with respect to the Lease Rights, acting as a reasonable lessor.
- 13.2 It is expressly acknowledged and agreed by the Borrower that nothing contained in this Charge shall oblige the Lender to assume or perform any obligation of the Borrower to any third party in respect of or arising out of the assigned Lease Rights. The Lender may, however, after the occurrence of an Event of Default and while such Event of Default continues, at its option, assume or perform any such obligation as the Lender considers necessary or desirable to obtain the benefit of the Lease Rights, free of any set-off, reduction or abatement, and any money expended by the Lender in this regard shall form part of or be deemed to form part of the indebtedness secured by this Charge and shall bear interest at the Applicable Rate.

#### **ARTICLE 14 - MANAGEMENT AND REPAIR**

- 14.1 The Borrower shall cause the Charged Premises at all times to be professionally maintained, managed and operated and fully and continuously operational during customary business hours, including all uses ancillary or incidental to its operations, at all times, by competent managers and staff of proper background and training, in a first class manner consistent with the management and operation of other properties which are of size, location, use, class, age and type comparable to the Charged Premises, and the Borrower shall obtain the Lender’s prior written approval of any manager and any management contract with any manager which may be entered into by the Borrower for the management of the Charged Premises. In addition to any other rights hereunder of the Lender, the Lender shall have the right, acting reasonably, to replace the manager at the expense of the Borrower in the event the management standards are not maintained as required hereunder and the situation is not remedied within thirty (30) days after written notice from the Lender. The Lender acknowledges and approves, as of the date hereof, of the Borrower or a company controlled by the Borrower acting as manager of the Charged Premises provided that the Charged Premises are managed and maintained in accordance with the provisions hereof.
- 14.2 The Borrower shall promptly repair, maintain, restore, replace, rebuild, keep, make good, finish, add to and put in order, or cause to be so done, the Charged Premises, so that the same shall, at all times, be in good condition and repair and to pay or cause to be paid when due all claims for labour performed and materials furnished therefor. The Borrower shall not commit or suffer any waste of the Charged Premises nor take any action that might invalidate or give cause for cancellation of any insurance maintained in respect of the Charged Premises. No building or other property now or hereafter charged by this Charge shall be removed, or demolished or nor shall the structure of any building be materially altered, redeveloped, retrofitted or renovated, without the prior written consent of the Lender, except that the Borrower shall have the right, without such consent, to remove and dispose of, free from the lien or charge of this Charge, such fixed equipment as from time to time may become worn out or obsolete, provided that either (a) simultaneously with or prior to such removal, and if necessary for the operation of the Charged Premises such equipment shall be replaced with other equipment of a quality comparable to that of the replaced equipment and free from any lien, title retention agreement, conditional sale contract, security agreement or other encumbrance, and by such removal and replacement the Borrower shall be deemed to have subjected such fixed equipment to the lien or charge of this Charge, or, (b) any net cash proceeds received from such disposition shall, at the option of the Lender, be paid over promptly to the Lender to be applied in a manner determined by Lender in its sole discretion toward the payment of any amounts owing hereunder or secured hereby. The Borrower shall notify the Lender promptly of any material damage to or defects in any of the Improvements, and thereafter forthwith shall make or cause to be made such repairs thereto as are required to correct any such damage or defects and return the Charged Premises to a state of condition and repair equivalent to the state of condition and repair required by the provisions of this Charge.
- 14.3 The Borrower shall comply with, or cause to be complied with, all statutes including without limitation the provisions of the *Construction Lien Act* (Ontario), ordinances and requirements of any Governmental Authority having jurisdiction with respect to the Charged Premises; the Borrower shall complete and pay for, within a reasonable time, any structure at any time in the

process of construction on the Charged Premises.

- 14.4 The Borrower shall permit the Lender or its authorized agents at all reasonable times to enter upon the Charged Premises and inspect same, and if such inspection reveals that any repairs or like actions are necessary, the Lender may give notice to the Borrower requiring the Borrower to repair, rebuild or reinstate the same, or take such other like action within a reasonable time. Any failure by the Borrower to comply with such notice shall constitute an Event of Default hereunder and the Lender may repair, rebuild or reinstate the Charged Premises at the cost of the Borrower and charge all sums of money determined by the Lender to be properly paid therefor and interest thereon at the Applicable Rate until paid.

#### ARTICLE 15 - INCREASED COSTS

- 15.1 In the event that as a result of any application of or any change in or enactment of any applicable law, regulation, treaty or official directive after the date hereof (whether or not having the force of law), or in the interpretation of application thereof by any court or by any governmental or other authority or entity charged with the administration thereof which now or hereafter:

- (a) Subjects the Lender to any tax or changes the basis of taxation, or increases any existing tax, on payments of principal, interest or other amounts payable by the Borrower to the Lender under this Charge (except for taxes on the overall net income of the Lender or capital of the Lender imposed by the Government of Canada or any political subdivision thereof or by the jurisdiction in which the principal or lending office of the Lender is located); or
- (b) Imposes, modifies or deems applicable any special requirements against assets held by, or deposits in or for the account of or any other acquisition of funds by the Lender or imposes on the Lender a requirement to maintain or allocate capital or additional capital in relation to the Loan; or
- (c) Imposes on the Lender any other condition with respect to this Charge; or
- (d) Renders any portion of this Charge illegal or unenforceable;

and the result of any of the foregoing is to increase the cost to the Lender, or reduce the amount of principal, interest or other amount received or receivable by the Lender hereunder or its effective return hereunder in respect of making or maintaining the Loan hereunder or to reduce the payments receivable by the Lender in respect of the Loan by an amount which the Lender deems to be material, the Lender shall promptly give written notice thereof to the Borrower setting out in reasonable detail the facts giving rise to and a summary calculation of such increased costs or reduced payments, and the Borrower shall forthwith pay to the Lender upon receipt of such notice that amount which will compensate the Lender for such additional cost or reduction in income (herein referred to as "Additional Compensation"). Upon the Lender having determined that it is entitled to Additional Compensation in accordance with the provisions of this Section, the Lender shall promptly so notify the Borrower. The Borrower shall forthwith pay to the Lender upon receipt of such notice such Additional Compensation calculated on the date of demand. The Lender shall be entitled to be paid such Additional Compensation from time to time to the extent that the provisions of this Section are then applicable notwithstanding that the Lender has previously been paid any Additional Compensation. The Lender shall endeavour to limit the incidence of any such Additional Compensation, including seeking recovery for the account of the Borrower, by appealing any assessment at the expense of the Borrower upon the Borrower's request.

- 15.2 All payments made by the Borrower to the Lender will be made free and clear of all present and future taxes, withholdings or deductions of whatever nature. If these taxes, withholdings or deductions are required by Applicable Law and are made, the Borrower shall, as a separate and independent obligation, pay to the Lender all additional amounts as shall fully indemnify the Lender from any such taxes, withholding or deduction. Provided, however, that the Borrower shall have no obligation to pay any withholding or like tax which may be exigible, incurred or required as a result of the Lender being a non-resident of Canada for the purposes of the *Income Tax Act* (Canada).

- 15.3 If the result of any law, regulation, treaty or official directive or request or any change in or any introduction thereof or change in the interpretation or application thereof or compliance by the Lender with the same (including, without limitation, those relating to taxation, reserve requirements, capital adequacy or other banking or monetary controls) is such that it is or will become (other than as a result of some positive action of the Lender, including any participation or syndication hereof by the Lender) unlawful for the Lender to make, fund or allow to remain outstanding all or part of the Loan, or to carry out all or any of its other obligations under this Charge and/or the Security or receive interest or any fee at the Applicable Rate, then in such case:

- (a) The Lender may give written notice to the Borrower of such law, regulation, treaty or official directive or request (whether or not having the force of law) or such change in or any introduction thereof or change in the interpretation or application thereof or compliance by the Lender with the same (including, without limitation, those relating to taxation, reserve requirements, capital adequacy or other banking or monetary controls) which such notice shall certify that such law, regulation, treaty, official directive or request is generally applicable to all other borrowers from the Lender with any accommodation similar to that herein provided; and
- (b) The Borrower shall prepay the Indebtedness on such date and to such extent as the Lender shall certify to be necessary to comply with the relevant law or change described above;

provided, however, that should the Loan become unlawful, the Lender, without prejudice to its rights to require repayment and without any obligation on its part, will consider other means of funding the Loan which would not be unlawful, would allow the Lender to carry out its obligations in respect of the Loan and would enable the Lender to receive interest at the Applicable Rate, provided always, notwithstanding the foregoing, the Lender is not obligated to provide alternate funding.

#### ARTICLE 16 - OBTAINING AND MAINTAINING SECURITY

- 16.1 Regardless of whether such sums are advanced or incurred with the knowledge, consent, concurrence or acquiescence of the Borrower or otherwise and in addition to any other amounts provided for herein or otherwise permitted by Applicable Law to be secured hereby, except as herein otherwise provided, the following are to be secured hereby and shall be a charge on the Charged Premises, together with the interest thereon at the Applicable Rate, and all such monies shall be repayable to the Lender, on demand, except as herein otherwise provided:

- (a) All reasonable and properly chargeable solicitor's, inspector's, valuator's, consultant's, architect's, engineer's, surveyor's and appraiser's fees and out-of-pocket expenses:
  - (i) for drawing and registering this Charge and the Security and financing statements in connection therewith, and attending to advances hereunder;
  - (ii) for examining the Charged Premises and the title thereto up the date hereof;
  - (iii) for making and maintaining this Charge as a registered charge on the Charged Premises and maintaining the Security (including the registration and filing of renewals);
  - (iv) for the preparation of this Charge, the Security and any related documents and in exercising or enforcing or attempting to enforce or advising the Lender in respect of defaults hereunder or in pursuit of any right, power, remedy or purpose hereunder or subsisting at law;
  - (v) reasonable allowance for the time, work and expenses of the Lender or of any agent of the Lender in connection therewith; and
- (b) All reasonable sums which the Lender may from time to time advance, expend, incur or suffer hereunder:
  - (i) for insurance premiums, Bills, Taxes, rates, or in or toward payment of prior liens, charges, encumbrances or claims charged or to be charged against the Charged Premises;
  - (ii) in maintaining, repairing, restoring or completing construction of the Charged Premise;
  - (iii) in inspecting, leasing, managing or improving the Charged Premises as permitted hereunder, including the price or value of any goods of any sort or description supplied to be used on the Charged Premises as permitted hereunder; and
- (c) Without limiting the generality of any of the foregoing, the then current reasonable fee of the Lender and/or its solicitor for the following matters:
  - (i) executing any cessation or discharge of this Charge, notwithstanding that said cessation or discharge may have been prepared by the Borrower;
  - (ii) entering into an agreement to amend the interest rate or any other provision in the Charge;
  - (iii) handling any dishonored cheque;
  - (iv) preparing an amortization schedule showing the principal and interest components of payments due under this Charge;
  - (v) the cost of completing a Phase I & II Environmental Audit and such other environmental audits as the Lender may require in its discretion;
  - (vi) such other administrative matters as the Lender may perform with regards to the Charge or with regards to any collateral security, as permitted by the Commitment;
  - (vii) the fee charged by the Lender's insurance consultant to review the Borrower's policy of insurance for the subject lands including business interruption insurance if required by the Lender; and
  - (viii) the execution and delivery of any consents, postponements, acknowledgments or any other documents that may be required from the Lender, whether from the Borrower and/or any governmental authorities and/or public/private utilities.

16.2 If any action or proceeding be commenced (except an action to foreclose this Charge or to collect the money that is secured hereby) in which the Lender becomes a party or participant by reason of being the holder of this Charge or the indebtedness secured hereby, all sums paid by the Lender for the expense of so becoming a party or participating (including all reasonable and properly chargeable legal costs) shall, on written notice, be paid by the Borrower, together with interest thereon at the Applicable Rate from the dates of payment of such sums by the Lender, and shall be a lien and charge on the Charged Premises, prior to any right or title to, interest in, or claim upon the Charged Premises subordinate to the lien and charge of this Charge, and shall be deemed to be secured by this Charge, and that in any action or proceeding to foreclose this Charge, or to recover or collect the indebtedness secured hereby, provisions of law respecting the recovery of costs, disbursements and allowances shall prevail unaffected by this covenant.

#### **ARTICLE 17 - CONDEMNATION AWARDS**

- 17.1 The Borrower shall notify the Lender promptly upon it being aware of any and all awards or payments ("Condemnation Award(s)") including interest thereon, and the right to receive the same (save for any portion of any such Condemnation Award paid for remedial purposes and which is actually used for such purpose) which may be made with respect to the Charged Premises, or any part thereof, as a result of:
- (a) Any condemnation, eminent domain, compulsory acquisition, expropriation or like procedures ("Condemnation"), partial or complete, including any sidewalk or lane; or
  - (b) The imposition, and enforcement, of any restriction, regulation or condition to meet any building or development guideline for development or restriction of or by any municipality or other competent authority; or

- (c) Any other material injury to or decrease in the value of the Charged Premises by any lawful regulation or any governmental authority having jurisdiction;

(any matter referred to in (a), (b) or (c) above being hereinafter called an “Incident of Expropriation”) to the extent of all amounts which may be secured by this Charge at the date of receipt of any such Condemnation Award by the Borrower. Notwithstanding the occurrence of any Incident of Expropriation, the Borrower shall continue to pay interest at the Applicable Rate on the Principal Sum. The Borrower does hereby change, assign, set over as transfer to the Lender, as security for the repayment of all Indebtedness.

- 17.2 Any Condemnation Award received by the Lender shall be held by the Lender as part of the security for the Loan subject to application as provided in this Article 17. Pending such application, such amounts received shall be held and invested by the Lender, acting reasonably. If at any time an Event of Default has occurred and is continuing, the Lender may, at its option, apply such amounts in reduction of the amounts owing hereunder.
- 17.3 Notwithstanding the provisions of Sections 17.1 and 17.2, in the event that any Incident of Expropriation shall occur which, in the reasonable opinion of the Lender, would materially and adversely affect the security of the Charge or any other Security after the application of any Condemnation Award pursuant to Section 17.1 hereof, the Lender may, at its option, declare such Incident of Expropriation to be an Event of Default and be entitled to exercise any and all rights and remedies available to it hereunder at law or in equity.

#### ARTICLE 18 - EVENTS OF DEFAULT

- 18.1 The whole of the Principal Sum together with interest thereon at the Applicable Rate, interest on overdue interest and any amounts payable pursuant to Article 6, and all other amounts secured hereby shall, at the option of the Lender, subject to Section 18.2 hereof, become due and payable and all powers conferred on the Lender herein and hereby shall become exercisable, in like manner to all intents and purposes as if the time herein mentioned for payment of such Principal monies had fully come and expired, if specifically provided for in this Charge, or if any of the following events shall occur (the occurrence of any such event together with the expiry of the applicable cure period, if any, and any other occurrence specifically provided for herein as an Event of Default being collectively referred to as an “Event of Default”):
  - (a) Upon default in payment of any regularly schedule instalment of interest beyond the date such payment is due and payable; or
  - (b) Upon default in payment of the Indebtedness due and owing on the Maturity Date; or
  - (c) Upon default in payment of any Indebtedness (other than an instalment of interest and upon maturity) due hereunder within five (5) Business Days after written notice thereof is provided by the Lender; or
  - (d) Save as otherwise provided for in subparagraphs (a), (b) and (c) hereof or otherwise specifically provided herein, upon any default in the performance of any covenant or obligation of the Borrower hereunder within fifteen (15) days after written notice thereof is provided by the Lender, provided that if such default is curable and the nature of such default is such that the exercise of reasonable diligence of more than fifteen (15) days is required to cure such default, and if such default in the Lender’s reasonable discretion does not jeopardize or adversely effect the security interest of the Lender hereunder or adversely affect the Borrower or its ability to perform its obligations hereunder or under the Security or adversely affect the Charged Premises, the Lender will not, for a further sixty (60) days so long as no other Event of Default has occurred, enforce its remedies in respect of such default while and so long as during such time the Borrower is actively continuing to diligently and in good faith cure such default; or
  - (e) If at any time during the Term there is a breach of any representation or warranty contained herein or at any time during the Term if any representation or warranty contained herein is no longer true or accurate or becomes untrue or inaccurate for any reason and provided the same can be rectified, and the same is not rectified within thirty (30) days after written notice thereof is provided by the Lender; or
  - (f) Upon the assignment by the Borrower to any other party of the whole or a part of the rents, income or profits arising from the Charged Premises, without the written consent of the Lender; or
  - (g) The occurrence of an Event of Insolvency; or
  - (h) If without the prior written consent of the Lender, in its sole and absolute discretion:
    - (i) the Borrower transfers, sells, conveys, or otherwise disposes of all or any part of the Charged Premises, or any interest therein (other than by way of Leases), whether legal or beneficial or enters into any transaction or series of transactions where all or any part of the Charged Premises becomes the property of another person, whether through reorganization, amalgamation, merger, consolidation or otherwise, or if there is any change in the legal or beneficial interest, in whole or in part, of the Charged Premises; or
  - (i) If, without the prior written consent of the Lender, in its sole and absolute discretion:
    - (i) there is any change in the Borrower’s corporate control or change in the Borrower’s effective control existing as of the date of this Charge; or
    - (ii) the Borrower creates, permits or suffers to exist any mortgage, pledge, charge, loan, assignment, hypothecation, security interest or other encumbrance attaching the Charged Premises other than this Charge, the Security and the Permitted Encumbrances; or
  - (j) Upon default by or non-compliance of the Borrower or any Guarantor(s), or any others bound by or acknowledging to be bound by the terms of this Charge, with respect to any of the provisions of the Security or the Permitted Encumbrances; or



- (k) If the Charged Premises are abandoned; or
- (l) Failure by the Borrower to fulfil, complete or comply with any undertakings delivered by the Borrower to Lender in connection with the Loan in accordance with the terms of such undertakings; or
- (m) Upon any breach, default, non-observance occurring or being alleged, charged or claimed against the Borrower as lessor under any lease or as sublessor under any sublease of the Charged Premises and the Borrower is not diligently proceeding to rectify any such breach, default, non-observance or non-performance or defend any allegations, charges or claims of the same; or
- (n) If this Charge, or any of the Security, shall fail to constitute a legal, valid, binding and enforceable first charge, first assignment or first security interest, each enforceable in accordance with its terms, subject only to Permitted Encumbrances; or
- (o) If in the reasonable opinion of the Lender there occurs an event which has a material adverse effect on the financial condition or operation of the Borrower, the Charged Premises, this Charge, the Security or the ability of the Borrower to pay the Indebtedness or to perform its obligations hereunder or under the Security and which cannot be rectified by the Borrower within a reasonable period of time.

18.2 Save as otherwise specifically provided, an Event of Default hereunder or under any Security shall not have occurred or be deemed to have occurred until the expiration of any applicable notice period, if any, called for in this Charge or in such Security within which the Borrower may remedy such default. In any event, if in the opinion of the Lender, an event has occurred which with the passing of time, the giving of notice or otherwise would constitute an Event of Default and as a result of which the Charged Premises or the property assets and undertaking subject to the Security is materially at risk, the Lender may take such action or exercise such remedies as may be appropriate without notice to the Borrower or the expiry of any cure period.

#### ARTICLE 19 - REMEDIES

19.1 If an Event of Default has occurred hereunder and is continuing (or if the Lender exercises its rights pursuant to Section 18.2 hereof before the occurrence of an Event of Default), then at any time thereafter, but subject always to the waiver thereof by the Lender, the Lender may:

- (a) Declare the Indebtedness to be immediately due and payable and proceed to exercise any and all rights hereunder or under the Security or any other rights available to it under any other document or instrument or at law or in equity including without limitation, the drawdown of any letter of credit held by the Lender;
- (b) Commence legal action to enforce payment of the Indebtedness or performance of the obligations by the Borrower to the Lender;
- (c) At the expense of the Borrower, when and to such extent as the Lender deems advisable, observe and perform or cause to be observed and performed any covenant, agreement, proviso or stipulation contained herein or in the Security, and the reasonable cost thereof with interest thereon at the Applicable Rate until paid, shall immediately become due from the Borrower to the Lender after demand by the Lender upon the Borrower therefor;
- (d) Pay or discharge any mortgage, encumbrance, lien, adverse claim or charge that may exist or be threatened against the Charged Premises; in any such case, the amounts so paid together with costs, charges and expenses incurred in connection therewith shall be added to the Principal outstanding and shall bear interest at the Applicable Rate;
- (e) Send or employ any inspector or agent to inspect and report upon the value, state and condition of the Charged Premises and may employ a lawyer to examine and report upon the title to the same;
- (f) Immediately take possession of all of the Charged Premises or any part or parts thereof by action or otherwise, with power, among other things, to exclude the Borrower, to enforce the Borrower's rights, to preserve and maintain the Charged Premises, to repair, alter or extend the Charged Premises, to lease the Charged Premises, to complete construction and development of the Charged Premises, to operate and manage the Charged Premises and to collect or receive rents, income and profits of all kinds (including taking proceedings in the name of the Borrower for that purpose) and pay therefrom all reasonable expenses and charges of maintaining, preserving, protecting and operating the Charged Premises (payment of which may be necessary to preserve or protect the Charged Premises), and to enjoy and exercise all powers necessary to the performance of all functions made necessary or advisable by possession, including without limitation, power to advance its own moneys and enter into contracts and undertake obligations for the foregoing purposes upon the security hereof, and all sums advanced or expended shall be added to the Principal outstanding and shall bear interest at the Applicable Rate;
- (g) On default of payment for at least fifteen (15) days may, on at least thirty-five (35) days' notice, sell and dispose in the Charged Premises with or without entering into possession of the same and with notice to such persons and in such manner and form and within such terms as provided under Part III of the *Mortgages Act* (Ontario), as amended; and all remedies available may be resorted to and all rights, powers and privileges granted or conferred upon the Lender under and by virtue of any statute or by this Charge may be exercised and no want of notice or publication or any other defect, impropriety or irregularity shall invalidate any sale made or purporting to be made in the Charged Premises; and the Lender may sell, transfer and convey any part of the Charged Premises on such terms, including on credit for all or part of the consideration, (provided the Borrower shall not be accountable for any default in respect of the credit), secured by contract or agreement for sale, or charge, or otherwise, as shall appear to the Lender most advantageous and for such prices as can reasonably be obtained therefor in the circumstances; and in the event of sale on credit or part cash and part credit, whether by way of contract for sale or by conveyance or transfer, charge, or otherwise, the Lender is not to be accountable for or charged with any monies until the same shall be actually received in cash or received by a take-back charge; and sales may be made from time to time of parts of the Charged Premises to satisfy interest and leaving the Principal or part thereof to run with interest at the Applicable Rate; and the Lender may make any stipulations as to title or evidences or commencement of title or otherwise as the Lender shall deem proper and may buy or rescind or vary any contract for sale; and on any sale or resale, the Lender shall not be answerable for loss



occasioned thereby; and for any of such purposes the Lender may make and execute all arrangements and assurances that the Lender shall deem advisable or necessary;

- (h) With respect to the Leases:
  - (i) to demand, collect and receive the Rents or any part thereof and to give acquittances therefor, and to take from time to time, in the name of the Borrower, any proceeding which may be, in the opinion of the Lender or its counsel, expedient for the purpose of collecting the Rents or for securing the payment thereof or for enforcing any of the Borrower's rights under the Leases;
  - (ii) to compound, compromise or submit to arbitration any dispute which has arisen or may arise in respect to any amount of Rent and any settlement arrived at shall be binding upon the Borrower;
  - (iii) to enter upon the Lands by its officers, agents or employees for the purpose of collecting the Rents; (iv) to receive, enjoy or otherwise avail itself of the Lease Rights; and
  - (v) on behalf of the Borrower to alter, modify, amend or change the terms of Leases; to terminate Leases, to enter into new Leases; to give consents, concessions or waivers of any rights or provisions of Leases; to accept surrenders of Leases; to give consents to assignment of or subletting under Leases;
- (i) With or without taking possession of all or any part of the Charged Premises, sell, lease or otherwise dispose of the whole or any part of the Charged Premises, as agent for the Borrower and not the Lender, and in exercising the foregoing power, the Lender may, in its absolute discretion:
  - (i) sell, lease or otherwise dispose of the whole or any part of the Charged Premises by public auction, public tender with notice, or by private contract (in the name of or on behalf of the Borrower) or otherwise, with such notice, advertisement or other formality as is required by law;
  - (ii) make and deliver to the purchaser good and sufficient deeds, assurances and conveyances of the Charged Premises and give receipts for the purchase money, and any such sale once effected shall be a perpetual bar, both at law and in equity, to the Borrower and all those claiming an interest in the Charged Premises by, from, through or under the Borrower making any claim against the purchaser of the Charged Premises;
  - (iii) grant, rescind, vary or complete any contract for sale, lease or options to purchase or lease, or rights of first refusal to purchase or lease the whole or any part of the Charged Premises, for cash or for credit, with or without security being given therefor, and on terms as shall appear to be most advantageous to the Lender (including a term that a commission be payable to the Lender or a related corporation in respect thereof) and if a sale is on credit, the Lender shall not be accountable for any moneys until actually received;
  - (iv) make any stipulation as to title or conveyance or commencement of title;
  - (v) re-sell or re-lease the Charged Premises or any part thereof without being answerable for any loss occasioned thereby; and
  - (vi) make any arrangements or compromises which the Lender shall think expedient in the interest of the Lender and to assent to any modification of this Charge, and to exchange any part or parts of the Charged Premises for any other property suitable for the purposes of the Lender on such terms as the Lender considers expedient, either with or without payment of money for equality or exchange or otherwise;
- (j) Take proceedings in any court of competent jurisdiction for sale or foreclosure of all or any part of the Charged Premises;
- (k) To borrow or raise money on the security of the Charged Premises or any part thereof in priority to this Charge or otherwise, for the purpose of the maintenance, preservation or protection of the Charged Premises or any part thereof or for carrying on all or any part of the business of the Borrower relating to the Charged Premises;
- (l) Take proceedings in any court of competent jurisdiction for the appointment of a receiver (which term as used in this Charge includes a manager and a receiver and manager, and hereafter, the "Receiver") of all or any part of the Charged Premises;
- (m) By instrument in writing appoint, with or without taking possession, any person to be a Receiver of the Charged Premises or of any part thereof and may remove any Receiver so appointed and appoint another in his stead, with all fees and costs related thereto being the Borrower's obligations; and the following shall apply in respect of any such Receiver so appointed:
  - (i) the Lender may from time to time fix the remuneration of the Receiver who shall be entitled to deduct that same out of the revenue from the Charged Premises or the proceeds thereof;
  - (ii) the Receiver shall, to the fullest extent permitted by law, be deemed the agent or attorney of the Borrower for all purposes and the Lender shall not be in any way responsible for any actions other than as caused by gross negligence, willful misconduct or fraud, of any Receiver, and the Borrower hereby agrees to indemnify and save harmless the Lender from and against any and all claims, demands, actions, costs, damages, expenses or payments which the Lender may hereafter suffer, incur or be required to pay as a result, in whole or in part, of any action taken by the Receiver or any failure of the Receiver to do any act or thing other than as are caused by gross negligence, willful misconduct or fraud;
  - (iii) the appointment of the Receiver by the Lender shall not incur or create any liability on the part of the Lender to the Receiver in any respect and such appointment or anything which may be done by the Receiver or the removal of the Receiver or the termination of any such Receivership shall not have the effect of constituting

the Lender a mortgagee in possession in respect of the Lands or any part thereof;

- (iv) the Receiver may exercise or pursue any other remedy or proceeding which the Lender is entitled as the holder of the Charge authorized or permitted hereby or by law or in equity in order to enforce the security constituted by this Charge;
  - (v) and for the purposes above, the Borrower hereby irrevocably empowers the Receiver so appointed as its attorney to execute deeds, transfers, leases, contracts, agreements or other documents on its behalf and in its place (and the same shall bind the Borrower and have the same effect as if such deeds were executed by the Borrower) and to affix the Borrower's seal, if necessary, or a duplicate thereof to any of the same. On its own account or through a Receiver and whether alone or in conjunction with the exercise of all or any other remedies contemplated hereby, shall have the right, at any time, to notify and direct any account debtor to make all payments whatsoever to the Lender and the Lender shall have the right, at any time, to hold all amounts received from any account debtor and any proceeds as part of the Secured Property; any payments received by the Borrower from and after the security hereby constituted becomes enforceable, shall be held by the Borrower in trust for the Lender in the same medium in which received, shall not be commingled with any assets of the Borrower and shall, at the request of the Lender, be turned over to the Lender not later than the next Business Day following the day of their receipt; and
  - (vi) save as to claims for accounting under paragraph (o) below, the Borrower hereby releases and discharges the Lender and the Receiver from every claim of every nature, whether resulting in damages or not, which may arise or be caused to the Borrower by reason or as a result of anything done by the Lender or any successor or assign claiming through or under the Lender or the Receiver under the provisions of this paragraph unless such claim be the direct result of dishonesty or gross neglect;
  - (n) The Lender may at any time and from time to time terminate any receivership by notice in writing to the Borrower and to the Receiver;
  - (o) The Receiver shall account for all monies received in respect of the Charged Premises or any part thereof, and shall pay, out of such monies received, subject to the further direction of the Lender in its discretion, the following in the order specified:
    - (i) the Receiver's remuneration;
    - (ii) all payments reasonably made or incurred by the Receiver in connection with its receivership;
    - (iii) all payments of interest, Principal and other money which may, from time to time, be or become charged upon the Charged Premises in priority to this Charge, and all Bills, Taxes, insurance premiums and every other proper expenditure reasonably made or incurred by the Receiver in respect to the Charged Premises or any part thereof; and
    - (iv) all payments to the Lender of all interest due or falling due hereunder and the balance to be applied upon Principal due and payable and secured hereby;
- and thereafter any surplus remaining in the hands of the Receiver after payments made as aforesaid shall be accountable to the Borrower or other persons entitled thereto; and
- (p) On its own account or through a Receiver and whether alone or in conjunction with the exercise of all or any other remedies contemplated hereby, shall have the right, at any time, to notify and direct any account debtor to make all payments whatsoever to the Lender and the Lender shall have the right, at any time, to hold all amounts received from any account debtor and any proceeds thereof as security for the Indebtedness; any payments received by the Borrower from and after the security hereby constituted becomes enforceable, shall be held by the Borrower in trust for the Lender in the same medium in which received, shall not be commingled with any assets of the Borrower and shall, at the request of the Lender, be turned over to the Lender not later than the next Business Day following the day of their receipt.

#### **ARTICLE 20 - DEFAULT UNDER SECURITY, PARAMOUNTCY DISCHARGE AND RENEWAL**

- 20.1 Payments of principal and interest made under and pursuant to the terms of the Security shall constitute payment hereunder and vice versa and default in the payment of principal and interest under the Security shall constitute default hereunder and vice versa. Default in compliance with any of the conditions, covenants, undertakings, provisions and stipulations contained in the Security shall entitle the Lender to exercise all or any of the rights or remedies provided herein and the occurrence of and Event of Default hereunder or in compliance with any of the conditions, covenants, undertakings, provisions and stipulations contained herein shall entitle the Lender to exercise all or any of the rights or remedies provided in the Security. The occurrence of an Event of Default hereunder shall constitute an Event of Default under the Security and vice versa.
- 20.2 The cancellation of or any other dealing with any Security (other than foreclosure thereof) shall not release or affect this Charge, and the taking of this Charge, or the cancellation of or any other dealing with, or proceeding under (other than foreclosure hereunder), this Charge, shall not release or affect any Security:
  - (a) The Lender may at any time and from time to time release any part or parts of the Charged Premises or any other Security or any surety for payment of all or any part of the monies hereby secured or may release the Borrower or any other person from any covenant or other liability to pay the Principal Sum and interest and all other monies secured hereby, or any part thereof, either with or without any consideration therefor, and without being accountable for the value thereof or for any monies except those actually received by the Lender, and without thereby releasing any other part of the Charged Premises, or any other Security or covenants herein contained, it being especially agreed that notwithstanding any such release, the Charged Premises, the Security and the covenants remaining unreleased shall stand charged with the whole of the monies hereby secured;

- (b) In the event that the monies advanced hereunder are applied to payment of any charge or encumbrance, the Lender shall be subrogated to all the rights of and stand in the position of and be entitled to all the equities of the party or parties so paid whether such charge or encumbrance has or has not been discharged; and the decision of the Lender as to the validity or amount of any advance or disbursement made under this Charge or of any claims so paid, shall be final and binding on the Borrower; and
- (c) The Lender shall not be charged with any monies receivable or collectible out of the Charged Premises or otherwise, except those actually received by or on behalf of the Lender and all revenue of the Charged Premises received or collected by the Lender from any source other than payment by the Borrower may, at the option of the Lender, be retained in a separate account to be used in, maintaining, insuring or improving the Charged Premises to the extent required for such purpose, in the opinion of the Lender, acting reasonably, or in payment of Taxes or other liens, charges or encumbrances against the Charged Premises, or applied in reduction of the amounts owing hereunder.
- 20.3 Subject to Section 6.1 hereof, upon payment of all amounts secured by this Charge, the Borrower shall be entitled to receive and the Lender shall provide a discharge of this Charge and the Security within a reasonable period of time after the request therefor. The Lender shall have a reasonable time after such payment within which to prepare and execute such discharge and all reasonable legal and other expenses for the preparation, execution and registration of such discharge and/or documents, as the case may be, shall be borne by the Borrower.
- 20.4 All payments made pursuant to Section 20.3 shall be made to and received by the Lender prior to 1:00 p.m. on the date due or the next succeeding Business Day in the event the date due is not a Business Day; provided such extension of time shall be included for the purposes of computation of interest.

#### **ARTICLE 21 - NO MERGER OR WAIVER OF LENDER'S RIGHTS**

- 21.1 It is further understood and agreed that this Charge and the Security shall stand as a continuing security for repayment of the Loan, including, all advances made thereunder together with all interest, damages, costs, charges and expenses which may become due and payable to the Lender in respect of or in connection with the Loan or any portion thereof, notwithstanding any fluctuation or change in the amount, nature or form of the Loan or in the obligations now or hereafter representing the Loan or any portion thereof or in the names of the obligors or any of them.
- 21.2 The rights of the Lender arising under this Charge shall be separate, distinct and cumulative and, except as expressly provided herein, none of them shall be in exclusion of the other and no act of the Lender shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision, anything herein or otherwise to the contrary notwithstanding.
- 21.3 The giving and taking of this Charge shall in no way merge, waive, prejudice, suspend or affect any of the rights or remedies of the Lender under any Security which may be given or which may have been or may hereafter be given in respect of the Principal Sum hereof, interest and other monies secured by this Charge, or any part thereof, or under the Security and all rights and remedies which the Lender now has or may hereafter have against any one or more persons, are hereby preserved.
- 21.4 The taking of a judgment or judgments under any of the covenants or obligations herein or under any Security shall not operate as a merger of the covenants of the Borrower or affect the Lender's right to interest at the Applicable Rate on any monies due or owing to the Lender during the continuance of this Charge, under any of the covenants herein contained or on any judgment to be recovered thereon.
- 21.5 The covenant of the Borrower to pay interest shall not merge in any judgment in respect of any covenant or obligation of the Borrower under this Charge or any Security and such judgment shall bear interest at the Applicable Rate until such judgment and all interest thereon have been paid in full.
- 21.6 Any waiver by the Lender of any default by the Borrower or any omission on the Lender's part in respect of any default by the Borrower shall not extend to or be taken in any manner whatsoever to affect any subsequent default by the Borrower or the rights resulting therefrom.
- 21.7 No extension of time given by the Lender to the Borrower or anyone claiming under the Borrower, shall in any way affect or prejudice the rights of the Lender against the Borrower or any person liable for payment of the monies hereby secured.

#### **ARTICLE 22 - FINANCIAL DATA**

- 22.1 The Borrower shall provide or cause to be provided promptly to the Lender full and complete information about the financial condition and operations of the Charged Premises, including a comprehensive rent roll of all space in the Charged Premises, about the financial condition of the Borrower and any Guarantor(s) and such other information which the Lender may reasonably require from time to time, and the Lender shall have the right to examine the books and records of the Borrower relating to the Charged Premises at reasonable times and upon reasonable prior notice.
- 22.2 Without limiting the foregoing, the Borrower covenants and agrees to provide or cause to be provided to the Lender audited financial statements together with operating statements pertaining to the Charged Premises and such other financial information the Lender may reasonably require, (a) in the case of audited financial statements, within ninety (90) days of the end of each fiscal year of the Borrower (or such other time as may reasonably be required by the Lender), and (b) with respect to operating statements for the Charged Premises, within thirty (30) days of the end of each quarter of each calendar year. The audited financial statements are to be prepared by a nationally recognized firm of chartered accountants and shall include a balance sheet, and a detailed statement of income and expenditures and supporting notes and schedules. The operating statements shall contain a certificate by a senior officer of the Borrower as to the contents and preparation thereof, and shall include detailed statements of income, expenditures results of operation and such other matters relating to the operation of the Charged Premises as the Lender may reasonably require. In the event applicable, the Borrower shall provide the Lender with copies of all proxy statements, reports and information circulars that the Borrower makes available to its shareholders and copies of all regular and periodic reports which the Borrower may file with any securities commission or any other Governmental Authority.
- 22.3 The Borrower shall provide or cause to be provided to the Lender, or as the Lender may direct, a comprehensive list of all

current tenants and rentals of space in the Charged Premises during the Term, which list shall disclose, without limitation, the name of each tenant, the duration of its term, renewal options, if any, and the term thereof, the rental being paid, the last date on which rental was paid and whether such tenancy is in good standing. Such list shall contain an endorsement by an officer of the Borrower as to being complete and accurate.

- 22.4 All statements, reports and other documents required to be provided hereunder shall be prepared in a manner acceptable to the Lender, in its reasonable discretion.

#### ARTICLE 23 - NOTICE

- 23.1 Unless otherwise provided herein, any demand, notice or communication given or required to be given to a party hereunder shall be in writing and shall be personally delivered or given by transmittal by telecopy or facsimile transmission addressed to the respective parties at its address or telecopy or facsimile number set forth below or to such other address or telecopy or facsimile number as such party may designate by notice in writing to the other party hereto:

- (a) If to the Borrower, at the address for service set out in the electronic Charge to which this schedule is attached; and
- (b) If to the Lender, at the address for service set out in the electronic Charge to which this schedule is attached.

Any demand, notice or communication made by or given by personal delivery shall be conclusively deemed to have been made or given on the day of actual delivery thereof, and, if made or given by telecopy or by facsimile, on the first day other than a Saturday, Sunday or a statutory holiday in Ontario, on which Schedule I banks are open for commercial business in Toronto, Ontario, following the transmittal thereof.

#### ARTICLE 24 - GENERAL

- 24.1 If any provision of this Charge or the application thereof to any circumstances shall be held to be invalid or unenforceable, it shall be deemed severed herefrom and the remaining provisions of this Charge, or the application thereof to other circumstances, shall not be affected thereby and shall be held valid and enforceable to the full extent permitted by law. In particular, and without limiting the generality of the foregoing, to the extent any and all amounts due pursuant to Article 6 hereof may be deemed to be in excess of what is permissible by law, any such excess shall be deemed not to be due under this Charge.
- 24.2 Wherever used in this Charge, unless the context clearly indicates a contrary intent as unless or otherwise specifically provided herein, the word "Borrower" shall mean "Borrower and/or subsequent owner or owners of the Charged Premises", the word "Lender" shall mean "Lender or any subsequent holder or holders of this Charge".
- 24.3 The descriptive headings of the several subparagraphs or paragraphs or sections or articles of this Charge are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.
- 24.4 Wherever the singular number or masculine gender is used in this Charge, the same shall be construed as including the plural and feminine or a body corporate, respectively, and vice versa, where the fact or context so requires; and the successors and assigns of any party executing this Charge are bound by the covenants, agreements stipulations and provisos herein contained. The covenants, agreements stipulations and provisos herein stated shall, except as otherwise limited hereby, be in addition to those granted or implied by statutory law.
- 24.5 This Charge shall be construed and enforceable under and in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein, and the Borrower hereby irrevocably attorns to the non-exclusive jurisdiction of the courts sitting at Toronto, Ontario.
- 24.6 The Borrower shall at all times, do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered all such further acts, deeds, transfers, assignments, security agreements and assurances as the Lender may reasonably require in order to give effect to the provisions hereof and for the better granting, transferring, assigning, charging, setting over, assuring, confirming or perfecting the Charge and the priority accorded to them by law or under this Charge.
- 24.7 If any of the forms of words contained herein are also contained in Column 1 of Schedule "B" of the Short Forms of Mortgages Act (Ontario) and distinguished by a number therein, this Charge shall be deemed to include and shall have the same effect as if it contained the form of words in Column 2 of Schedule "B" of the said Act distinguished by the same number, and this Charge shall be interpreted as if the *Short Forms of Mortgages Act* (Ontario) were still in full force and effect. The implied covenants deemed to be included in a charge under Subsection 7(1) of the *Land Registration Reform Act* (Ontario) shall be and are hereby expressly excluded from the terms of this Charge.
- 24.8 This Charge shall, whether or not it secures a current or running account, be a general and continuing security to the Lender for payment of the indebtedness in an amount not exceeding the amount secured by this Charge and performance of the Borrower's other obligations under the Charge notwithstanding any fluctuation or change in the amount, nature or form of the indebtedness or in the accounts relating thereto or in the bills of exchange, promissory notes and/or other obligations now or later held by the Lender representing all or any part of the indebtedness outstanding at any particular time; and the Charge will not be deemed to have been redeemed or become void as a result of any such event or circumstance.
- 24.9 This Charge is given as collateral security to the Commitment.
- 24.10 In the event of conflict between the Commitment and the terms of this Charge, the provisions of the Commitment shall prevail; provided that any provision herein contained that is not contained in the Commitment and vice versa shall not in and of itself be considered to be inconsistent or in conflict.

#### ARTICLE 25 – CONDOMINIUM PROVISIONS

- 25.1 The Borrower covenants and agrees that in the event that the security for the within Charge shall be or shall become a condominium unit(s) the following provisions shall apply.

- (i) the Borrower does hereby assign to the Lender all of its rights to vote or consent in the affairs of the Condominium Corporation having jurisdiction over the subject lands and the Lender, may at its option, exercise the right of an owner of a condominium unit to vote or consent in the affairs of the Condominium Corporation in the place and stead of such owner, without in any way consulting the owner as to the manner in which the vote shall be exercised or not exercised, and without incurring any liability to the owner or anyone else because of the manner in which such vote or right to consent in the affairs of the Condominium Corporation was exercised.
- (ii) the Borrower shall pay promptly, when due, any common expenses, assessments, instalments or payments due to the Condominium Corporation.
- (iii) the Borrower shall observe and perform the covenants and provisions required to be observed and performed under or pursuant to the provisions of the *Condominium Act* (Ontario), all amendments thereto, and any legislation passed in substitution thereof, and the declaration and by-laws of the Condominium Corporation and any amendments thereto.
- (iv) Where the Borrower defaults in the Borrower's obligation to contribute to the common expenses assessed or levied by the Condominium Corporation, or any authorized agent on its behalf, or any assessment, instalment of payment due to the Condominium Corporation, upon breach of any of the foregoing covenants or provisions in this paragraph contained, regardless of any other action or proceeding taken, or to be taken by the Condominium Corporation, the Lender, at its option and without notice to the Borrower, may deem such default to be a default under the terms of this Charge and proceed to exercise its rights therein and the Lender shall be entitled at its option to pay all common expense amounts as they come due and these amounts so paid together with legal fees shall form part of the Indebtedness.

#### ARTICLE 26 – CONSTRUCTION LOAN PROVISIONS

In the event that any of the monies advanced or to be advanced under this Charge are intended to finance any improvement to the Charged Premises, the parties hereto covenant and agree that the following conditions shall apply:

- 26.1 All construction on the Charged Premises shall be carried out by reputable contractors having experience which is commensurate to nature and size of the project to be constructed, which contractors must be prior approved by the Lender in writing, such approval not to be unreasonably withheld.
- 26.2 The construction of the building and structures located on the Charged Premises have been commenced and shall be continued in a good and workmanlike manner, with all due diligence and in accordance with the plans and specifications delivered to the Lender and to the satisfaction of all governmental and regulatory authorities having jurisdiction.
- 26.3 Provided that should construction of the project on the Charged Premises cease for any reason whatsoever (strikes, material shortages and weather conditions beyond the control of the Borrower excepted), for a period of ten (10) consecutive days (Saturdays, Sundays and Statutory holidays excepted), then, at the option of the Lender, this Charge shall immediately become due and payable. In the event that construction does cease, then the Lender shall have the right, at its sole option, to assume complete control of the construction of the said project in such manner and on such terms as it deems advisable. The cost of completion of the said project by the Lender and all expenses incidental thereto shall be added to the principal amount of this Charge, together with a management fee of fifteen percent (15%) of the costs of the construction completed by the Lender. All costs and expenses, as well as the management fee of fifteen percent (15%) added to the principal amount of this Charge shall bear interest at the rate as herein provided for and shall form part of the principal sum herein and the Lender shall have the same rights and remedies to collection of principal and interest hereunder or at law.
- 26.4 At all times there shall be sufficient funds unadvanced under this Charge and retained by the Lender to complete the construction and/or renovation of the project on the Charged Premises and as may be necessary to retain the Lender's priority with respect to any deficiency in the holdbacks required to be retained by the Borrower under the *Construction Lien Act* (Ontario).
- 26.5 This Charge will be advanced in stages as construction upon the Charged Premises proceeds or as the conditions as enumerated by the Commitment are complied with.
- 26.6 All advances which are made from time to time hereunder shall be based on certificates of a duly qualified architect, engineer, quantity surveyor, cost consultant or other consultant(s) retained for the purpose of reviewing and advising the Lender with respect to the said project and the progress thereof, whose fees and costs shall be for the account of the Borrower regardless of by whom such person has been retained. All such certificates shall without limitation certify the value of the work completed and the estimated costs of any uncompleted work and such certificates shall further certify that such completed construction and/or renovation to the date of such certificate shall be in accordance with the approved plans and specifications for the said construction and further, in accordance with the building permits issued for such construction and in accordance with all municipal and other governmental requirements of all authorities having jurisdiction pertaining to such construction and that there shall be no outstanding work orders or other requirements pertaining to construction on the Charged Premises. Such certificates with respect to any values shall not include materials on the site which are not incorporated into the building.
- 26.7 The Borrower shall pay to the Lender on each occasion when an inspection of the Charged Premises is required to confirm construction costs to date and compliance with conditions for further advances, an inspection fee in such reasonable amount as the Lender may charge from time to time for each such inspection and the Lender's solicitors shall be paid their reasonable fees and disbursements for each sub-search and work done prior to each such advance and all such monies shall be deemed to be secured hereunder and the Lender shall be entitled to all rights and remedies with respect to collection of same in the same manner as it would have with respect to collection of principal and interest hereunder or at law.
- 26.8 The Borrower agrees to indemnify and hold the Lender harmless from any and all claims, demands, sums of money, debts, covenants, bonds, accounts, actions, causes of action, rights, obligations and liability of every kind whatsoever which arise out of claims against the property under the *Construction Lien Act* (Ontario) and that any liens for work and/or supplies that are registered against the Borrower's interest in the property will be promptly discharged within seven (7) days from the date of registration of the lien. The Lender may, but is not required to, deal with the lien claimant and pay the lien claim into court pursuant to the provision of the *Construction Lien Act* (Ontario) for the purpose of vacating the lien from title to the property.

The Borrower agrees to be liable for all costs, claims, amounts and fees including, without limitation, all legal fees (on a solicitor and his client basis) incurred by the Lender arising from or in connection with the Borrower or the Lender obtaining and registering either a release of the lien or an order vacating the lien.

**ARTICLE 27 - ASSIGNMENT AND SALE**

- 27.1 The Loan and all other amounts secured hereby, this Charge, the Security and all documents ancillary or collateral thereto may, in the Lender’s sole discretion and without the consent of the Borrower, in whole or in part, be participated, sold, securitized, syndicated or assigned by the Lender from time to time to one or more Persons.
- 27.2 The Lender may disclose to participants, transferees or assignees or to potential participants, transferees or assignees or others in connection with any sale, assignment, participation, securitization, transfer or syndication, such information concerning the Borrower or the Charged Premises as the Lender may consider to be appropriate in connection therewith.
- 27.3 No grant, assignment or transfer pursuant to this Article 27 shall constitute a repayment by the Borrower to the Lender of the Loan or any other amounts owing hereunder and included in such assignment or transfer and the Borrower acknowledges that all obligations under this Charge and the Security with respect to such assignment or transfer will continue and not constitute new obligations.
- 27.4 The Borrower agrees to be bound by and do all things necessary or appropriate to assist and give effect to any transfer, participation, securitization, sale, syndication or assignment, but shall incur no increased liabilities as a result thereof.

**TAB N**

This is **Exhibit “N”** referred to  
in the Affidavit of Donald Ierfino  
sworn before me, the 19th day of April, 2024.



---

A Commissioner etc.

Sara Mosadeq  
LSO No.: 67864K



## ACKNOWLEDGEMENT AND DIRECTION

TO: SCHNEIDER RUGGIERO SPENCER MILBURN LLP

AND TO: FREDY ROSSI, 2438747 ONTARIO LIMITED, 2205633 ONTARIO LIMITED, 1620375 ONTARIO LIMITED, 1288601 ONTARIO LIMITED, AMSTEL MANUFACTURING (1993) INC., BRUCE MCKINLAY, SALISI INVESTMENTS LTD., M ANTONINI HOLDINGS INC., AND GABRIELE PIZZARDI

RE: Fredy Rossi, 2438747 Ontario Limited, 2205633 Ontario Limited, 1620375 Ontario Limited, 1288601 Ontario Limited, Amstel Manufacturing (1993) Inc., Bruce McKinlay, Salisi Investments Ltd., M Antonini Holdings Inc., and Gabriele Pizzardi (the "**Lender**") loan/ mortgage to 1000193772 Ontario Ltd. and 1000195736 Ontario Ltd. (collectively the "**Borrower**") as guaranteed by Christopher A. Morgis (the "**Guarantor**") pursuant to a commitment letter dated 6 April 2022 as it may be amended from time to time (the "**Commitment**") on the primary security of a first charge/ mortgage against those lands and premises municipally known as 366-368 Eglinton Avenue West, Toronto, Ontario (the "**Real Property**")

FILE NO.: 44072

---

This will confirm that:

1. The undersigned have reviewed the information contained on the document(s) attached hereto for identification purposes and confirms this information is accurate;
2. You are authorized and directed to register electronically on our behalf the following documents, copies of which are attached hereto for identification purposes:
  - (i) First Charge/Mortgage of the Real Property in favour of the Lender in the principal amount of \$33,000,000.00;
  - (ii) Notice of Assignment of Rents- General of the Real Property in favour of the Lender;
3. The effect of the electronic Document(s) described in this Acknowledgment and Direction has been fully explained to the undersigned and understand that it is a party to and is bound by the terms and provisions of the electronic Document(s) to the same extent as if the undersigned had signed this Acknowledgment and Direction;
4. You are hereby authorized and directed to insert any information that may be required in the Document(s) that may not be available to you at the time of execution of this Acknowledgment and Direction;
5. You are hereby authorized to make any minor, non-material alterations that may be required to effect certification of the Document(s) by the Land Registry Office;
6. In the event of any investigation by the Director of Land Registration appointed under subsection 6(1) of the *Registry Act* (the "**Director**") regarding suspected fraudulent or unlawful activity or registration in connection with the Document(s), the undersigned

hereby consents to you releasing to the Director a true copy of this Acknowledgement and Direction, upon request by the Director;

7. The undersigned are, in fact, the party named in the electronic Document(s) described in this Acknowledgment and Direction and the undersigned have not misrepresented their identity to you; and
8. You are hereby authorized to rely on a telefaxed or electronically transmitted executed copy of this Acknowledgment and Direction as if it was an originally signed copy.
9. This document may be executed in multiple counterparts, each of which shall be deemed to be an original document and all of which shall constitute one document. All counterparts shall be construed together and shall constitute one and the same document.

DATED this 12 day of May 2022

1000193772 ONTARIO LTD.

Per: 

Name: Christopher Morgis

Title: President

I have the authority to bind the corporation

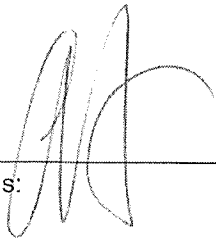
1000195736 ONTARIO LTD.

Per: 


Name: Christopher Morgis

Title: President

I have the authority to bind the corporation

Witness: 

GORDON H. HUNTER

  
Christopher A. Morgis as Guarantor

Properties				
PIN	21169 - 0181	LT	Interest/Estate	Fee Simple
Description	<p>PCL 1-1-A SEC M256; PT LT 1 N/S EGLINTON AV BLK A PL M256 TORONTO; PT LT 2 N/S EGLINTON AV BLK A PL M256 TORONTO COMM AT A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED BY BY-LAW 11494 DISTANT 34 FT 6 1/2 INCHES MORE OR LESS WLY FROM ITS INTERSECTION WITH THE E LIMIT OF SAID LT 1; THENCE WLY ALONG SAID NLY LIMIT OF EGLINTON AV A DISTANCE OF 90 FT 5 1/2 INCHES MORE OR LESS TO A POINT; THENCE NLY PARALLEL TO THE LINE BTN SAID LOTS 1 AND 2 A DISTANCE OF 109 FT 11 INCHES MORE OR LESS TO A POINT DISTANT 120 FT NLY FROM THE SLY LIMIT OF SAID LT 2; THENCE ELY PARALLEL WITH THE SAID S LIMITS OF SAID LOTS 1 AND 2 A DISTANCE OF 125 FT MORE OR LESS TO THE E LIMIT OF SAID LT 1; THENCE SLY ALONG THE LAST MENTIONED LIMIT A DISTANCE OF 13 FT 11 INCHES MORE OR LESS TO A POINT; THENCE WLY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV A DISTANCE OF 34 FT 6 1/2 INCHES MORE OR LESS TO ITS INTERSECTION WITH THE PRODUCTION NLY OF THE CENTRE LINE OF THE PARTY WALL BTN THE BUILDINGS ERECTED ON THIS LAND AND ON LAND LYING ELY AND ADJACENT THERETO; THENCE SLY ALONG SAID PRODUCTION TO AND ALONG SAID CENTRE LINE OF WALL AND ITS PRODUCTION SLY IN ALL 96 FT MORE OR LESS TO THE POC; S/T A FREE AND UNINTERRUPTED ROW INGRESS AND EGRESS FOR PERSONS, ANIMALS AND VEHICLES THROUGH, ALONG AND UPON THAT CERTAIN PCL OF LAND DESCRIBED AS FOLLOWS: PARTS OF LOTS 1 AND 2 ON BLK A ON PL M256 AS FOLLOWS: COMM AT A POINT IN THE E LIMIT OF LT 1, 96 FT NLY FROM THE NLY LIMIT OF EGLINTON AV AS WIDENED BY BY-LAW 11494; THENCE WLY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV AS WIDENED 125 FT; THENCE NLY PARALLEL TO THE E LIMIT OF LT 1, 12 FT; THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV AS WIDENED 125 FT TO THE E LIMIT OF LT 1; THENCE SLY ALONG THE SAID E LIMIT 12 FT TO THE POC; PROVIDED THAT THE PROJECTIONS INCLUDING THE PROJECTION OF THE SECOND STOREY BUILDINGS SITUATE ON THE ABOVE PCL EXISTING ON THIS DATE AND A FIRE ESCAPE TO BE ERECTED IN CONNECTION THEREWITH OVER THE SAID ROW OR ANY PT THEREOF SHALL BE DEEMED NOT TO BE AN ENCROACHMENT UPON THE SAID ROW; T/W A FREE AND UNINTERRUPTED ROW, INGRESS AND EGRESS, FOR PERSONS, ANIMALS AND VEHICLES THROUGH, ALONG AND OVER THAT PT OF LT 125 ON PL M512 (BOROUGH OF E YORK) DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE ELY LIMIT OF LT 125 DISTANT 96 FT NLY FROM THE SE ANGLE OF SAID LT; THENCE WLY PARALLEL TO THE SLY LIMIT OF SAID LT, 22 FT 4 INCHES MORE OR LESS TO A POINT 77 FT 8 INCHES ELY FROM THE WLY LIMIT OF LT 124 ON SAID PL; THENCE NLY IN A STRAIGHT LINE 14 FT MORE OR LESS TO A POINT IN THE NLY LIMIT OF LT 125, 77 FT 8 INCHES ELY FROM THE NW ANGLE OF SAID LT 124; THENCE ELY ALONG THE NLY LIMIT OF LT 125, 22 FT 4 INCHES MORE OR LESS TO THE N ELY ANGLE THEREOF; THENCE SLY ALONG THE ELY LIMIT OF LT 125, 14 FT MORE OR LESS TO THE POB; T/W A FREE AND UNINTERRUPTED ROW INGRESS AND EGRESS, FOR PERSONS, ANIMALS AND VEHICLES THROUGH ALONG AND OVER PT OF LOTS 1 AND 2 ON PL M380 (CITY OF TORONTO) DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE WLY LIMIT OF LT 1, 96 FT MEASURED NLY THEREON FROM EGLINTON AV AS WIDENED UNDER BY-LAW # 11494; THENCE NLY ALONG THE SAID WLY LIMIT OF LT 1, 18 FT MORE OR LESS TO THE N WLY ANGLE THEREOF; THENCE ELY ALONG THE NLY LIMIT OF SAID LT 1, 48 FT 5 1/4 INCHES MORE OR LESS TO A POINT 1 FT 6 3/4 INCHES WLY FROM THE NE ANGLE OF LT 1; THENCE SLY ALONG A LINE WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2 AT A POINT 5 FT ELY FROM THE SW ANGLE OF LT 2 A DISTANCE OF 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM THE POC; THENCE WLY ALONG THE SAID MENTIONED LINE 49 FT 4 3/4 INCHES MORE OR LESS TO THE POC; T/W A FREE AND UNINTERRUPTED ROW INGRESS AND EGRESS FOR PERSONS, ANIMALS AND VEHICLES THROUGH OVER AND ALONG THOSE PARTS OF LOTS 1 AND 2 ON PL M380 (CITY OF TORONTO) DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE NLY LIMIT OF LT 1, 1 FT 6 3/4 INCHES WLY THEREON FROM THE N ELY ANGLE OF LT 1; THENCE SLY ALONG A LINE WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2 AT A POINT THEREIN 5 FT ELY FROM THE SW ANGLE OF LT 2, 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM A POINT IN THE W LIMIT OF LT 1, 96 FT NLY FROM THE N LIMIT OF EGLINTON AV AS WIDENED; THENCE N ELY IN A STRAIGHT LINE 19 FT 6 INCHES TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF LT 2 AND DISTANT 16 FT 1/2 INCH ELY THEREON FROM THE N WLY ANGLE THEREOF TO A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED DISTANT 25 FT ELY THEREON FROM ITS INTERSECTION WITH THE WLY LIMIT OF LT 2; THE SAID POINT BEING 10 FT 6 INCHES MORE OR LESS SLY ON THE SAID LINE FROM THE SAID NLY LIMIT OF LT 2; THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF LT 2, 22 FT 3 1/2 INCHES MORE OR LESS TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED 78 FT 10 INCHES WLY FROM THE SE ANGLE OF LT 3 ON SAID PL TO A POINT IN THE N LIMIT OF LT 2 DISTANT 80 FT 6 3/4 INCHES WLY THEREON FROM THE NE ANGLE OF LT 3; THENCE NLY ALONG THE SAID LAST MENTIONED LINE 10 FT 6 INCHES MORE OR LESS TO THE NLY LIMIT OF LT 2; THENCE WLY ALONG THE NLY LIMIT OF LOTS 2 AND 1, 39 FT 7 1/2 INCHES MORE OR LESS TO THE POC; TORONTO , CITY OF TORONTO</p>			
Address	368 378 EGLINTON AVE WEST TORONTO			

Chargor(s)

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

Name

1000195736 ONTARIO LTD.

Address for Service

18 Doctors Lane, P.O. Box 760, King  
City, Ontario L7B 1A8

A person or persons with authority to bind the corporation has/have consented to the registration of this document.

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

Chargee(s)		Capacity	Share
Name	ROSSI, FREDY	Tenants In Common	\$12,500,000.00 of \$33,000,000.00
Address for Service	8830 Jane Street, Vaughan ON., L4K 2M9		
Name	2438747 ONTARIO LIMITED	Tenants In Common	\$15,000,000.00 of \$33,000,000.00
Address for Service	8830 Jane Street, Vaughan ON., L4K 2M9		
Name	2205633 ONTARIO LIMITED	Tenants In Common	\$1,350,000.00 of \$33,000,000.00
Address for Service	8830 Jane Street, Vaughan ON., L4K 2M9		
Name	1620375 ONTARIO LIMITED	Tenants In Common	\$850,000.00 of \$33,000,000.00
Address for Service	8830 Jane Street, Vaughan ON., L4K 2M9		
Name	1288601 ONTARIO LIMITED	Tenants In Common	\$500,000.00 of \$33,000,000.00
Address for Service	8830 Jane Street, Vaughan ON., L4K 2M9		
Name	AMSTEL MANUFACTURING (1993) INC.	Tenants In Common	\$500,000.00 of \$33,000,000.00
Address for Service	8830 Jane Street, Vaughan ON., L4K 2M9		
Name	MCKINLAY, BRUCE	Tenants In Common	\$500,000.00 of \$33,000,000.00
Address for Service	8830 Jane Street, Vaughan ON., L4K 2M9		
Name	SALISI INVESTMENTS LTD.	Tenants In Common	\$500,000.00 of \$33,000,000.00
Address for Service	8830 Jane Street, Vaughan ON., L4K 2M9		
Name	M ANTONINI HOLDINGS INC.	Tenants In Common	\$250,000.00 of \$33,000,000.00
Address for Service	8830 Jane Street, Vaughan ON., L4K 2M9		
Name	PIZZARDI, GABRIELE	Tenants In Common	\$1,050,000.00 of \$33,000,000.00
Address for Service	8830 Jane Street, Vaughan ON., L4K 2M9		

Statements

Schedule: See Schedules

Provisions

Principal	\$33,000,000.00	Currency	CDN
Calculation Period	Monthly, interest only payments		
Balance Due Date	2023/03/01		
Interest Rate	9.85%		
Payments	\$270,875.00		
Interest Adjustment Date	2022 05 01		

Provisions	
Payment Date	see Additional Provisions
First Payment Date	2022 06 01
Last Payment Date	2023 03 01
Standard Charge Terms	
Insurance Amount	Full insurable value
Guarantor	Christopher A. Morgis

Additional Provisions

An interest reserve is in place representing total interest payable to term.

Signed By

Davide Joseph Di Iulio	1000-120 Adelaide St. W. Toronto M5H 3V1	acting for Chargor(s)	Signed	2022 05 18
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Tel        416-363-2211

Fax        416-363-0645

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

Submitted By

Schneider Ruggiero Spencer Milburn LLP	1000-120 Adelaide St. W. Toronto M5H 3V1	2022 05 18
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Tel        416-363-2211

Fax        416-363-0645

Fees/Taxes/Payment	
Statutory Registration Fee	\$66.30
Total Paid	\$66.30

File Number

Chargor Client File Number :                      44072

## SCHEDULE TO THE ATTACHED CHARGE/MORTGAGE

### RECITALS

The Lender has agreed to make a loan in favour of the Borrower upon the terms and conditions more particularly contained herein.

The Borrower is the registered owner of the lands and premises described in the electronic Charge to which this schedule is attached.

This Charge is given by the Borrower to the Lender as continuing security for the repayment by the Borrower to the Lender of such loan and the performance by the Borrower of its obligations as more particularly described herein.

### ARTICLE 1 - DEFINITIONS

1.1 For the purposes of this Charge the following definitions will apply:

“Applicable Laws” means, at any time, in respect of any Person, property, transaction, event or other matter, as applicable, all then current laws, rules, statutes, regulations, treaties, orders, judgments and decrees and all official directives, rules, guidelines, orders, policies, decisions and other requirements of any Governmental Authority (whether or not having the force of law) (collectively, the “Law”) relating or applicable to such Person, property, transaction, event or other matter and shall also include any interpretation of the Law or any part of the Law by any Person having jurisdiction over it or charged with its administration or interpretation;

“Applicable Rate” means the interest rate set out in the electronic Charge to which this schedule is attached or, in the alternative, the interest rate set out in the Commitment;

“Bills” has the meaning ascribed thereto in Section 10.1(a);

“Borrower” means the party identified as “Chargor” set out in the electronic Charge to which this schedule is attached and its successors and assigns;

“Business Day” means a day on which the Lender is open for business but specifically excluding Saturdays, Sundays or statutory holidays pursuant to the laws of Canada or the Province of Ontario and “Business Days” means more than one Business Day;

“Charge” means this charge/mortgage of land and all instruments supplemental hereto or in amendment, renewal, extension, restatement, replacement or confirmation hereof;

“Charged Premises” means, collectively, the Lands and the Improvements;

“Commitment” means the letter of commitment between the Borrower and the Lender, as the same has been or may be amended, restated, supplemented, renewed, extended or superseded from time to time;

“Environmental Approvals” has the meaning ascribed to it in Section 12.1 hereof;

“Environmental Laws” or “Environmental Law” has the meaning ascribed to them in Section 12.1 hereof;

“Event of Default” has the meaning ascribed thereto in Section 18.1 hereof;

“Event of Insolvency” means the occurrence of any one of the following events:

- (a) If the Borrower, or the Guarantor(s), shall, other than as expressly permitted hereby:
  - (i) be wound up, dissolved or liquidated, whether pursuant to the provisions of the laws of the Province of Ontario or the federal laws of Canada applicable therein, or any other law or otherwise, or becomes subject to the provisions of the *Winding-Up and Restructuring Act* (Canada), or has its existence terminated or has any resolution passed therefor; or
  - (ii) makes a general assignment for the benefit of its creditors or files a proposal or a notice of intention to make a proposal under the *Bankruptcy and Insolvency Act* (Canada), shall otherwise acknowledge its insolvency or shall be declared or become bankrupt or insolvent; or
  - (iii) proposes a compromise or arrangement or otherwise brings proceedings under or becomes subject to the provisions of the *Companies' Creditors Arrangement Act* (Canada) or shall file any petition or answer seeking any re-organization, arrangement, composition, re-adjustment, liquidation, dissolution or any other relief for itself under, or in any way takes the benefit of, the *Bankruptcy and Insolvency Act* (Canada) or any other present or future law relative to bankruptcy, insolvency or other relief for debtors or for or against the benefit of creditors; or
  - (iv) be unable, by reason of insolvency or similar circumstances, to pay its trade creditors generally, within one hundred and twenty (120) days of the rendering of trade accounts or admit its inability to pay its debts or perform its obligations as they become due; or
- (b) If a court of competent jurisdiction shall enter an order, judgment or decree against the Borrower in respect of any re-organization, arrangement, composition, re-adjustment, liquidation, dissolution, winding-up, termination of existence, declaration of bankruptcy or insolvency, or similar relief under any present or future law relative to bankruptcy, insolvency or other relief for debtors or for or against the benefit of creditors, or the Borrower shall acquiesce in the entry of such order, judgment or decree, unless the Borrower is also proceeding forthwith to diligently and in good faith contest the same and, provided that none of the Charged Premises, the Charge or the Security, the value of the Charged Premises or the operation thereof, are adversely affected and there is no prejudice to the Lender in the Lender's reasonable opinion, and such order, judgement or decree is vacated or permanently stayed within fifteen (15) days of its making; or
- (c) If any trustee in bankruptcy, receiver, receiver and manager, monitor or liquidator or any other officer with similar powers shall

be appointed for the Charged Premises or any portion thereof, or for the Borrower or the Guarantor(s), or for all or any substantial part of its assets or its interest in the Charged Premises with the consent or acquiescence of the Borrower; or

- (d) If, other than as expressly permitted hereby, an encumbrancer or the holder of any lien or charge or any other creditor takes possession of the Charged Premises or the Borrower's interest in the Charged Premises, or any part thereof, or if a distress, execution, garnishment or any similar process is levied or enforced upon or against the same;

"Governmental Authority" means any federal, provincial, territorial or municipal government and any executive, judicial, regulatory or administrative functions of, or pertaining to, government (including, without limitation, all boards, commissions, agencies, departments and ministries);

"Guarantor(s)" means any Person from time to time guaranteeing the Indebtedness;

"Hazardous Substance" has the meaning ascribed to it in Section 12.1 hereof;

"Improvements" means the buildings, erections, structures, fixed machinery, fixed equipment, plant, and improvements now located on the Lands and all appurtenances pertaining thereto, together with all other buildings, structures, fixtures and improvements hereafter located from time to time in, on or under the Lands and all personal property, equipment and chattels now or hereafter affixed to the Lands or to such buildings, erections, structures, fixed machinery, fixed equipment, plant, and improvements owned by the Borrower;

"Indebtedness" means, collectively, the Principal Sum, any debts, liabilities, obligations, covenants and duties owing by the Borrower to the Lender of any kind or nature, present or future and arising under, pursuant to or in connection with this Charge, the Security or any other document delivered pursuant to or in connection herewith or therewith, whether or not evidenced by any note, guarantee or other instrument, whether or not for the payment of money, whether arising by reason of an extension of credit, loan, guarantee, indemnification, or in any other manner, whether direct or indirect (including those acquired by assignment), absolute or contingent, due or to become due, now existing or hereafter arising and however acquired and in all cases arising under, pursuant to or in connection with this Charge, the Security or any other document delivered pursuant to or in connection herewith or therewith. The term includes, without limitation, all interest, yield maintenance, charges, expenses, fees, including all processing and commitment fees and all legal fees and disbursements (in each case whether or not allowed), and any other sum chargeable to the Borrower under, pursuant to or in connection with this Charge, the Security or any other document delivered pursuant to or in connection herewith or therewith;

"Inspections" has the meaning ascribed to it in Section 12.1 hereof;

"Interest Adjustment Date" means the interest adjustment date set by the Lender for the purposes of setting a payment schedule;

"Lands" means the lands and premises described in the electronic Charge to which this schedule is attached, including all tenements, hereditaments and appurtenances belonging or in any way appertaining thereto, and the reversion or reversions, remainder and remainders, rents, issues and profits therefrom, and all the estate, right, title, interest, property claim and demand whatsoever of the Borrower of, in and to the same and of, in and to every part thereof;

"Lease Benefits" means the benefit of all covenants and obligations of tenants, licencees or occupants contained in any of the Leases, including, without limitation, all rights and benefits of any guarantees thereof, the right to demand, sue for, collect, recover and receive all Rents, to enforce the landlord's rights under any Lease and generally any collateral advantage or benefit to be derived from the Leases or any of them;

"Lease Rights" means, collectively, the Leases, the Rents and the Lease Benefits;

"Leases" means all present and future leases, subleases, licences, agreements to lease, agreements to sublease, options to lease or sublease, rights of renewal or other agreements by which the Borrower, or any predecessor or successor in title thereto, has granted or will grant the right to use or occupy all or part or parts of the Charged Premises, including all agreements collateral thereto, but which, for the purpose of this definition does not include the Property Lease, and "Lease" means any one of them;

"Lender" means the party identified as "Chargee" in the electronic Charge to which this schedule is attached, and its successors and assigns;

"Loan" means the loan extended or to be extended by the Lender to the Borrower in the principal amount set out in the electronic Charge to which this schedule is attached and secured by this Charge and other security given to the Lender by the Borrower and the Guarantor(s), if any;

"Major Tenant Leases" means any agreements to lease, offers to lease or leases, subleases or occupancy agreements in respect of premises situate on the Charged Premises and which are determined by the Lender in its discretion to be material to the Charged Premises and the extension and maintenance of the Loan;

"Maturity Date" means, subject to early maturity by reason of the occurrence of an Event of Default and the acceleration of repayment at the option of the Lender, the balance due date set out in the electronic Charge to which this schedule is attached;

"Permitted Encumbrances" means the items more particularly set out in Schedule 'A' hereto together with such other encumbrances, liens and interests affecting the Charged Premises which are acceptable to the Lender in its sole discretion. If no Schedule 'A' is attached hereto, there are no permitted encumbrances;

"Person" means any natural person, sole proprietorship, partnership, syndicate, trust, joint venture, Governmental Authority or any incorporated or unincorporated or entity or association of any nature;

"Principal" or "Principal Sum" means the principal amount of the Loan owing from time to time by the Borrower to the Lender;

"Rents" means all rents, issues and profits now due or to become due under or derived from the Leases;

"Security" means, collectively, all other or additional security, other than this Charge, given by the Borrower or others to the Lender as security for the Loan;

“Taxes” means for each year during the term of this Charge all real property taxes, business taxes, rates, duties, charges, assessments, impositions, taxes, levies and charges for local improvements or otherwise, imposed upon or assessed against the Charged Premises or any part or parts thereof by any Governmental Authority including, without limitation, school boards, and paid or payable by the Borrower or any tenant of the Charged Premises, but shall not include franchise, capital levy or transfer tax or any income, excess profits or revenue tax or any other tax or impost of a personal nature charged or levied upon the Borrower or any tenant of the Charged Premises. If the system of real property taxation or business shall be altered or varied and any new tax shall be levied or imposed on all or any portion of the Charged Premises or the revenues therefrom in substitution for, or in addition to, taxes presently levied or imposed, then any such new tax or levy shall be deemed to be and shall be included herein; and

“Term” means the term of this Charge and being a period which expires on the Maturity Date.

## ARTICLE 2 - CHARGING PROVISIONS

- 2.1 Now therefore witnesseth that the Borrower, being the registered owner of a freehold estate in fee simple in possession of the Lands, in consideration of the Loan advanced or to be advanced by the Lender to the Borrower or for its benefit, and as security for the repayment of all Indebtedness and the performance of the obligations of the Borrower hereunder, does hereby grant, mortgage, charge and create a security interest in, to and in favour of the Lender all of its estate, right, title and interest in and to the Charged Premises and covenants and agrees to and with the Lender as hereinafter provided.
- 2.2 The last day of any term reserved by any lease or sublease, verbal or written, or any agreement therefor, now held or hereafter acquired by the Borrower, as lessee, and forming part of the Charged Premises is hereby excepted out of the mortgage, charge, assignment and security interest hereby created or granted or any instrument in implementations hereof, and the same shall be deemed to be a charge by way of sublease. As further security for the payment of the Indebtedness, the Borrower agrees that it will stand possessed of the reversion of such last day of the term and shall hold it in trust for the Lender for the purpose of this Charge and to assign and dispose thereof, without cost or expense to the Lender, in such manner as the Lender shall by notice in writing, for such purpose, direct. Upon any sale, assignment, sublease or other disposition of such leasehold interest or any part thereof, the Lender, for the purpose of vesting the aforesaid one day residue of such term or renewal thereof in any purchaser, assignee, sublessee or other acquirer thereof, shall be entitled by deed or writing to appoint such party or parties as a new trustee or trustees of the aforesaid residue of any such term or renewal thereof in the place of the Borrower and to vest the same accordingly in the new trustee or trustees so appointed freed and discharged from any obligation respecting the same.

## ARTICLE 3 - REPAYMENT AND INTEREST

- 3.1 The Borrower covenants to pay to or to the order of the Lender at its offices as set out in Article 23 hereof or at such other address as the Lender may from time to time designate in writing, without set-off, compensation or deduction, and without deduction for bank service or any other charges, the Principal Sum together with all other Indebtedness with interest thereon at the Applicable Rate, as well after as before maturity and both before and after default, demand and judgment. Such interest at the Applicable Rate shall be computed from the date of advance to become due and be paid initially on the Interest Adjustment Date and thereafter to be paid in equal instalments of interest, commencing on the first payment date set out in the Commitment or in the electronic Charge to which this schedule is attached and continuing each month during the Term, to and including the last payment date set out in the Commitment or the electronic Charge to which this schedule is attached, each such instalment to be in the amount stipulated in the Commitment or in the electronic Charge to which this schedule is attached and the last instalment, in the amount of the then remaining balance of the Principal Sum, other Indebtedness and accrued interest thereon, to be paid on the Maturity Date.
- 3.2 The Borrower acknowledges and agrees that monthly instalments for interest described in Section 3.1 together with all payments for Taxes as set out in Section 10.1 hereof must pass through a single bank account on which the Borrower will have provided post-dated cheques (as required by the Lender) or have pre-authorized the Lender to withdraw the monthly payments under this Charge plus any Taxes payable in respect of the Charged Premises if not otherwise paid by the Borrower. In addition, the Borrower must maintain at all times in such account a minimum balance equal to the sum of the monthly payment of principal, interest and Taxes (as such Taxes become due).
- 3.3 It is hereby agreed that if default should occur in payment of any sum due at the time appointed for payment thereof as herein provided, compound interest at the Applicable Rate shall be payable on the sum in arrears from time to time, as well after as before maturity, and if interest as compounded is not paid within one (1) month from the time of default, a rest shall be made, and compound interest at the Applicable Rate shall be payable on the aggregate then due, as well after as before maturity, both before and after default, demand and judgement and so on from time to time and all such interest and compound interest shall be a charge on the Charged Premises.
- 3.4 All interest in arrears shall be treated (as to payment of interest thereon) as Principal and shall bear compound interest, as well after as before maturity, default and judgement as provided in Section 3.3 hereof.
- 3.5 The Borrower will pay interest, including interest on overdue interest, at the Applicable Rate on any arrears of instalments of interest, and any payment by the Borrower shall be applied by the Lender first on account of interest and then on account of principal.
- 3.6 All payments of principal and interest pursuant to Section 3.1 shall be made to and received by the Lender prior to 3:00 p.m. on the date due, failing which such payment shall be deemed received on the next succeeding Business Day provided that in such case, such extension of time shall be included for the purpose of computation for interest; provided further that in the event any payment is due on a day which is not a Business Day, it shall be payable prior to 3:00 p.m. on the next succeeding Business Day and provided such payment is received by such date and such time, then, save in respect of repayment of the Indebtedness at the Maturity Date where interest shall be charged for extensions to the next succeeding Business Day, interest shall not be charged for such extension.



#### **ARTICLE 4 - CRIMINAL RATE OF INTEREST**

- 4.1 Notwithstanding any other provisions of this Charge, in no event shall the aggregate “interest” (as defined in Section 347 of the Criminal Code, (Canada), as the same shall be amended, replaced or re-enacted from time to time) payable to the Lender under this Charge exceed the effective annual rate of interest on the “credit advances” (as defined in that section) under this Charge lawfully permitted under that section and, if any payment, collection or demand pursuant to this Charge in respect of “interest” (as defined in that section) is determined to be contrary to the provisions of that section, such payment, collection, or demand shall be deemed to have been made by mutual mistake of the Lender and the Borrower and the amount of such payment or collection in excess of that lawfully permitted shall be refunded by the Lender to the Borrower.

#### **ARTICLE 5 - INTEREST ACT (CANADA)**

- 5.1 For the purposes of this Charge, whenever interest is payable or stated not on the basis of a yearly rate, such rate of interest may be determined by multiplying the Applicable Rate by a fraction the numerator of which is the actual number of days in the calendar year in which the same is to be ascertained and the denominator of which is the number of days in the period for which such rate is determined to be payable.
- 5.2 All calculations of interest or fees under this Charge are to be made on the basis of the stated rates set out herein and not on any basis which gives effect to the principle of deemed re-investment.

#### **ARTICLE 6 - PREPAYMENT**

- 6.1 Subject to prepayment provisions provided for in the Commitment, if any, or early maturity by reason of the acceleration of the repayment of the Indebtedness at the option of the Lender upon the occurrence of an Event of Default, the Borrower shall not be entitled to prepay all or any portion of the Principal under this Charge prior to the Maturity Date.

#### **ARTICLE 7 - NO OBLIGATION TO ADVANCE**

- 7.1 The Borrower acknowledges and agrees that the Lender is not bound to make any advance of any of the Principal Sum or any unadvanced portion thereof by reason of the registration of this Charge in any place or registry office or the advance of any part of the said Principal Sum, it being acknowledged by the Borrower that any advance hereunder is subject, inter alia, to: (i) the representations and warranties contained herein being true and correct as of the date of any advance of the Loan; (ii) no default having occurred hereunder, under any of the Security or under the Commitment; and (iii) the conditions precedent contained in the Commitment having been satisfied.
- 7.2 In the event this Charge is registered and either no advance whatsoever is made hereunder by the Lender or the Borrower’s ability to draw down funds is terminated by the Lender before any funds are advanced, the Lender will, at the expense of the Borrower and upon payment of all monies, costs, fees and disbursements then due to the Lender, promptly upon request by the Borrower execute and deliver to the Borrower, or any agent thereof, registrable discharges of this Charge and of the Security, for use in every registry office where they or notices thereof have been recorded or filed; provided that the Borrower acknowledges that this Section 7.2 shall be of no effect once any advance of the funds is made hereunder by the Lender.

#### **ARTICLE 8 - REPRESENTATIONS AND WARRANTIES**

- 8.1 The Borrower represents and warrants in favour of the Lender, acknowledging that the Lender is relying on such representations and warranties in extending the Loan:
- (a) The Borrower is a corporation duly organized, validly subsisting and in good standing under the laws of its incorporating jurisdiction and has all necessary corporate power and authority to enter into this Charge and the Security and to perform or cause to be performed its obligations contained herein and therein, to own and operate the Charged Premises and to carry on it business pertaining thereto as presently carried on;
- (b) There are no provisions in the articles or bylaws of the Borrower or any unanimous shareholders agreement of or with respect to the Borrower or to which the Borrower is a party which restrict, limit or regulate in any way the powers of the Borrower to borrow on credit or to issue, sell or pledge any of the property or assets now or hereafter owned by it to secure its debt obligations, save and except any provisions which have been complied with. No steps or proceedings have been taken or are pending to amend or supersede the articles or bylaws of the Borrower in a manner which would impair or limit the Borrower’s ability to perform its obligations hereunder or under the Security;
- (c) The Borrower has taken all necessary corporate action to authorize the execution and delivery of this Charge and the Security, and performance of the provisions of each in accordance with its terms;
- (d) The authorization, creation, execution or delivery of this Charge or the Security or the Borrower’s performance of its obligations hereunder or thereunder does not require any approval or consent of any Governmental Authority having jurisdiction nor will any such action be in conflict with or contravene any of the Borrower’s articles, bylaws, unanimous shareholders agreement, if any, or resolutions of directors or shareholders, or the provisions of any indenture, instrument, agreement or undertaking to which the Borrower is a party or by which it or its properties or assets are bound, or result in the creation, imposition or crystallization of any hypothec, title retention, charge, pledge, lien, encumbrance or security interest of any kind upon any of its property or assets subject to the Charge or security interest created thereby or by the Security other than in accordance with the provisions of this Charge and the Security. This Charge and the Security when executed and delivered will constitute valid and legally binding obligations of the Borrower, enforceable against it in accordance with its terms;
- (e) There is not now pending or, to the best of the Borrower’s knowledge or belief after due inquiry, threatened against the Borrower, any litigation, action, suit, investigation or other proceeding by or before any court, tribunal or other competent Governmental Authority which would materially adversely affect the present or prospective ability of the Borrower to perform its obligations under this Charge or the Security, as the case may be, or which calls into question the validity or enforceability of this Charge or the Security;
- (f) No Event of Insolvency has occurred or is threatened or pending;

- (g) The Borrower is the registered owner of and has a good and marketable title in fee simple to the Lands, and, unless otherwise disclosed to the Lender in writing, is the legal and beneficial owner of the Charged Premises, free and clear of all security interests, charges, liens and other encumbrances whatsoever except for the Permitted Encumbrances, which Permitted Encumbrances are in good standing;
  - (h) The Borrower has the right to charge the Charged Premises to the Lender;
  - (i) The Borrower has not received any notice of or threat of a lien under the *Construction Lien Act* (Ontario), as amended, against the Charged Premises nor has any lien been registered against the Charged Premises in respect of labour, materials or services furnished with respect to any improvement thereon which has not been discharged;
  - (j) Unless expressly stipulated in the Commitment, the Charge is not being given with the intention to use the proceeds thereof to finance any alterations, additions or repairs to, or any construction, erection, demolition or installation on the Charged Premises or any structure thereon;
  - (k) Unless expressly stipulated in the Commitment, the Charge is not a building mortgage, within the meaning of the *Construction Lien Act* (Ontario), as amended, and the funds to be advanced by the Lender are not being used to repay a building mortgage;
  - (l) There has been no improvement or materials supplied on or in respect of the Charged Premises in respect of which a construction lien could arise and which has not been completed or abandoned within the forty-five (45) days immediately preceding the date hereof;
  - (m) Except as disclosed to the Lender in writing, the existing and proposed uses, the operation of the Charged Premises and the business conducted thereon comply and, to the best of the Borrower's knowledge and belief, have (including all prior uses) at all times complied with all Applicable Laws, including all Environmental Laws, and the Borrower is not in violation of, and does not violate, by virtue of the ownership, use, maintenance or operation of the Charged Premises or the conduct of any business related thereto, any Applicable Laws, including all Environmental Laws;
  - (n) The Charged Premises may be charged by the Borrower in compliance with the *Planning Act* (Ontario), and no severance of any adjoining lands owned by the Borrower is required;
  - (o) All financial statements and data delivered or presented to the Lender by the Borrower up to and including the date hereof are true and correct in all material respects as at the dates and for the periods indicated and have been prepared in accordance with Canadian generally accepted accounting principles and disclose to the Lender all financial information relevant to the Lender in respect of making the Loan and there is no information, financial or otherwise, which has not been disclosed to the Lender which would be material to the Lender in its decision to advance the Loan, and, without limiting the foregoing, neither the Guarantor(s) nor the Borrower has failed to disclose to the Lender any facts or information material to the making of the Loan;
  - (p) No Event of Default, or an event which with the giving of notice, lapse of time or otherwise, would constitute an Event of Default exists;
  - (q) Each Permitted Encumbrance is in good standing and all obligations and covenants required to be met or complied with thereunder on the part of the Borrower have been complied with and, in respect to any other party thereto to the best of the Borrower's knowledge and belief, have been met or complied with;
  - (r) All Leases entered into as of the date hereof are valid, subsisting and enforceable leases and are in good standing as of the date hereof without right of set-off or abatement;
  - (s) The Borrower is not bound by any indenture, agreement, lease or other instrument, nor is it subject to any trust agreement, charter, by-law, unanimous shareholders agreement or other corporate restriction or any of the Applicable Laws, which materially adversely affects its business operations in respect of the Charged Premises or the performance of its obligations under this Charge or the Security;
  - (t) The Borrower has complied with all Applicable Laws in respect of any residential unit located on the Charged Premises, including in respect of any conversion, demolition, rentals charged or filings or applications to be made and there are no outstanding orders, decisions or directives made or pending which are or would be adverse to the Borrower or the Charged Premises in respect of any residential unit located on the Charged Premises;
  - (u) Each partner of the limited partnership of which the Borrower is the general partner is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada);
  - (v) With respect to each partner of the limited partnership of which the Borrower is a general partner that is a Canadian corporation, either (i) the shares of that corporation do not derive their value, directly or indirectly, primarily from foreign property, all within the meaning of the *Income Tax Act* (Canada) or (ii) the corporation is a corporation described in subsection 206(1.1) of the *Income Tax Act* (Canada), as that provision may be amended from time to time;
  - (w) The Borrower shall not, without the prior written consent of the Lender, execute or deliver any mortgage, charge, lien or other encumbrance of the Lands intended to rank subordinate to this Charge; and
  - (x) The Borrower is not and shall not be during the Term (without the prior written consent of the Lender), a farmer within the meaning of the *Farm Debt Mediation Act* (Canada).
- 8.2 The representations and warranties set out in this Article 8 shall speak as of the date made, survive the execution and delivery of this Charge and the making of any advance hereunder and continue to be true and accurate during the Term of this Charge, notwithstanding any investigations or examinations which may be made by the Lender or the Lender's solicitors and the Lender shall be deemed to have relied on such representations and warranties in making advances under the Loan.
- 8.3 The Borrower shall indemnify and save harmless the Lender from and against all losses, damages, claims and expenses directly

or indirectly incurred or suffered by the Lender resulting from any omission, inaccuracy or misrepresentation of the Borrower herein relating to or concerning the Charged Premises and with respect to all losses, charges, claims and expenses directly or indirectly incurred or suffered by the Lender resulting from or arising in connection with environmental matters relating to, arising from, in connection with or concerning the Charged Premises, whether referred to or contemplated herein or hereby.

#### ARTICLE 9 – COVENANTS

- 9.1 The Borrower covenants with the Lender that upon the occurrence of an Event of Default, the Lender shall have quiet possession of the Charged Premises, free from any encumbrances, save and except for the Permitted Encumbrances.
- 9.2 The Borrower shall not without the prior written consent of the Lender, which may be withheld in the sole discretion of the Lender permit or suffer to exist any charges, liens, security interests or other encumbrances against the Charged Premises, save and except for the Permitted Encumbrances; and the Borrower shall maintain the Permitted Encumbrances in good standing and provide notice to the Lender forthwith of any default under any of the Permitted Encumbrances.
- 9.3 The Borrower shall not initiate, permit or suffer to exist any Event of Insolvency, in respect of itself or, to the extent that the Loan, this Charge or the Security is affected by the occurrence of any such event, of any related person or corporation, including without limitation, any parent corporation of the Borrower. The Borrower covenants and agrees (i) to provide two Business Days' notice prior to the occurrence of an Event of Insolvency (an "Insolvency Notice"), and agrees that the receipt of an Insolvency Notice by the Lender shall constitute an immediate Event of Default if the Borrower or any Guarantor(s) is an applicant or takes the benefit of such statute or proceeding or if any of these proceedings otherwise affect the rights or entitlements of the Lender under the Loan, this Charge or the Security or the Lender's ability to enforce this Charge or the Security, and (ii) prior to the commencement of any such proceedings, to deliver to the Lender copies of all relevant filing materials, including, without limitation, copies of draft court orders, plans of compromise, proposals and notices of intention, it being intended by the Borrower that the Lender be entitled during the period after receipt of an Insolvency Notice to enforce this Charge and the Security for the purpose of, among other things, taking possession and control of the Charged Premises, in the Lender's sole discretion.
- 9.4 The Borrower shall not, without the prior written consent of the Lender, initiate, join in or consent to any change to or modification in any private restrictive covenant, municipal or other governmental law, rule or regulation, by-law, or any other public or private restrictions, limiting or defining the uses which may be made of the Charged Premises, or any part thereof and which could adversely affect the Charge, the Security, the day- to-day operations of the Charged Premises, the income derived therefrom or the value of the Charged Premises.
- 9.5 The Borrower shall comply in all respects with all covenants, deed restrictions, easements and Applicable Laws which pertain to the ownership, use or operation of the Charged Premises or the performance by the Borrower of its obligations under this Charge and shall ensure that all representations and warranties contained herein continue to be true and accurate at all times during the Term.
- 9.6 The Borrower shall permit the Lender, or cause to be made available to the Lender, access to all records, both written and electronic, pertaining to the Charged Premises and upon request shall make copies of such information for the Lender. For such purposes, the Lender shall have reasonable access to the Charged Premises or such other place as such records are kept upon reasonable prior written notice to the Borrower.
- 9.7 The Borrower shall fulfil on a timely basis any undertaking provided by it to the Lender at the time of the advance of the Loan.
- 9.8 The Borrower covenants to ensure that this Charge will remain a valid and enforceable mortgage of the Charged Premises with first priority subject only to the Permitted Encumbrances and the Borrower will fully and effectively maintain and keep the Security as valid and effective security during the currency hereof.
- 9.9 The Borrower shall promptly give written notice to the Lender of any litigation, proceeding or dispute affecting the Charged Premises if the result thereof might have a material adverse effect on the Charged Premises, the financial condition or operations of the Borrower or any Guarantor(s) or its ability to perform its obligations hereunder and shall, from time to time, furnish to the Lender all reasonable information requested by the Lender concerning the status of such litigation, proceeding or dispute and shall in all such cases diligently and in good faith proceed to defend, settle or otherwise deal with any such litigation, proceeding or dispute in a commercially reasonable manner.
- 9.10 The Borrower shall promptly give notice to the Lender upon becoming aware of and provide particulars in respect of:
- (a) An Event of Default or any event which with the passage of time or giving of notice would constitute an Event of Default;
  - (b) Any default under a Lease;
  - (c) Details of material renovations to the Charged Premises when the Borrower intends to or reasonably anticipates that it will renovate the Charged Premises;
  - (d) Any default under any Permitted Encumbrance;
  - (e) Any notice of expropriation, action or proceeding materially affecting the Charged Premises or the violation of any Applicable Law which may have a material adverse affect on the Charged Premises; and
  - (f) Any matter which may have a material adverse affect upon the Borrower or the Guarantor(s) or Charged Premises or the operations conducted thereon, or the security constituted by this Charge and the Security.
- 9.11 The Borrower covenants at all times:
- (a) to perform or cause to be performed all of the covenants and obligations on the part of lessor contained in the Leases

(except the extent the same have been expressly waived by the other parties to such Leases and except in circumstances where the tenant is in default and the Borrower is acting prudently and in the best interests of the Charged Premises);

- (b) to maintain or cause to be maintained the Lease Rights in good standing and not to do, permit to be done or omit to do anything which may impair the enforceability of the Lease Rights;
  - (c) save for the deposits for the first and last month rentals, not to accept Rents more than one (1) month in advance of the dates when Rents fall due;
  - (d) not to enter into Leases which are not at arm's length unless the terms thereof are at least equal to current market terms;
  - (e) not to enter into Lease which do not constitute Major Tenant Leases (each of which must be approved by the Lender as hereafter provided) unless such leases are substantially on Lender pre-approved standard lease forms and not to enter into Major Tenant Leases without the Lender's approval as hereafter provided;
  - (f) not to or to permit termination, alteration or amendment or waiver of rights or remedies or otherwise take any action with respect to any of the Leases which in the aggregate would create a material reduction in Rents from those payable as of the date hereof, without the prior approval of the Lender;
  - (g) not to further assign, mortgage or pledge or permit the assignment, mortgaging or pledging of any Lease or the rents thereunder, save for assignments by tenants of their tenant's interest in Leases, to the extent permitted under such Leases; and
  - (h) to ensure in respect of all Leases now or hereafter entered into that (i) the tenant thereunder, at the option of the Lender, subordinates its lease to the security of this Charge and attorns to and becomes a tenant of the Lender or any purchaser from the Lender in the event of the exercise of a sale remedy by the Lender, for the unexpired residue of the term and upon the terms and conditions of said lease, provided the Lender will agree to enter into non-disturbance agreements on commercially reasonable terms with all such tenants; and (ii) at the request of the Lender, provide as further security specific assignments of Leases hereinafter entered into.
- 9.12 The Borrower shall not, without the prior written consent of the Lender, acting reasonably and promptly, enter into any agreement or document in respect of the Charged Premises (except for leases in accordance with the terms hereof and the Security) which is material to the ownership, value, operation, or use of the Charged Premises unless the same is in the ordinary course of business.
- 9.13 With respect to any Major Tenant Lease, the Borrower shall not and shall not permit without the prior written consent of the Lender:
- (a) cancel or modify any Major Tenant Lease, release the obligations of any lessee thereunder, accept a surrender of a Major Tenant Lease, accept any prepayment of Rents thereunder or consent to any sublet or assignment by the lessee under any Major Tenant lease (except where the provisions of such Major Tenant Lease require the landlord to do so); or
  - (b) enter into any Major Tenant Lease unless the terms, form and substance of such Major Lease is satisfactory to the Lender, acting reasonably; or
  - (c) to further assign, mortgage, pledge, hypothecate or otherwise deal with any Major Tenant Lease.
- 9.14 The Borrower shall do or cause to be done all things necessary to keep in full force and effect all rights, franchises, licences and qualifications necessary or incidental to perform or cause to be performed its obligations contained in this Charge and the Security and to carry on its business pertaining thereto as presently carried on.
- 9.15 The Borrower shall from time to time to pay or cause to be paid all amounts related to taxes, wages, workers compensation obligations, government royalties, and any other similar amounts relating to the business conducted on the Charged Premises if non-payment thereof may result in an encumbrance (other than a Permitted Encumbrance) against the Charged Premises or any of the assets secured in favour of the Lender by the Security.
- 9.16 The Borrower shall not, without the prior written consent of the Lender, acting reasonably and promptly, cause or permit any change in the status of the Borrower that results in the representations contained in Subparagraph 8.1(u) or Subparagraph 8.1(v) ceasing to be accurate in all material respects.
- 9.17 The Borrower covenants, subject to the rights of reorganization herein contained, to continue as a corporation duly organized, validly subsisting and in good standing under the laws of its incorporating jurisdiction and maintain all necessary corporate power and authority to perform or cause to be performed its obligations contained herein and in the Security, to own and operate the Charged Premises and to carry on its business pertaining thereto as presently carried on.
- 9.18 The Borrower covenants that, unless in respect of a reorganization of the Borrower permitted under Paragraph 18.1(h) or with the consent of the Lender as provided therein, no steps or proceedings will be taken to amend or supersede the articles or bylaws of the Borrower and in any event no steps or proceedings, including any reorganization of the Borrower, will be taken in a manner which would impair or limit the Borrower's or its successor's ability to perform its obligations hereunder or under the Security.
- 9.19 The Borrower will not enter into any indenture, agreement, lease or other instrument, nor become subject to any trust agreement, charter, by-law, unanimous shareholders agreement or other corporate restriction, which materially adversely affects the Charged Premises.

## ARTICLE 10 - TAXES/LIENS

10.1

- (a) The Borrower shall pay or cause to be paid, all Taxes together with such other amounts, the failure to pay which would give rise to a lien against the Charged Premises, as and when the same shall fall due and payable (collectively, the "Bills").
- (b) With respect to Taxes at the option of the Lender, the Borrower shall pay to the Lender in equal monthly instalments on the first day of each month in each calendar year during the Term, commencing on the first day of the month next following the Interest Adjustment Date, one-twelfth (1/12) of the annual Taxes (or such amount as may be required in order to pay the Taxes as they become due) as reasonably estimated by the Lender; said payments of Taxes shall be paid to the Lender in addition to the instalments of interest due and payable under this Charge, to be deposited upon receipt and held by the Lender in an interest-bearing account for the payment of Taxes, with interest to accrue thereon to the benefit of the Borrower and to be credited in reduction of the amount required to be paid to the Lender for Taxes. The Lender agrees that upon and subject to receipt of monies for Taxes it will remit such monies to the proper municipal offices in payment of Taxes as required from time to time; provided that if any Event of Default shall occur and be continuing, then the Lender, at its sole option, may apply all or any part of any funds held in such account to any amount due hereunder, whether principal, interest or otherwise. The Borrower shall also pay, or cause to be paid, to the Lender before the due date for the payment of Taxes (or next periodic instalment date therefor, as the case may be) any sums in addition to the aforesaid monthly instalments which may be required in order that out of such sums held in trust or escrow by the Lender and such additional sums, the Lender may pay the whole amount of Taxes assessed thereto, on the due date for payment thereof. Notwithstanding the foregoing provisions of this Paragraph 10.1(b), the Borrower acknowledges that the Lender is under no obligation to collect from the Borrower monthly instalments on account of Taxes. In addition, the Borrower acknowledges its obligation to pay all Taxes when due, whether or not the payment of all Taxes are the responsibilities of tenants and whether or not such tenants have remitted the same to the Borrower.
- (c) The Lender may, after written notice being given to the Borrower, pay all unpaid and due Taxes, and any amounts, the failure to pay which would give rise to a lien and any amounts so paid by the Lender shall become part of the Principal hereby secured and be a charge on the Charged Premises in favour of the Lender and shall be payable forthwith by the Borrower to the Lender with interest at the Applicable Rate until paid.
- (d) If the Charged Premises or any part thereof are sold or forfeited for nonpayment of Taxes while any sum remains unpaid hereunder, the Lender may acquire the title and rights of the purchaser at any sale, or the rights of any other person or corporation becoming entitled on or under any such forfeiture, or the Lender may pay, either in its own name or in the name of the Borrower and on the Borrower's behalf, any and all sums necessary to be paid to redeem such land so sold or forfeited, and to revest such lands in the Borrower, and the Borrower hereby nominates and appoints the Lender as agent to pay such monies on the Borrower's behalf and in the Borrower's name, and any monies so expended by the Lender shall become part of the Principal Sum hereby secured and be a charge on the Charged Premises in favour of the Lender and shall be payable forthwith by the Borrower to the Lender and until so paid shall bear interest at the Applicable Rate or in the alternative, the Lender may purchase the Charged Premises at any tax sale of the same.
- (e) Notwithstanding anything to the contrary herein contained, the Borrower shall have the right to contest or defend any actions brought to recover, or appeal any judgments recovered against it in respect of any Bills, or other like charges, or any construction or other liens levied or registered against the Charged Premises, by appropriate proceedings diligently conducted in good faith, provided that the Borrower shall have first deposited with the Lender, or otherwise provided to the reasonable satisfaction of the Lender, such security as the Lender acting reasonably may require including, without limitation, security for the payment of such Bills, charges or liens and any costs payable in connection therewith, and further provided that the Lender shall have determined, to its reasonable satisfaction, that any such contest, defence or appeal or any delay or nonpayment of such Bills, charges or liens shall not materially prejudice the prior charge or lien of this Charge or the title of the Borrower to the Charged Premises. Should the Lender at any time thereafter determine, in its reasonable discretion, that any such contest, defence or appeal or any delay or nonpayment of such Bills, charges or liens shall materially prejudice the prior charge or lien of this Charge or the title of the Borrower to the Charged Premises, the Lender may realize upon such security for payment as aforesaid and pay such Bills, charges or liens. Upon termination of such proceedings, the Borrower shall promptly pay or cause to be paid the amount of the Bills, charges or liens and any other costs, fees, interest and penalties as are properly payable upon determination of such proceedings and promptly cause any tax notifications, caveats, liens, certificates of or pertaining litigation or any other form of notice or encumbrance in respect thereof to be promptly discharged from the title to the Charged Premises at the sole expense of the Borrower whereupon all such security deposited or otherwise provided to the Lender and any proceeds from the realization thereof not paid on account of Bills as aforesaid, shall be returned and paid to the Borrower.
- (f) The Borrower agrees to and does hereby indemnify the Lender against all claims, demands, costs, damages and expenses which arise in respect of any default, late payment, omission, act or proceeding by the Borrower, under or in respect of this Section 10.1.
- (g) If the Lender comes into and for as long as it is in possession of the Charged Premises, the Lender, in its sole discretion, shall be entitled to and shall enjoy all the rights of the Borrower set out in Paragraph 10.1(d) hereof, to the exclusion of the Borrower.

## ARTICLE 11 – INSURANCE

- 11.1 The Borrower will immediately insure, unless already insured, and during the continuance of the Charge keep insured against loss or damage by fire, in such proportions upon each building as may be required by the Lender, the buildings on the land to the amount of not less than their full insurable value on a replacement cost basis in dollars of lawful money of Canada. Such insurance shall be placed with a company approved by the Lender. Buildings shall include all buildings whether now or hereafter erected on the land, and such insurance shall include not only insurance against loss or damage by fire but also insurance against loss or damage by explosion, tempest, tornado, cyclone, lightning and all other extended perils customarily

provided in insurance policies including "all risks" insurance. The covenant to insure shall also include where appropriate or if required by the Lender, boiler, plate glass, rental and public liability insurance in amounts and on terms satisfactory to the Lender. Evidence of continuation of all such insurance having been effected shall be produced to the Lender at least fifteen (15) days before the expiration thereof; otherwise the Lender may provide therefore and charge the premium paid and interest thereon at the rate provided for in the Charge to the Borrower and the same shall be payable forthwith and shall also be a charge upon the land. It is further agreed that the Lender may at any time require any insurance of the buildings to be cancelled and new insurance effected in a company to be named by the Lender and also of his own accord may effect or maintain any insurance herein provided for, and any amount paid by the Lender therefore shall be payable forthwith by the Borrower with interest at the rate provided for in the Charge and shall also be a charge upon the land. Policies of insurance herein required shall provide that loss, if any, shall be payable to the Lender as his interest may appear, subject to the standard form of mortgage clause approved by the Insurance Bureau of Canada which shall be attached to the policy of insurance.

11.2 During any construction on the Charged Property, the Borrower shall maintain:

- (i) Builders' all-risk coverage for 100% of the construction cost with loss payable to the Lender by way of an Insurance Bureau of Canada ("IBC") approved mortgage clause. The policy must cover flood, earthquake, building by-laws, delayed opening, must allow for partial occupancy of the premises and provide for interim loss payments during reconstruction;
- (ii) Wrap-Up Liability coverage in an amount not less than \$10,000,000 per occurrence;
- (iii) Project performance and completion bonds and insurance, including coverage for labour and material bonds; and
- (iv) Professional Liability coverage in an amount not less than \$10,000,000.

#### ARTICLE 12 - ENVIRONMENTAL

12.1 The following capitalized terms shall have the following respective meanings:

"Environmental Approvals" means all applicable permits, licences, authorizations, consents, directions or approvals required by Governmental Authorities pursuant to the Environmental Laws with respect to the use, occupation, ownership or operation of the Charged Premises;

"Environmental Laws" means all applicable federal, provincial and municipal laws, by-laws, regulations, executive orders, judgments and protocols, relating in whole or in part, to the environment or its protection, and without restricting the generality of the foregoing, includes without limitation, those laws relating to the manufacturing, processing, use, handling, packaging, labelling, sale, storage, recycling, transportation, treatment, destruction, burial or disposal of Hazardous Substances, employee safety, and the emission, discharge, release, deposit, issuance, spraying, dumping, throwing, pouring, spilling, emptying, placing, leaking, seeping, exhausting or abandonment of Hazardous Substances into the atmosphere, air, surface water, ground water, land surface or subsurface strata and, in each such case, as such Environmental Laws may be amended or supplemented from time to time, and "Environmental Law" means any of them;

"Hazardous Substance" means any pollutant, contaminant, waste, hazardous waste, toxic substance or dangerous good which is defined or identified in or the object of any Environmental Law, the presence of which in the environment is in contravention of any Environmental Law; and

"Inspections" means all inspections, evaluations or tests conducted by the Lender or any agent or consultant thereof for the purpose of determining the environmental condition of the Charged Premises, as the Lender may deem appropriate, acting reasonably.

12.2 The Borrower represents and warrants (which representations and warranties shall continue throughout the Term of the Loan) that:

- (a) The condition and use of the Charged Premises is and, to the best of the Borrower's knowledge, any prior use of the same was, in compliance in all material respects with all applicable Environmental Laws;
- (b) The Charged Premises is not subject to any judicial or administrative proceedings alleging violation of any Environmental Laws and there are no outstanding orders or proceedings against the Charged Premises from a Governmental Authority responsible for protecting the environment alleging the violation of any Environmental Laws;
- (c) To the knowledge of the Borrower, the Charged Premises is not the subject of any investigation by Governmental Authorities having jurisdiction evaluating whether any remedial action is needed to respond to a contravention of any Environmental Laws; and
- (d) There is no contingent liability of which the Borrower has knowledge or reasonably should have knowledge in connection with the contravention of any Environmental Laws.

12.3 The Borrower covenants with the Lender:

- (a) If not already provided, to provide to the Lender within ninety (90) days of the execution of this Charge, an environmental audit with respect to the Lands, and if an event shall have occurred after the date of this Charge, which the Lender, acting reasonably, believes may have resulted or may result in material adverse change in the environmental condition of the Charged Premises or any part thereof, to provide such further environmental audits as the Lender may require;
- (b) To provide notice within fifteen (15) days of either having learned of any enactment or promulgation of any Environmental Laws which may result in any material adverse change in the condition, financial or otherwise, of the Charged Premises;

- (c) To defend, indemnify and hold harmless the Lender, its directors, officers, employees, agents and their respective successors and assigns, against any and all loss, cost, expense, claim, liability or alleged liability arising out of any environmental damage occasioned to the Charged Premises contravention of any Environmental Laws;
- (d) To, at all times and at its own expense, conduct its business and maintain the Charged Premises in compliance with all Environmental Laws and Environmental Approvals including causing all tenants of the Charged Premises to comply with the same;
- (e) If the Borrower:
  - (i) receives notice from any Governmental Authority having jurisdiction that violation of any Environmental Law or Environmental Approval has been committed by the Borrower or any tenant with respect to the Charged Premises;
  - (ii) receives notice that any remedial order or other proceeding has been filed against the Borrower or any tenant alleging in respect of the Charged Premises violations of any Environmental Law or requiring the Borrower to take any action in connection with the release of a Hazardous Substance into the environment; or
  - (iii) receives any notice from a Governmental Authority having jurisdiction in respect of the Charged Premises that the Borrower or any tenant may be liable or responsible for costs associated with a nuisance or a response to, or clean up of, a release of a Hazardous Substance into the environment or any damages caused thereby;

to provide to the Lender a copy of such notice within ten (10) days of the Borrower's receipt thereof, and thereafter shall keep the Lender informed in a timely manner of any developments in such matters, and shall provide to the Lender such other information in respect thereto as may be reasonably requested by the Lender from time to time and shall proceed to deal with the same diligently and in good faith in order to bring the Charged Premises into compliance to the extent necessary to comply with Environmental Laws;
- (f) Unless in existence on the Charged Premises on the date of this Charge, not to use, discharge, transport or install in or upon the Charged Premises any material or equipment containing PCBs or permit any tenant of the Charged Premises to do so and, to the extent in existence on the Charged Premises as of the date of this Charge, to maintain the same in compliance with all Environmental Laws;
- (g) To maintain, and to require all occupants of the Charged Premises to maintain in good leak-proof condition all above-ground and underground storage tanks and drums on the Charged Premises;
- (h) Not to install asbestos or permit asbestos to be installed in the Charged Premises. With respect to any asbestos present in the Charged Premises on the date of this Charge, the Borrower shall, at its expense, promptly comply with the requirements of Environmental Laws and Governmental Authorities respecting the use, removal and disposal of asbestos; and
- (i) To obtain or cause its solicitors to obtain copies of all relevant environmental studies or assessments of the Charged Premises which the Borrower or its solicitors or agents have commissioned or which are in the possession or control of the Borrower, as of the date of this Charge and, to the extent any such assessments or studies are required by the Lender from time to time, to promptly provide same to the Lender upon request and hereby authorizes and directs its solicitors, agents and consultants to promptly release same to the Lender.

12.4 Having due regard to the rights of any tenant of the Borrower, the Lender and its employees and agents shall have the right, and are hereby granted permission by the Borrower, to enter the Charged Premises from time to time, and to have access to the Borrowers' relevant documents and records, in order to conduct Inspections, to determine compliance with Environmental Laws as the Lender, acting reasonably, may deem appropriate. Inspections shall be:

- (a) at such times and to such extent as may be reasonable in the circumstances on prior notice to the Borrower if the Lender has reasonable grounds for believing that:
  - (i) there are, contrary to Environmental Laws or Environmental Approvals, Hazardous Substances in or upon the Charged Premises which have not been disclosed to and approved by the Lender and appropriate Government Authorities; or
  - (ii) the Borrower is in breach of any environmental representations in this Charge or its covenants in this Article; or
  - (iii) the Borrower is not in compliance with any Environmental Laws or material Environmental Approvals; and
- (b) at any time without prior notice upon the occurrence of an Event of Default which is continuing.

If the Borrower is found not to be in compliance with the Environmental Laws or Environmental Approvals and such failure to comply becomes an Event of Default that is continuing, the Lender may, at its option (but without any obligation to do so) take such actions as are required, acting reasonably, to bring the Charged Premises into compliance, and the costs thereof shall immediately become due and payable to the Lender by the Borrower and shall be secured by the Security.

12.5 The Lender shall not, by virtue of being the chargee under this Charge or the enforcement of its rights contained herein for purposes of the Environmental Laws, be or be deemed to be the owner of, any of the Charged Premises, or to have management, charge, control, occupation or possession of any of the Charged Premises or the businesses of the Borrower, or of any Hazardous Substances located on, upon or within any of the Charged Premises.

12.6 The Borrower hereby covenants and agrees to be responsible for, and to indemnify and hold harmless the Lender and each of its officers, directors, employees, shareholders, all unitholders of any pooled funds under its management and agents and their



respective successors and assigns (in this Section, collectively referred to as the “Indemnified Parties”) from and against all claims, demands, liabilities, losses, costs, damages and expenses (including, without limitation, reasonable legal fees and all costs incurred in the investigation, pursuing of any claim, or in any proceeding with respect to, defense and settlement of any item or matter hereinafter set out) that the Indemnified Parties may incur or suffer, directly or indirectly as a result of or in connection with:

- (a) Any inaccuracy in or breach of the Borrower’s representations and warranties relating to the environmental matters contained herein;
- (b) The presence of any Hazardous Substance on, upon or within the Charged Premises, or the escape, seepage, leakage, spillage, discharge, emission, release, disposal or transportation away from the Charged Premises of any Hazardous Substance, whether or not there is compliance with all applicable Environmental Laws and Environmental Approvals;
- (c) The imposition of any remedial order affecting the Lands, or any non-compliance with Environmental Laws or Environmental Approvals pertaining to the Charged Premises by any person, including the Borrower, the Lender or any person acting on behalf of the Lender; and
- (d) Any diminution in the value or any loss on the disposition of the Charged Premises arising directly or indirectly as a result of the presence on the Lands of any Hazardous Substance, or as a result of the imposition of any remedial order or the breach by any person of any Environmental Law or Environmental Approval.

This indemnity shall survive the satisfaction and release of this Charge and the Security and the payment and satisfaction of all indebtedness hereunder. The benefit of this indemnity may be assigned by the Lender to any successor or assign of the Lender and the Borrower hereby consents to any such assignment.

#### **ARTICLE 13 - ASSIGNMENT OF RENTS AND LEASES**

- 13.1 As further security for the payment of all monies owing and the performance of all obligations to be performed hereunder, the Borrower does, as and by way of security, hereby sell, assign, transfer and set over unto to the Lender all of the Borrower’s right, title and interest, both at law and equity, in and to the Lease Rights, to hold and receive the same unto the Borrower with full power and authority to demand, collect, sue for, recover and receive and give receipts for Rents and enforce payments of the same and enforce performance of the obligations of tenants under the Leases, provided, however, that, subject to the terms of this Charge, the Borrower shall have the full right, so long as no Event of Default has occurred and is continuing, to continue to collect Rents, to take or cause to take all actions as it deems necessary with respect to the Lease Rights, acting as a reasonable lessor.
- 13.2 It is expressly acknowledged and agreed by the Borrower that nothing contained in this Charge shall oblige the Lender to assume or perform any obligation of the Borrower to any third party in respect of or arising out of the assigned Lease Rights. The Lender may, however, after the occurrence of an Event of Default and while such Event of Default continues, at its option, assume or perform any such obligation as the Lender considers necessary or desirable to obtain the benefit of the Lease Rights, free of any set-off, reduction or abatement, and any money expended by the Lender in this regard shall form part of or be deemed to form part of the indebtedness secured by this Charge and shall bear interest at the Applicable Rate.

#### **ARTICLE 14 - MANAGEMENT AND REPAIR**

- 14.1 The Borrower shall cause the Charged Premises at all times to be professionally maintained, managed and operated and fully and continuously operational during customary business hours, including all uses ancillary or incidental to its operations, at all times, by competent managers and staff of proper background and training, in a first class manner consistent with the management and operation of other properties which are of size, location, use, class, age and type comparable to the Charged Premises, and the Borrower shall obtain the Lender’s prior written approval of any manager and any management contract with any manager which may be entered into by the Borrower for the management of the Charged Premises. In addition to any other rights hereunder of the Lender, the Lender shall have the right, acting reasonably, to replace the manager at the expense of the Borrower in the event the management standards are not maintained as required hereunder and the situation is not remedied within thirty (30) days after written notice from the Lender. The Lender acknowledges and approves, as of the date hereof, of the Borrower or a company controlled by the Borrower acting as manager of the Charged Premises provided that the Charged Premises are managed and maintained in accordance with the provisions hereof.
- 14.2 The Borrower shall promptly repair, maintain, restore, replace, rebuild, keep, make good, finish, add to and put in order, or cause to be so done, the Charged Premises, so that the same shall, at all times, be in good condition and repair and to pay or cause to be paid when due all claims for labour performed and materials furnished therefor. The Borrower shall not commit or suffer any waste of the Charged Premises nor take any action that might invalidate or give cause for cancellation of any insurance maintained in respect of the Charged Premises. No building or other property now or hereafter charged by this Charge shall be removed, or demolished or nor shall the structure of any building be materially altered, redeveloped, retrofitted or renovated, without the prior written consent of the Lender, except that the Borrower shall have the right, without such consent, to remove and dispose of, free from the lien or charge of this Charge, such fixed equipment as from time to time may become worn out or obsolete, provided that either (a) simultaneously with or prior to such removal, and if necessary for the operation of the Charged Premises such equipment shall be replaced with other equipment of a quality comparable to that of the replaced equipment and free from any lien, title retention agreement, conditional sale contract, security agreement or other encumbrance, and by such removal and replacement the Borrower shall be deemed to have subjected such fixed equipment to the lien or charge of this Charge, or, (b) any net cash proceeds received from such disposition shall, at the option of the Lender, be paid over promptly to the Lender to be applied in a manner determined by Lender in its sole discretion toward the payment of any amounts owing hereunder or secured hereby. The Borrower shall notify the Lender promptly of any material damage to or defects in any of the Improvements, and thereafter forthwith shall make or cause to be made such repairs thereto as are required to correct any such damage or defects and return the Charged Premises to a state of condition and repair equivalent to the state of condition and repair required by the provisions of this Charge.
- 14.3 The Borrower shall comply with, or cause to be complied with, all statutes including without limitation the provisions of the *Construction Lien Act* (Ontario), ordinances and requirements of any Governmental Authority having jurisdiction with respect to the Charged Premises; the Borrower shall complete and pay for, within a reasonable time, any structure at any time in the



process of construction on the Charged Premises.

- 14.4 The Borrower shall permit the Lender or its authorized agents at all reasonable times to enter upon the Charged Premises and inspect same, and if such inspection reveals that any repairs or like actions are necessary, the Lender may give notice to the Borrower requiring the Borrower to repair, rebuild or reinstate the same, or take such other like action within a reasonable time. Any failure by the Borrower to comply with such notice shall constitute an Event of Default hereunder and the Lender may repair, rebuild or reinstate the Charged Premises at the cost of the Borrower and charge all sums of money determined by the Lender to be properly paid therefor and interest thereon at the Applicable Rate until paid.

#### ARTICLE 15 - INCREASED COSTS

- 15.1 In the event that as a result of any application of or any change in or enactment of any applicable law, regulation, treaty or official directive after the date hereof (whether or not having the force of law), or in the interpretation of application thereof by any court or by any governmental or other authority or entity charged with the administration thereof which now or hereafter:

- (a) Subjects the Lender to any tax or changes the basis of taxation, or increases any existing tax, on payments of principal, interest or other amounts payable by the Borrower to the Lender under this Charge (except for taxes on the overall net income of the Lender or capital of the Lender imposed by the Government of Canada or any political subdivision thereof or by the jurisdiction in which the principal or lending office of the Lender is located); or
- (b) Imposes, modifies or deems applicable any special requirements against assets held by, or deposits in or for the account of or any other acquisition of funds by the Lender or imposes on the Lender a requirement to maintain or allocate capital or additional capital in relation to the Loan; or
- (c) Imposes on the Lender any other condition with respect to this Charge; or
- (d) Renders any portion of this Charge illegal or unenforceable;

and the result of any of the foregoing is to increase the cost to the Lender, or reduce the amount of principal, interest or other amount received or receivable by the Lender hereunder or its effective return hereunder in respect of making or maintaining the Loan hereunder or to reduce the payments receivable by the Lender in respect of the Loan by an amount which the Lender deems to be material, the Lender shall promptly give written notice thereof to the Borrower setting out in reasonable detail the facts giving rise to and a summary calculation of such increased costs or reduced payments, and the Borrower shall forthwith pay to the Lender upon receipt of such notice that amount which will compensate the Lender for such additional cost or reduction in income (herein referred to as "Additional Compensation"). Upon the Lender having determined that it is entitled to Additional Compensation in accordance with the provisions of this Section, the Lender shall promptly so notify the Borrower. The Borrower shall forthwith pay to the Lender upon receipt of such notice such Additional Compensation calculated on the date of demand. The Lender shall be entitled to be paid such Additional Compensation from time to time to the extent that the provisions of this Section are then applicable notwithstanding that the Lender has previously been paid any Additional Compensation. The Lender shall endeavour to limit the incidence of any such Additional Compensation, including seeking recovery for the account of the Borrower, by appealing any assessment at the expense of the Borrower upon the Borrower's request.

- 15.2 All payments made by the Borrower to the Lender will be made free and clear of all present and future taxes, withholdings or deductions of whatever nature. If these taxes, withholdings or deductions are required by Applicable Law and are made, the Borrower shall, as a separate and independent obligation, pay to the Lender all additional amounts as shall fully indemnify the Lender from any such taxes, withholding or deduction. Provided, however, that the Borrower shall have no obligation to pay any withholding or like tax which may be exigible, incurred or required as a result of the Lender being a non-resident of Canada for the purposes of the *Income Tax Act* (Canada).

- 15.3 If the result of any law, regulation, treaty or official directive or request or any change in or any introduction thereof or change in the interpretation or application thereof or compliance by the Lender with the same (including, without limitation, those relating to taxation, reserve requirements, capital adequacy or other banking or monetary controls) is such that it is or will become (other than as a result of some positive action of the Lender, including any participation or syndication hereof by the Lender) unlawful for the Lender to make, fund or allow to remain outstanding all or part of the Loan, or to carry out all or any of its other obligations under this Charge and/or the Security or receive interest or any fee at the Applicable Rate, then in such case:

- (a) The Lender may give written notice to the Borrower of such law, regulation, treaty or official directive or request (whether or not having the force of law) or such change in or any introduction thereof or change in the interpretation or application thereof or compliance by the Lender with the same (including, without limitation, those relating to taxation, reserve requirements, capital adequacy or other banking or monetary controls) which such notice shall certify that such law, regulation, treaty, official directive or request is generally applicable to all other borrowers from the Lender with any accommodation similar to that herein provided; and
- (b) The Borrower shall prepay the Indebtedness on such date and to such extent as the Lender shall certify to be necessary to comply with the relevant law or change described above;

provided, however, that should the Loan become unlawful, the Lender, without prejudice to its rights to require repayment and without any obligation on its part, will consider other means of funding the Loan which would not be unlawful, would allow the Lender to carry out its obligations in respect of the Loan and would enable the Lender to receive interest at the Applicable Rate, provided always, notwithstanding the foregoing, the Lender is not obligated to provide alternate funding.

#### ARTICLE 16 - OBTAINING AND MAINTAINING SECURITY

- 16.1 Regardless of whether such sums are advanced or incurred with the knowledge, consent, concurrence or acquiescence of the Borrower or otherwise and in addition to any other amounts provided for herein or otherwise permitted by Applicable Law to be secured hereby, except as herein otherwise provided, the following are to be secured hereby and shall be a charge on the Charged Premises, together with the interest thereon at the Applicable Rate, and all such monies shall be repayable to the Lender, on demand, except as herein otherwise provided:

- (a) All reasonable and properly chargeable solicitor's, inspector's, valuator's, consultant's, architect's, engineer's, surveyor's and appraiser's fees and out-of-pocket expenses:
  - (i) for drawing and registering this Charge and the Security and financing statements in connection therewith, and attending to advances hereunder;
  - (ii) for examining the Charged Premises and the title thereto up the date hereof;
  - (iii) for making and maintaining this Charge as a registered charge on the Charged Premises and maintaining the Security (including the registration and filing of renewals);
  - (iv) for the preparation of this Charge, the Security and any related documents and in exercising or enforcing or attempting to enforce or advising the Lender in respect of defaults hereunder or in pursuit of any right, power, remedy or purpose hereunder or subsisting at law;
  - (v) reasonable allowance for the time, work and expenses of the Lender or of any agent of the Lender in connection therewith; and
- (b) All reasonable sums which the Lender may from time to time advance, expend, incur or suffer hereunder:
  - (i) for insurance premiums, Bills, Taxes, rates, or in or toward payment of prior liens, charges, encumbrances or claims charged or to be charged against the Charged Premises;
  - (ii) in maintaining, repairing, restoring or completing construction of the Charged Premise;
  - (iii) in inspecting, leasing, managing or improving the Charged Premises as permitted hereunder, including the price or value of any goods of any sort or description supplied to be used on the Charged Premises as permitted hereunder; and
- (c) Without limiting the generality of any of the foregoing, the then current reasonable fee of the Lender and/or its solicitor for the following matters:
  - (i) executing any cessation or discharge of this Charge, notwithstanding that said cessation or discharge may have been prepared by the Borrower;
  - (ii) entering into an agreement to amend the interest rate or any other provision in the Charge;
  - (iii) handling any dishonored cheque;
  - (iv) preparing an amortization schedule showing the principal and interest components of payments due under this Charge;
  - (v) the cost of completing a Phase I & II Environmental Audit and such other environmental audits as the Lender may require in its discretion;
  - (vi) such other administrative matters as the Lender may perform with regards to the Charge or with regards to any collateral security, as permitted by the Commitment;
  - (vii) the fee charged by the Lender's insurance consultant to review the Borrower's policy of insurance for the subject lands including business interruption insurance if required by the Lender; and
  - (viii) the execution and delivery of any consents, postponements, acknowledgments or any other documents that may be required from the Lender, whether from the Borrower and/or any governmental authorities and/or public/private utilities.

16.2 If any action or proceeding be commenced (except an action to foreclose this Charge or to collect the money that is secured hereby) in which the Lender becomes a party or participant by reason of being the holder of this Charge or the indebtedness secured hereby, all sums paid by the Lender for the expense of so becoming a party or participating (including all reasonable and properly chargeable legal costs) shall, on written notice, be paid by the Borrower, together with interest thereon at the Applicable Rate from the dates of payment of such sums by the Lender, and shall be a lien and charge on the Charged Premises, prior to any right or title to, interest in, or claim upon the Charged Premises subordinate to the lien and charge of this Charge, and shall be deemed to be secured by this Charge, and that in any action or proceeding to foreclose this Charge, or to recover or collect the indebtedness secured hereby, provisions of law respecting the recovery of costs, disbursements and allowances shall prevail unaffected by this covenant.

#### **ARTICLE 17 - CONDEMNATION AWARDS**

- 17.1 The Borrower shall notify the Lender promptly upon it being aware of any and all awards or payments ("Condemnation Award(s)") including interest thereon, and the right to receive the same (save for any portion of any such Condemnation Award paid for remedial purposes and which is actually used for such purpose) which may be made with respect to the Charged Premises, or any part thereof, as a result of:
- (a) Any condemnation, eminent domain, compulsory acquisition, expropriation or like procedures ("Condemnation"), partial or complete, including any sidewalk or lane; or
  - (b) The imposition, and enforcement, of any restriction, regulation or condition to meet any building or development guideline for development or restriction of or by any municipality or other competent authority; or

- (c) Any other material injury to or decrease in the value of the Charged Premises by any lawful regulation or any governmental authority having jurisdiction;

(any matter referred to in (a), (b) or (c) above being hereinafter called an "Incident of Expropriation") to the extent of all amounts which may be secured by this Charge at the date of receipt of any such Condemnation Award by the Borrower. Notwithstanding the occurrence of any Incident of Expropriation, the Borrower shall continue to pay interest at the Applicable Rate on the Principal Sum. The Borrower does hereby change, assign, set over as transfer to the Lender, as security for the repayment of all Indebtedness.

- 17.2 Any Condemnation Award received by the Lender shall be held by the Lender as part of the security for the Loan subject to application as provided in this Article 17. Pending such application, such amounts received shall be held and invested by the Lender, acting reasonably. If at any time an Event of Default has occurred and is continuing, the Lender may, at its option, apply such amounts in reduction of the amounts owing hereunder.
- 17.3 Notwithstanding the provisions of Sections 17.1 and 17.2, in the event that any Incident of Expropriation shall occur which, in the reasonable opinion of the Lender, would materially and adversely affect the security of the Charge or any other Security after the application of any Condemnation Award pursuant to Section 17.1 hereof, the Lender may, at its option, declare such Incident of Expropriation to be an Event of Default and be entitled to exercise any and all rights and remedies available to it hereunder at law or in equity.

#### ARTICLE 18 - EVENTS OF DEFAULT

- 18.1 The whole of the Principal Sum together with interest thereon at the Applicable Rate, interest on overdue interest and any amounts payable pursuant to Article 6, and all other amounts secured hereby shall, at the option of the Lender, subject to Section 18.2 hereof, become due and payable and all powers conferred on the Lender herein and hereby shall become exercisable, in like manner to all intents and purposes as if the time herein mentioned for payment of such Principal monies had fully come and expired, if specifically provided for in this Charge, or if any of the following events shall occur (the occurrence of any such event together with the expiry of the applicable cure period, if any, and any other occurrence specifically provided for herein as an Event of Default being collectively referred to as an "Event of Default"):
  - (a) Upon default in payment of any regularly schedule instalment of interest beyond the date such payment is due and payable; or
  - (b) Upon default in payment of the Indebtedness due and owing on the Maturity Date; or
  - (c) Upon default in payment of any Indebtedness (other than an instalment of interest and upon maturity) due hereunder within five (5) Business Days after written notice thereof is provided by the Lender; or
  - (d) Save as otherwise provided for in subparagraphs (a), (b) and (c) hereof or otherwise specifically provided herein, upon any default in the performance of any covenant or obligation of the Borrower hereunder within fifteen (15) days after written notice thereof is provided by the Lender, provided that if such default is curable and the nature of such default is such that the exercise of reasonable diligence of more than fifteen (15) days is required to cure such default, and if such default in the Lender's reasonable discretion does not jeopardize or adversely effect the security interest of the Lender hereunder or adversely affect the Borrower or its ability to perform its obligations hereunder or under the Security or adversely affect the Charged Premises, the Lender will not, for a further sixty (60) days so long as no other Event of Default has occurred, enforce its remedies in respect of such default while and so long as during such time the Borrower is actively continuing to diligently and in good faith cure such default; or
  - (e) If at any time during the Term there is a breach of any representation or warranty contained herein or at any time during the Term if any representation or warranty contained herein is no longer true or accurate or becomes untrue or inaccurate for any reason and provided the same can be rectified, and the same is not rectified within thirty (30) days after written notice thereof is provided by the Lender; or
  - (f) Upon the assignment by the Borrower to any other party of the whole or a part of the rents, income or profits arising from the Charged Premises, without the written consent of the Lender; or
  - (g) The occurrence of an Event of Insolvency; or
  - (h) If without the prior written consent of the Lender, in its sole and absolute discretion:
    - (i) the Borrower transfers, sells, conveys, or otherwise disposes of all or any part of the Charged Premises, or any interest therein (other than by way of Leases), whether legal or beneficial or enters into any transaction or series of transactions where all or any part of the Charged Premises becomes the property of another person, whether through reorganization, amalgamation, merger, consolidation or otherwise, or if there is any change in the legal or beneficial interest, in whole or in part, of the Charged Premises; or
  - (i) If, without the prior written consent of the Lender, in its sole and absolute discretion:
    - (i) there is any change in the Borrower's corporate control or change in the Borrower's effective control existing as of the date of this Charge; or
    - (ii) the Borrower creates, permits or suffers to exist any mortgage, pledge, charge, loan, assignment, hypothecation, security interest or other encumbrance attaching the Charged Premises other than this Charge, the Security and the Permitted Encumbrances; or
  - (j) Upon default by or non-compliance of the Borrower or any Guarantor(s), or any others bound by or acknowledging to be bound by the terms of this Charge, with respect to any of the provisions of the Security or the Permitted Encumbrances; or

- (k) If the Charged Premises are abandoned; or
- (l) Failure by the Borrower to fulfil, complete or comply with any undertakings delivered by the Borrower to Lender in connection with the Loan in accordance with the terms of such undertakings; or
- (m) Upon any breach, default, non-observance occurring or being alleged, charged or claimed against the Borrower as lessor under any lease or as sublessor under any sublease of the Charged Premises and the Borrower is not diligently proceeding to rectify any such breach, default, non-observance or non-performance or defend any allegations, charges or claims of the same; or
- (n) If this Charge, or any of the Security, shall fail to constitute a legal, valid, binding and enforceable first charge, first assignment or first security interest, each enforceable in accordance with its terms, subject only to Permitted Encumbrances; or
- (o) If in the reasonable opinion of the Lender there occurs an event which has a material adverse effect on the financial condition or operation of the Borrower, the Charged Premises, this Charge, the Security or the ability of the Borrower to pay the Indebtedness or to perform its obligations hereunder or under the Security and which cannot be rectified by the Borrower within a reasonable period of time.

18.2 Save as otherwise specifically provided, an Event of Default hereunder or under any Security shall not have occurred or be deemed to have occurred until the expiration of any applicable notice period, if any, called for in this Charge or in such Security within which the Borrower may remedy such default. In any event, if in the opinion of the Lender, an event has occurred which with the passing of time, the giving of notice or otherwise would constitute an Event of Default and as a result of which the Charged Premises or the property assets and undertaking subject to the Security is materially at risk, the Lender may take such action or exercise such remedies as may be appropriate without notice to the Borrower or the expiry of any cure period.

#### ARTICLE 19 - REMEDIES

19.1 If an Event of Default has occurred hereunder and is continuing (or if the Lender exercises its rights pursuant to Section 18.2 hereof before the occurrence of an Event of Default), then at any time thereafter, but subject always to the waiver thereof by the Lender, the Lender may:

- (a) Declare the Indebtedness to be immediately due and payable and proceed to exercise any and all rights hereunder or under the Security or any other rights available to it under any other document or instrument or at law or in equity including without limitation, the drawdown of any letter of credit held by the Lender;
- (b) Commence legal action to enforce payment of the Indebtedness or performance of the obligations by the Borrower to the Lender;
- (c) At the expense of the Borrower, when and to such extent as the Lender deems advisable, observe and perform or cause to be observed and performed any covenant, agreement, proviso or stipulation contained herein or in the Security, and the reasonable cost thereof with interest thereon at the Applicable Rate until paid, shall immediately become due from the Borrower to the Lender after demand by the Lender upon the Borrower therefor;
- (d) Pay or discharge any mortgage, encumbrance, lien, adverse claim or charge that may exist or be threatened against the Charged Premises; in any such case, the amounts so paid together with costs, charges and expenses incurred in connection therewith shall be added to the Principal outstanding and shall bear interest at the Applicable Rate;
- (e) Send or employ any inspector or agent to inspect and report upon the value, state and condition of the Charged Premises and may employ a lawyer to examine and report upon the title to the same;
- (f) Immediately take possession of all of the Charged Premises or any part or parts thereof by action or otherwise, with power, among other things, to exclude the Borrower, to enforce the Borrower's rights, to preserve and maintain the Charged Premises, to repair, alter or extend the Charged Premises, to lease the Charged Premises, to complete construction and development of the Charged Premises, to operate and manage the Charged Premises and to collect or receive rents, income and profits of all kinds (including taking proceedings in the name of the Borrower for that purpose) and pay therefrom all reasonable expenses and charges of maintaining, preserving, protecting and operating the Charged Premises (payment of which may be necessary to preserve or protect the Charged Premises), and to enjoy and exercise all powers necessary to the performance of all functions made necessary or advisable by possession, including without limitation, power to advance its own moneys and enter into contracts and undertake obligations for the foregoing purposes upon the security hereof, and all sums advanced or expended shall be added to the Principal outstanding and shall bear interest at the Applicable Rate;
- (g) On default of payment for at least fifteen (15) days may, on at least thirty-five (35) days' notice, sell and dispose in the Charged Premises with or without entering into possession of the same and with notice to such persons and in such manner and form and within such terms as provided under Part III of the *Mortgages Act* (Ontario), as amended; and all remedies available may be resorted to and all rights, powers and privileges granted or conferred upon the Lender under and by virtue of any statute or by this Charge may be exercised and no want of notice or publication or any other defect, impropriety or irregularity shall invalidate any sale made or purporting to be made in the Charged Premises; and the Lender may sell, transfer and convey any part of the Charged Premises on such terms, including on credit for all or part of the consideration, (provided the Borrower shall not be accountable for any default in respect of the credit), secured by contract or agreement for sale, or charge, or otherwise, as shall appear to the Lender most advantageous and for such prices as can reasonably be obtained therefor in the circumstances; and in the event of sale on credit or part cash and part credit, whether by way of contract for sale or by conveyance or transfer, charge, or otherwise, the Lender is not to be accountable for or charged with any monies until the same shall be actually received in cash or received by a take-back charge; and sales may be made from time to time of parts of the Charged Premises to satisfy interest and leaving the Principal or part thereof to run with interest at the Applicable Rate; and the Lender may make any stipulations as to title or evidences or commencement of title or otherwise as the Lender shall deem proper and may buy or rescind or vary any contract for sale; and on any sale or resale, the Lender shall not be answerable for loss

occasioned thereby; and for any of such purposes the Lender may make and execute all arrangements and assurances that the Lender shall deem advisable or necessary;

- (h) With respect to the Leases:
  - (i) to demand, collect and receive the Rents or any part thereof and to give acquittances therefor, and to take from time to time, in the name of the Borrower, any proceeding which may be, in the opinion of the Lender or its counsel, expedient for the purpose of collecting the Rents or for securing the payment thereof or for enforcing any of the Borrower's rights under the Leases;
  - (ii) to compound, compromise or submit to arbitration any dispute which has arisen or may arise in respect to any amount of Rent and any settlement arrived at shall be binding upon the Borrower;
  - (iii) to enter upon the Lands by its officers, agents or employees for the purpose of collecting the Rents; (iv) to receive, enjoy or otherwise avail itself of the Lease Rights; and
  - (v) on behalf of the Borrower to alter, modify, amend or change the terms of Leases; to terminate Leases, to enter into new Leases; to give consents, concessions or waivers of any rights or provisions of Leases; to accept surrenders of Leases; to give consents to assignment of or subletting under Leases;
- (i) With or without taking possession of all or any part of the Charged Premises, sell, lease or otherwise dispose of the whole or any part of the Charged Premises, as agent for the Borrower and not the Lender, and in exercising the foregoing power, the Lender may, in its absolute discretion:
  - (i) sell, lease or otherwise dispose of the whole or any part of the Charged Premises by public auction, public tender with notice, or by private contract (in the name of or on behalf of the Borrower) or otherwise, with such notice, advertisement or other formality as is required by law;
  - (ii) make and deliver to the purchaser good and sufficient deeds, assurances and conveyances of the Charged Premises and give receipts for the purchase money, and any such sale once effected shall be a perpetual bar, both at law and in equity, to the Borrower and all those claiming an interest in the Charged Premises by, from, through or under the Borrower making any claim against the purchaser of the Charged Premises;
  - (iii) grant, rescind, vary or complete any contract for sale, lease or options to purchase or lease, or rights of first refusal to purchase or lease the whole or any part of the Charged Premises, for cash or for credit, with or without security being given therefor, and on terms as shall appear to be most advantageous to the Lender (including a term that a commission be payable to the Lender or a related corporation in respect thereof) and if a sale is on credit, the Lender shall not be accountable for any moneys until actually received;
  - (iv) make any stipulation as to title or conveyance or commencement of title;
  - (v) re-sell or re-lease the Charged Premises or any part thereof without being answerable for any loss occasioned thereby; and
  - (vi) make any arrangements or compromises which the Lender shall think expedient in the interest of the Lender and to assent to any modification of this Charge, and to exchange any part or parts of the Charged Premises for any other property suitable for the purposes of the Lender on such terms as the Lender considers expedient, either with or without payment of money for equality or exchange or otherwise;
- (j) Take proceedings in any court of competent jurisdiction for sale or foreclosure of all or any part of the Charged Premises;
- (k) To borrow or raise money on the security of the Charged Premises or any part thereof in priority to this Charge or otherwise, for the purpose of the maintenance, preservation or protection of the Charged Premises or any part thereof or for carrying on all or any part of the business of the Borrower relating to the Charged Premises;
- (l) Take proceedings in any court of competent jurisdiction for the appointment of a receiver (which term as used in this Charge includes a manager and a receiver and manager, and hereafter, the "Receiver") of all or any part of the Charged Premises;
- (m) By instrument in writing appoint, with or without taking possession, any person to be a Receiver of the Charged Premises or of any part thereof and may remove any Receiver so appointed and appoint another in his stead, with all fees and costs related thereto being the Borrower's obligations; and the following shall apply in respect of any such Receiver so appointed:
  - (i) the Lender may from time to time fix the remuneration of the Receiver who shall be entitled to deduct that same out of the revenue from the Charged Premises or the proceeds thereof;
  - (ii) the Receiver shall, to the fullest extent permitted by law, be deemed the agent or attorney of the Borrower for all purposes and the Lender shall not be in any way responsible for any actions other than as caused by gross negligence, willful misconduct or fraud, of any Receiver, and the Borrower hereby agrees to indemnify and save harmless the Lender from and against any and all claims, demands, actions, costs, damages, expenses or payments which the Lender may hereafter suffer, incur or be required to pay as a result, in whole or in part, of any action taken by the Receiver or any failure of the Receiver to do any act or thing other than as are caused by gross negligence, willful misconduct or fraud;
  - (iii) the appointment of the Receiver by the Lender shall not incur or create any liability on the part of the Lender to the Receiver in any respect and such appointment or anything which may be done by the Receiver or the removal of the Receiver or the termination of any such Receivership shall not have the effect of constituting

the Lender a mortgagee in possession in respect of the Lands or any part thereof;

- (iv) the Receiver may exercise or pursue any other remedy or proceeding which the Lender is entitled as the holder of the Charge authorized or permitted hereby or by law or in equity in order to enforce the security constituted by this Charge;
- (v) and for the purposes above, the Borrower hereby irrevocably empowers the Receiver so appointed as its attorney to execute deeds, transfers, leases, contracts, agreements or other documents on its behalf and in its place (and the same shall bind the Borrower and have the same effect as if such deeds were executed by the Borrower) and to affix the Borrower's seal, if necessary, or a duplicate thereof to any of the same. On its own account or through a Receiver and whether alone or in conjunction with the exercise of all or any other remedies contemplated hereby, shall have the right, at any time, to notify and direct any account debtor to make all payments whatsoever to the Lender and the Lender shall have the right, at any time, to hold all amounts received from any account debtor and any proceeds as part of the Secured Property; any payments received by the Borrower from and after the security hereby constituted becomes enforceable, shall be held by the Borrower in trust for the Lender in the same medium in which received, shall not be commingled with any assets of the Borrower and shall, at the request of the Lender, be turned over to the Lender not later than the next Business Day following the day of their receipt; and
- (vi) save as to claims for accounting under paragraph (o) below, the Borrower hereby releases and discharges the Lender and the Receiver from every claim of every nature, whether resulting in damages or not, which may arise or be caused to the Borrower by reason or as a result of anything done by the Lender or any successor or assign claiming through or under the Lender or the Receiver under the provisions of this paragraph unless such claim be the direct result of dishonesty or gross neglect;
- (n) The Lender may at any time and from time to time terminate any receivership by notice in writing to the Borrower and to the Receiver;
- (o) The Receiver shall account for all monies received in respect of the Charged Premises or any part thereof, and shall pay, out of such monies received, subject to the further direction of the Lender in its discretion, the following in the order specified:
  - (i) the Receiver's remuneration;
  - (ii) all payments reasonably made or incurred by the Receiver in connection with its receivership;
  - (iii) all payments of interest, Principal and other money which may, from time to time, be or become charged upon the Charged Premises in priority to this Charge, and all Bills, Taxes, insurance premiums and every other proper expenditure reasonably made or incurred by the Receiver in respect to the Charged Premises or any part thereof; and
  - (iv) all payments to the Lender of all interest due or falling due hereunder and the balance to be applied upon Principal due and payable and secured hereby;

and thereafter any surplus remaining in the hands of the Receiver after payments made as aforesaid shall be accountable to the Borrower or other persons entitled thereto; and

- (p) On its own account or through a Receiver and whether alone or in conjunction with the exercise of all or any other remedies contemplated hereby, shall have the right, at any time, to notify and direct any account debtor to make all payments whatsoever to the Lender and the Lender shall have the right, at any time, to hold all amounts received from any account debtor and any proceeds thereof as security for the Indebtedness; any payments received by the Borrower from and after the security hereby constituted becomes enforceable, shall be held by the Borrower in trust for the Lender in the same medium in which received, shall not be commingled with any assets of the Borrower and shall, at the request of the Lender, be turned over to the Lender not later than the next Business Day following the day of their receipt.

#### **ARTICLE 20 - DEFAULT UNDER SECURITY, PARAMOUNTCY DISCHARGE AND RENEWAL**

- 20.1 Payments of principal and interest made under and pursuant to the terms of the Security shall constitute payment hereunder and vice versa and default in the payment of principal and interest under the Security shall constitute default hereunder and vice versa. Default in compliance with any of the conditions, covenants, undertakings, provisions and stipulations contained in the Security shall entitle the Lender to exercise all or any of the rights or remedies provided herein and the occurrence of an Event of Default hereunder or in compliance with any of the conditions, covenants, undertakings, provisions and stipulations contained herein shall entitle the Lender to exercise all or any of the rights or remedies provided in the Security. The occurrence of an Event of Default hereunder shall constitute an Event of Default under the Security and vice versa.
- 20.2 The cancellation of or any other dealing with any Security (other than foreclosure thereof) shall not release or affect this Charge, and the taking of this Charge, or the cancellation of or any other dealing with, or proceeding under (other than foreclosure hereunder), this Charge, shall not release or affect any Security:
  - (a) The Lender may at any time and from time to time release any part or parts of the Charged Premises or any other Security or any surety for payment of all or any part of the monies hereby secured or may release the Borrower or any other person from any covenant or other liability to pay the Principal Sum and interest and all other monies secured hereby, or any part thereof, either with or without any consideration therefor, and without being accountable for the value thereof or for any monies except those actually received by the Lender, and without thereby releasing any other part of the Charged Premises, or any other Security or covenants herein contained, it being especially agreed that notwithstanding any such release, the Charged Premises, the Security and the covenants remaining unreleased shall stand charged with the whole of the monies hereby secured;

- (b) In the event that the monies advanced hereunder are applied to payment of any charge or encumbrance, the Lender shall be subrogated to all the rights of and stand in the position of and be entitled to all the equities of the party or parties so paid whether such charge or encumbrance has or has not been discharged; and the decision of the Lender as to the validity or amount of any advance or disbursement made under this Charge or of any claims so paid, shall be final and binding on the Borrower; and
- (c) The Lender shall not be charged with any monies receivable or collectible out of the Charged Premises or otherwise, except those actually received by or on behalf of the Lender and all revenue of the Charged Premises received or collected by the Lender from any source other than payment by the Borrower may, at the option of the Lender, be retained in a separate account to be used in, maintaining, insuring or improving the Charged Premises to the extent required for such purpose, in the opinion of the Lender, acting reasonably, or in payment of Taxes or other liens, charges or encumbrances against the Charged Premises, or applied in reduction of the amounts owing hereunder.
- 20.3 Subject to Section 6.1 hereof, upon payment of all amounts secured by this Charge, the Borrower shall be entitled to receive and the Lender shall provide a discharge of this Charge and the Security within a reasonable period of time after the request therefor. The Lender shall have a reasonable time after such payment within which to prepare and execute such discharge and all reasonable legal and other expenses for the preparation, execution and registration of such discharge and/or documents, as the case may be, shall be borne by the Borrower.
- 20.4 All payments made pursuant to Section 20.3 shall be made to and received by the Lender prior to 1:00 p.m. on the date due or the next succeeding Business Day in the event the date due is not a Business Day; provided such extension of time shall be included for the purposes of computation of interest.

#### **ARTICLE 21 - NO MERGER OR WAIVER OF LENDER'S RIGHTS**

- 21.1 It is further understood and agreed that this Charge and the Security shall stand as a continuing security for repayment of the Loan, including, all advances made thereunder together with all interest, damages, costs, charges and expenses which may become due and payable to the Lender in respect of or in connection with the Loan or any portion thereof, notwithstanding any fluctuation or change in the amount, nature or form of the Loan or in the obligations now or hereafter representing the Loan or any portion thereof or in the names of the obligors or any of them.
- 21.2 The rights of the Lender arising under this Charge shall be separate, distinct and cumulative and, except as expressly provided herein, none of them shall be in exclusion of the other and no act of the Lender shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision, anything herein or otherwise to the contrary notwithstanding.
- 21.3 The giving and taking of this Charge shall in no way merge, waive, prejudice, suspend or affect any of the rights or remedies of the Lender under any Security which may be given or which may have been or may hereafter be given in respect of the Principal Sum hereof, interest and other monies secured by this Charge, or any part thereof, or under the Security and all rights and remedies which the Lender now has or may hereafter have against any one or more persons, are hereby preserved.
- 21.4 The taking of a judgment or judgments under any of the covenants or obligations herein or under any Security shall not operate as a merger of the covenants of the Borrower or affect the Lender's right to interest at the Applicable Rate on any monies due or owing to the Lender during the continuance of this Charge, under any of the covenants herein contained or on any judgment to be recovered thereon.
- 21.5 The covenant of the Borrower to pay interest shall not merge in any judgment in respect of any covenant or obligation of the Borrower under this Charge or any Security and such judgment shall bear interest at the Applicable Rate until such judgment and all interest thereon have been paid in full.
- 21.6 Any waiver by the Lender of any default by the Borrower or any omission on the Lender's part in respect of any default by the Borrower shall not extend to or be taken in any manner whatsoever to affect any subsequent default by the Borrower or the rights resulting therefrom.
- 21.7 No extension of time given by the Lender to the Borrower or anyone claiming under the Borrower, shall in any way affect or prejudice the rights of the Lender against the Borrower or any person liable for payment of the monies hereby secured.

#### **ARTICLE 22 - FINANCIAL DATA**

- 22.1 The Borrower shall provide or cause to be provided promptly to the Lender full and complete information about the financial condition and operations of the Charged Premises, including a comprehensive rent roll of all space in the Charged Premises, about the financial condition of the Borrower and any Guarantor(s) and such other information which the Lender may reasonably require from time to time, and the Lender shall have the right to examine the books and records of the Borrower relating to the Charged Premises at reasonable times and upon reasonable prior notice.
- 22.2 Without limiting the foregoing, the Borrower covenants and agrees to provide or cause to be provided to the Lender audited financial statements together with operating statements pertaining to the Charged Premises and such other financial information the Lender may reasonably require, (a) in the case of audited financial statements, within ninety (90) days of the end of each fiscal year of the Borrower (or such other time as may reasonably be required by the Lender), and (b) with respect to operating statements for the Charged Premises, within thirty (30) days of the end of each quarter of each calendar year. The audited financial statements are to be prepared by a nationally recognized firm of chartered accountants and shall include a balance sheet, and a detailed statement of income and expenditures and supporting notes and schedules. The operating statements shall contain a certificate by a senior officer of the Borrower as to the contents and preparation thereof, and shall include detailed statements of income, expenditures results of operation and such other matters relating to the operation of the Charged Premises as the Lender may reasonably require. In the event applicable, the Borrower shall provide the Lender with copies of all proxy statements, reports and information circulars that the Borrower makes available to its shareholders and copies of all regular and periodic reports which the Borrower may file with any securities commission or any other Governmental Authority.
- 22.3 The Borrower shall provide or cause to be provided to the Lender, or as the Lender may direct, a comprehensive list of all



current tenants and rentals of space in the Charged Premises during the Term, which list shall disclose, without limitation, the name of each tenant, the duration of its term, renewal options, if any, and the term thereof, the rental being paid, the last date on which rental was paid and whether such tenancy is in good standing. Such list shall contain an endorsement by an officer of the Borrower as to being complete and accurate.

- 22.4 All statements, reports and other documents required to be provided hereunder shall be prepared in a manner acceptable to the Lender, in its reasonable discretion.

#### ARTICLE 23 - NOTICE

- 23.1 Unless otherwise provided herein, any demand, notice or communication given or required to be given to a party hereunder shall be in writing and shall be personally delivered or given by transmittal by telecopy or facsimile transmission addressed to the respective parties at its address or telecopy or facsimile number set forth below or to such other address or telecopy or facsimile number as such party may designate by notice in writing to the other party hereto:

- (a) If to the Borrower, at the address for service set out in the electronic Charge to which this schedule is attached; and
- (b) If to the Lender, at the address for service set out in the electronic Charge to which this schedule is attached.

Any demand, notice or communication made by or given by personal delivery shall be conclusively deemed to have been made or given on the day of actual delivery thereof, and, if made or given by telecopy or by facsimile, on the first day other than a Saturday, Sunday or a statutory holiday in Ontario, on which Schedule I banks are open for commercial business in Toronto, Ontario, following the transmittal thereof.

#### ARTICLE 24 - GENERAL

- 24.1 If any provision of this Charge or the application thereof to any circumstances shall be held to be invalid or unenforceable, it shall be deemed severed herefrom and the remaining provisions of this Charge, or the application thereof to other circumstances, shall not be affected thereby and shall be held valid and enforceable to the full extent permitted by law. In particular, and without limiting the generality of the foregoing, to the extent any and all amounts due pursuant to Article 6 hereof may be deemed to be in excess of what is permissible by law, any such excess shall be deemed not to be due under this Charge.
- 24.2 Wherever used in this Charge, unless the context clearly indicates a contrary intent as unless or otherwise specifically provided herein, the word "Borrower" shall mean "Borrower and/or subsequent owner or owners of the Charged Premises", the word "Lender" shall mean "Lender or any subsequent holder or holders of this Charge".
- 24.3 The descriptive headings of the several subparagraphs or paragraphs or sections or articles of this Charge are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.
- 24.4 Wherever the singular number or masculine gender is used in this Charge, the same shall be construed as including the plural and feminine or a body corporate, respectively, and vice versa, where the fact or context so requires; and the successors and assigns of any party executing this Charge are bound by the covenants, agreements stipulations and provisos herein contained. The covenants, agreements stipulations and provisos herein stated shall, except as otherwise limited hereby, be in addition to those granted or implied by statutory law.
- 24.5 This Charge shall be construed and enforceable under and in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein, and the Borrower hereby irrevocably attorns to the non-exclusive jurisdiction of the courts sitting at Toronto, Ontario.
- 24.6 The Borrower shall at all times, do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered all such further acts, deeds, transfers, assignments, security agreements and assurances as the Lender may reasonably require in order to give effect to the provisions hereof and for the better granting, transferring, assigning, charging, setting over, assuring, confirming or perfecting the Charge and the priority accorded to them by law or under this Charge.
- 24.7 If any of the forms of words contained herein are also contained in Column 1 of Schedule "B" of the Short Forms of Mortgages Act (Ontario) and distinguished by a number therein, this Charge shall be deemed to include and shall have the same effect as if it contained the form of words in Column 2 of Schedule "B" of the said Act distinguished by the same number, and this Charge shall be interpreted as if the *Short Forms of Mortgages Act* (Ontario) were still in full force and effect. The implied covenants deemed to be included in a charge under Subsection 7(1) of the *Land Registration Reform Act* (Ontario) shall be and are hereby expressly excluded from the terms of this Charge.
- 24.8 This Charge shall, whether or not it secures a current or running account, be a general and continuing security to the Lender for payment of the indebtedness in an amount not exceeding the amount secured by this Charge and performance of the Borrower's other obligations under the Charge notwithstanding any fluctuation or change in the amount, nature or form of the indebtedness or in the accounts relating thereto or in the bills of exchange, promissory notes and/or other obligations now or later held by the Lender representing all or any part of the indebtedness outstanding at any particular time; and the Charge will not be deemed to have been redeemed or become void as a result of any such event or circumstance.
- 24.9 This Charge is given as collateral security to the Commitment.
- 24.10 In the event of conflict between the Commitment and the terms of this Charge, the provisions of the Commitment shall prevail; provided that any provision herein contained that is not contained in the Commitment and vice versa shall not in and of itself be considered to be inconsistent or in conflict.

#### ARTICLE 25 – CONDOMINIUM PROVISIONS

- 25.1 The Borrower covenants and agrees that in the event that the security for the within Charge shall be or shall become a condominium unit(s) the following provisions shall apply.



- (i) the Borrower does hereby assign to the Lender all of its rights to vote or consent in the affairs of the Condominium Corporation having jurisdiction over the subject lands and the Lender, may at its option, exercise the right of an owner of a condominium unit to vote or consent in the affairs of the Condominium Corporation in the place and stead of such owner, without in any way consulting the owner as to the manner in which the vote shall be exercised or not exercised, and without incurring any liability to the owner or anyone else because of the manner in which such vote or right to consent in the affairs of the Condominium Corporation was exercised.
- (ii) the Borrower shall pay promptly, when due, any common expenses, assessments, instalments or payments due to the Condominium Corporation.
- (iii) the Borrower shall observe and perform the covenants and provisions required to be observed and performed under or pursuant to the provisions of the *Condominium Act* (Ontario), all amendments thereto, and any legislation passed in substitution thereof, and the declaration and by-laws of the Condominium Corporation and any amendments thereto.
- (iv) Where the Borrower defaults in the Borrower's obligation to contribute to the common expenses assessed or levied by the Condominium Corporation, or any authorized agent on its behalf, or any assessment, instalment of payment due to the Condominium Corporation, upon breach of any of the foregoing covenants or provisions in this paragraph contained, regardless of any other action or proceeding taken, or to be taken by the Condominium Corporation, the Lender, at its option and without notice to the Borrower, may deem such default to be a default under the terms of this Charge and proceed to exercise its rights therein and the Lender shall be entitled at its option to pay all common expense amounts as they come due and these amounts so paid together with legal fees shall form part of the Indebtedness.

#### ARTICLE 26 – CONSTRUCTION LOAN PROVISIONS

In the event that any of the monies advanced or to be advanced under this Charge are intended to finance any improvement to the Charged Premises, the parties hereto covenant and agree that the following conditions shall apply:

- 26.1 All construction on the Charged Premises shall be carried out by reputable contractors having experience which is commensurate to nature and size of the project to be constructed, which contractors must be prior approved by the Lender in writing, such approval not to be unreasonably withheld.
- 26.2 The construction of the building and structures located on the Charged Premises have been commenced and shall be continued in a good and workmanlike manner, with all due diligence and in accordance with the plans and specifications delivered to the Lender and to the satisfaction of all governmental and regulatory authorities having jurisdiction.
- 26.3 Provided that should construction of the project on the Charged Premises cease for any reason whatsoever (strikes, material shortages and weather conditions beyond the control of the Borrower excepted), for a period of ten (10) consecutive days (Saturdays, Sundays and Statutory holidays excepted), then, at the option of the Lender, this Charge shall immediately become due and payable. In the event that construction does cease, then the Lender shall have the right, at its sole option, to assume complete control of the construction of the said project in such manner and on such terms as it deems advisable. The cost of completion of the said project by the Lender and all expenses incidental thereto shall be added to the principal amount of this Charge, together with a management fee of fifteen percent (15%) of the costs of the construction completed by the Lender. All costs and expenses, as well as the management fee of fifteen percent (15%) added to the principal amount of this Charge shall bear interest at the rate as herein provided for and shall form part of the principal sum herein and the Lender shall have the same rights and remedies to collection of principal and interest hereunder or at law.
- 26.4 At all times there shall be sufficient funds unadvanced under this Charge and retained by the Lender to complete the construction and/or renovation of the project on the Charged Premises and as may be necessary to retain the Lender's priority with respect to any deficiency in the holdbacks required to be retained by the Borrower under the *Construction Lien Act* (Ontario).
- 26.5 This Charge will be advanced in stages as construction upon the Charged Premises proceeds or as the conditions as enumerated by the Commitment are complied with.
- 26.6 All advances which are made from time to time hereunder shall be based on certificates of a duly qualified architect, engineer, quantity surveyor, cost consultant or other consultant(s) retained for the purpose of reviewing and advising the Lender with respect to the said project and the progress thereof, whose fees and costs shall be for the account of the Borrower regardless of by whom such person has been retained. All such certificates shall without limitation certify the value of the work completed and the estimated costs of any uncompleted work and such certificates shall further certify that such completed construction and/or renovation to the date of such certificate shall be in accordance with the approved plans and specifications for the said construction and further, in accordance with the building permits issued for such construction and in accordance with all municipal and other governmental requirements of all authorities having jurisdiction pertaining to such construction and that there shall be no outstanding work orders or other requirements pertaining to construction on the Charged Premises. Such certificates with respect to any values shall not include materials on the site which are not incorporated into the building.
- 26.7 The Borrower shall pay to the Lender on each occasion when an inspection of the Charged Premises is required to confirm construction costs to date and compliance with conditions for further advances, an inspection fee in such reasonable amount as the Lender may charge from time to time for each such inspection and the Lender's solicitors shall be paid their reasonable fees and disbursements for each sub-search and work done prior to each such advance and all such monies shall be deemed to be secured hereunder and the Lender shall be entitled to all rights and remedies with respect to collection of same in the same manner as it would have with respect to collection of principal and interest hereunder or at law.
- 26.8 The Borrower agrees to indemnify and hold the Lender harmless from any and all claims, demands, sums of money, debts, covenants, bonds, accounts, actions, causes of action, rights, obligations and liability of every kind whatsoever which arise out of claims against the property under the *Construction Lien Act* (Ontario) and that any liens for work and/or supplies that are registered against the Borrower's interest in the property will be promptly discharged within seven (7) days from the date of registration of the lien. The Lender may, but is not required to, deal with the lien claimant and pay the lien claim into court pursuant to the provision of the *Construction Lien Act* (Ontario) for the purpose of vacating the lien from title to the property.

The Borrower agrees to be liable for all costs, claims, amounts and fees including, without limitation, all legal fees (on a solicitor and his client basis) incurred by the Lender arising from or in connection with the Borrower or the Lender obtaining and registering either a release of the lien or an order vacating the lien.

**ARTICLE 27 - ASSIGNMENT AND SALE**

- 27.1 The Loan and all other amounts secured hereby, this Charge, the Security and all documents ancillary or collateral thereto may, in the Lender’s sole discretion and without the consent of the Borrower, in whole or in part, be participated, sold, securitized, syndicated or assigned by the Lender from time to time to one or more Persons.
- 27.2 The Lender may disclose to participants, transferees or assignees or to potential participants, transferees or assignees or others in connection with any sale, assignment, participation, securitization, transfer or syndication, such information concerning the Borrower or the Charged Premises as the Lender may consider to be appropriate in connection therewith.
- 27.3 No grant, assignment or transfer pursuant to this Article 27 shall constitute a repayment by the Borrower to the Lender of the Loan or any other amounts owing hereunder and included in such assignment or transfer and the Borrower acknowledges that all obligations under this Charge and the Security with respect to such assignment or transfer will continue and not constitute new obligations.
- 27.4 The Borrower agrees to be bound by and do all things necessary or appropriate to assist and give effect to any transfer, participation, securitization, sale, syndication or assignment, but shall incur no increased liabilities as a result thereof.

# TAB O

This is **Exhibit “O”** referred to  
in the Affidavit of Donald Ierfino  
sworn before me, the 19th day of April, 2024.



---

A Commissioner etc.

Sara Mosadeq  
LSO No.: 67864K

## ACKNOWLEDGEMENT AND DIRECTION

TO: SCHNEIDER RUGGIERO SPENCER MILBURN LLP

AND TO: FREDY ROSSI, 2438747 ONTARIO LIMITED, 2205633 ONTARIO LIMITED, 1620375 ONTARIO LIMITED, 1288601 ONTARIO LIMITED, AMSTEL MANUFACTURING (1993) INC., BRUCE MCKINLAY, SALISI INVESTMENTS LTD., M ANTONINI HOLDINGS INC., AND GABRIELE PIZZARDI

RE: Fredy Rossi, 2438747 Ontario Limited, 2205633 Ontario Limited, 1620375 Ontario Limited, 1288601 Ontario Limited, Amstel Manufacturing (1993) Inc., Bruce McKinlay, Salisi Investments Ltd., M Antonini Holdings Inc., and Gabriele Pizzardi (the "**Lender**") loan/ mortgage to 2744746 Ontario Ltd. (the "**Borrower**") as guaranteed by Christopher A. Morgis (the "**Guarantor**") pursuant to a commitment letter dated 6 April 2022 as it may be amended from time to time (the "**Commitment**") on the primary security of a second charge/ mortgage against those lands and premises municipally known as 350-356 Eglinton Avenue West, Toronto, Ontario (the "**Real Property**")

FILE NO.: 44072

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This will confirm that:

1. The undersigned have reviewed the information contained on the document(s) attached hereto for identification purposes and confirms this information is accurate;
2. You are authorized and directed to register electronically on our behalf the following documents, copies of which are attached hereto for identification purposes:
  - (i) First Charge/Mortgage of the Real Property in favour of the Lender in the principal amount of \$33,000,000.00;
  - (ii) Notice of Assignment of Rents- General of the Real Property in favour of the Lender;
3. The effect of the electronic Document(s) described in this Acknowledgment and Direction has been fully explained to the undersigned and understand that it is a party to and is bound by the terms and provisions of the electronic Document(s) to the same extent as if the undersigned had signed this Acknowledgment and Direction;
4. You are hereby authorized and directed to insert any information that may be required in the Document(s) that may not be available to you at the time of execution of this Acknowledgment and Direction;
5. You are hereby authorized to make any minor, non-material alterations that may be required to effect certification of the Document(s) by the Land Registry Office;
6. In the event of any investigation by the Director of Land Registration appointed under subsection 6(1) of the *Registry Act* (the "**Director**") regarding suspected fraudulent or unlawful activity or registration in connection with the Document(s), the undersigned

hereby consents to you releasing to the Director a true copy of this Acknowledgement and Direction, upon request by the Director;

7. The undersigned are, in fact, the party named in the electronic Document(s) described in this Acknowledgment and Direction and the undersigned have not misrepresented their identity to you; and
8. You are hereby authorized to rely on a telefaxed or electronically transmitted executed copy of this Acknowledgment and Direction as if it was an originally signed copy.
9. This document may be executed in multiple counterparts, each of which shall be deemed to be an original document and all of which shall constitute one document. All counterparts shall be construed together and shall constitute one and the same document.


DATED this 12 day of May 2022

2744746 ONTARIO LTD.


Per: 

Name: Christopher Morgis

Title: President

I have the authority to bind the corporation 

Christopher A. Morgis as Guarantor

Witness: 

GORDON H. HUNTER

Properties

PIN	21169 - 0183	LT	Interest/Estate	Fee Simple
Description	PCL 1-2 SEC M380; PT LT 1 PL M380 TORONTO; PT LT 2 PL M380 TORONTO COMM AT THE S WLY ANGLE OF SAID LT 1; THENCE ELY ALONG THE SLY LIMITS OF LOTS 1 AND 2 - 55 FT MORE OR LESS TO A POINT IN THE SAID SLY LIMIT OF SAID LT 2 DISTANT 5 FT MEASURED ELY THEREON FROM THE S WLY ANGLE OF SAID LT 2; THENCE NLY IN A STRAIGHT LINE 113 FT 5 3/4 INCHES MORE OR LESS TO A POINT IN THE NLY LIMIT OF SAID LT 1 DISTANT 1 FT 6 3/4 INCHES MEASURED WLY THEREON FROM THE N ELY ANGLE OF SAID LT; THENCE WLY ALONG THE NLY LIMIT OF SAID LT 1 - 48 FT 5 1/4 INCHES MORE OR LESS TO THE N WLY ANGLE OF SAID LT; THENCE SLY ALONG THE WLY LIMIT OF SAID LT 1 -114 FT MORE OR LESS TO THE POC; S/T LT345020; T/W LT345020; S/T LT346559; T/W LT346559 (S/T LT263283); S/T LT350268; T/W LT350268; TORONTO ; SUBJECT TO A TEMPORARY EASEMENT AS SET IN EXPROPRIATION PLAN AS IN AT4214430; CITY OF TORONTO			
Address	356 EGLINTON AVENUE WEST TORONTO			
PIN	21169 - 0184	LT	Interest/Estate	Fee Simple
Description	PCL 1-1 SEC M380; PT LT 1 PL M380 TORONTO; PT LT 2 PL M380 TORONTO; PT LT 3 PL M380 TORONTO , IF ANY, COMM AT A POINT IN THE SLY LIMIT OF SAID LT 2 DISTANT 5 FT MEASURED ELY THEREON FROM THE S WLY ANGLE OF SAID LT; THENCE ELY ALONG THE SLY LIMIT OF SAID LT 2, BEING THE NLY LIMIT OF EGLINTON AV W, 45 FT MORE OR LESS TO A POINT DISTANT 78 FT 10 INCHES MEASURED WLY FROM THE SE ANGLE OF LT 3 ON SAID PL; THENCE NLY IN A STRAIGHT LINE 113 FT 4 1/2 INCHES MORE OR LESS TO A POINT IN THE NLY LIMIT OF SAID LT 2 DISTANT 80 FT 6 3/4 INCHES MEASURED WLY THEREON FROM THE N ELY ANGLE OF SAID LT 3; THENCE WLY ALONG THE NLY LIMITS OF SAID LOTS 2 AND 1, 39 FT 7 1/2 INCHES MORE OR LESS TO A POINT IN THE SAID NLY LIMIT OF SAID LT 1 DISTANT 1 FT 6 3/4 INCHES MEASURED WLY THEREON FROM THE N ELY ANGLE OF SAID LT; THENCE SLY IN A STRAIGHT LINE 113 FT 5 3/4 INCHES MORE OR LESS TO THE POC; 1. S/T THE RIGHT OF THE OWNERS OF PCL 2664, SEC L TORONTO, TO USE THE WLY WALL OF THE BRICK STORE BUILDINGS, INCLUDING THE FOOTINGS THEREOF SITUATED ON THE LANDS IN THE ABOVE PCL OR ANY PT THEREOF AS A PARTY WALL , TO FORM THE ELY WALL OR A PT THEREOF OF ANY BUILDING OR BUILDINGS WHICH ARE NOW OR MAY HEREAFTER BE ERECTED ON THE LANDS KNOWN AS PCL 2664, SEC L TORONTO, CONTIGUOUS WITH THE SAID WLY WALL OR ANY PT THEREOF; 2. T/W THE RIGHT TO MAINTAIN THE WLY WALL OF THE BRICK STORE BUILDINGS (INCLUDING THE FOOTINGS THEREOF) SITUATE ON THE LANDS IN THE ABOVE PCL OVER THE LANDS IMMEDIATELY ADJOINING TO THE W OF THESE LANDS IN THE POSITION NOW OCCUPIED BY THE SAID WLY WALL; THE OWNER OR OWNERS FROM TIME TO TIME EITHER OF THE PARCELS AFOREMENTIONED MAY EXTEND THE SAID WLY WALL IN A NLY DIRECTION OR ADD TO THE HEIGHT THEREOF, AND MAY REBUILD THE SAME IN CASE OF THE PARTIAL OR TOTAL DESTRUCTION THEREOF AND WHEN ALL OR ANY PORTION OF THE SAID WLY WALL INCLUDING ANY EXT THEREOF AND ADDITION THERETO, SHALL BE USED BY SUCH AN OWNER OR OWNERS BY WHOM OR BY ANY OF WHOSE PREDECESSORS IN TITLE, THE PROPER SHARE OF THE COSTS OF CONSTRUCTION OF THE PORTION OF THE WALL SO USED WAS NOT PAID, HE, SHE OR THEY SHALL PAY TO THE PERSON OR PERSONS WHO CONSTRUCTED THE SAME OR TO HIS, OR THEIR HER, OR THEIR HEIRS, EXECUTORS, ADMINISTRATORS OR ASSIGNS, ONE-HALF OF THE VALUE AT THE TIME OF SUCH USE AND THEREAFTER ONE-HALF OF THE COST OF MAINTENANCE OF THE WHOLE THICKNESS OF THE PORTION OF SUCH WALL SO USED BY HIM, HER OR THEM, AND THE SUM SO TO BE PAID SHALL, UNTIL PAID, REMAIN A CHARGE UPON THE LAND OF THE PERSON OR PERSONS LIABLE TO PAY THE SAME. AND IT IS AGREED THAT THE COVENANTS HEREIN CONTAINED SHALL RUN WITH THE LAND, BUT NO COVENANT HEREIN CONTAINED SHALL BE PERSONALLY BINDING ON ANY PERSON EXCEPT IN RESPECT OF BREACHES, DURING HIS, HER OR THEIR SEISEN OR TITLE TO THE SAID LANDS; AND IT IS FURTHER AGREED THAT WHENEVER THE SAID WLY WALL SHALL BE EXTENDED IN HEIGHT THE CHIMNEYS, IF ANY, PREVIOUSLY BUILT IN SUCH WALL SHALL BE CARRIED UP TO A PROPER HEIGHT AND ANY INJURY CAUSED BY SUCH EXT SHALL BE MADE GOOD AND SUCH EXT OF THE WALL AND CHIMNEYS SHALL BE AT THE EXPENSE OF THE PARTY MAKING THE EXT. AND IT IS AGREED THAT IF THE PARTIES CANNOT AGREE AS TO ANY VALUE ABOVE MENTIONED, THE AMOUNT THEREOF SHALL BE REFERRED TO THREE DISINTERESTED PERSONS AS VALUATORS OF WHOM THE OWNER OR OWNERS FROM TIME TO TIME OF EACH OF THE SAID PARCELS SHALL APPOINT ONE AND THESE TWO VALUATORS SHALL APPOINT A THIRD AND THE DECISION OF THE THREE SAID VALUATORS OR OF ANY TWO OF THEM IN WRITING UNDER THEIR HANDS SHALL BE BINDING ON THE PARTIES HERETO, THEIR RESPECTIVE HEIRS, EXECUTORS, ADMINISTRATORS AND ASSIGNS; AND IT IS FURTHER AGREED THAT ANY REPAIRS, ADDITIONS OR EXTENSIONS TO THE SAID WLY WALL SHALL BE OF GOOD MATERIALS AND WORKMANSHIP AND WHEN BUILT SHALL BE AND REMAIN A PARTY WALL; 3. S/T A FREE AND UNINTERRUPTED ROW FOR THE USE OF THE OWNER OF PARCELS 2664, SEC L TORONTO, 3887, SEC K TORONTO AND 1-1-A, SEC M256, THEIR HEIRS AND ASSIGNS, INGRESS AND EGRESS FOR PERSONS, ANIMALS AND VEHICLES, THROUGH OVER AND ALONG THOSE PARTS OF LOTS 1 AND 2 ON PL M380, DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE NLY LIMIT OF LT 1, 1 FT 6 3/4 INCHES WLY FROM THE N ELY ANGLE OF LT 1; THENCE SLY ALONG A LINE, WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2			

Properties

AT A POINT 5 FT ELY FROM THE SW ANGLE OF LT 2, 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM A POINT IN THE W LIMIT OF LT 1 DISTANT 96 FT NLY FROM THE N LIMIT OF EGLINTON AV AS WIDENED; THENCE N ELY IN A STRAIGHT LINE 19 FT 6 INCHES TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF LT 2 AND DISTANT 16 FT 01/2 INCH ELY FROM THE N WLY ANGLE THEREOF TO A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED 25 FT ELY FROM ITS INTERSECTION WITH THE WLY LIMIT OF LT 2, THE SAID POINT BEING 10 FT 6 INCHES MORE OR LESS SLY ON THE SAID LINE FROM THE SAID NLY LIMIT OF LT 2; THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF LT 2, 22 FT 3 1/2 INCHES MORE OR LESS TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED 78 FT 10 INCHES WLY FROM THE SE ANGLE OF LT 3 ON SAID PL TO A POINT IN THE N LIMIT OF LT 2, 80 FT 6 3/4 INCHES WLY FROM THE NE ANGLE OF LT 3; THENCE NLY ALONG THE SAID LAST MENTIONED LINE 10 FT 6 INCHES MORE OR LESS TO THE NLY LIMIT OF LT 2; THENCE WLY ALONG THE NLY LIMIT OF LOTS 2 AND 1, 39 FT 7 1/2 INCHES MORE OR LESS TO THE POC AS IN LT346559; 4. T/W A FREE AND UNINTERRUPTED ROW, INGRESS AND EGRESS, FOR PERSONS, ANIMALS AND VEHICLES, THROUGH, ALONG AND OVER THOSE PARTS OF LOTS 1 AND 2 BLK 'A', PL M256, DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE E LIMIT OF LT 1, 96 FT NLY THEREON FROM THE NLY LIMIT OF EGLINTON AV AS WIDENED BY BY-LAW 11494; THENCE WLY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV AS WIDENED 125 FT; THENCE NLY PARALLEL TO THE E LIMIT OF LT 1, 12 FT; THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV AS WIDENED 125 FT TO THE SAID E LIMIT OF LT 1; THENCE SLY ALONG THE SAID E LIMIT 12 FT TO THE POC; PROVIDED THAT THE PROJECTIONS, INCLUDING THE PROJECTION OF THE SECOND STOREY OF THE BUILDING SITUATE ON PCL 1-1-A, SEC M256, EXISTING ON THIS DATE AND A FIRE ESCAPE TO BE ERECTED IN CONNECTION THEREWITH, OVER THE SAID ROW OR ANY PT THEREOF SHALL BE DEEMED NOT TO BE AN ENCROACHMENT UPON THE SAID ROW; 5. T/W A FREE AND UNINTERRUPTED ROW, INGRESS AND EGRESS, FOR PERSONS ANIMALS AND VEHICLES, THROUGH, ALONG AND OVER THOSE PARTS OF LOTS 1 AND 2 ON PL M380, DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE WLY LIMIT OF SAID LT 1 DISTANT 96 FT NLY THEREON FROM EGLINTON AV AS WIDENED UNDER BY-LAW 11494; THENCE NLY ALONG THE SAID WLY LIMIT OF LT 1, 18 FT MORE OR LESS TO THE N WLY ANGLE THEREOF; THENCE ELY ALONG THE NLY LIMIT OF LT 1, 48 FT 5 1/4 INCHES MORE OR LESS TO A POINT 1 FT 6 3/4 INCHES WLY THEREON FROM THE NE ANGLE OF LT 1; THENCE SLY ALONG A LINE, WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2 AT A POINT THEREIN DISTANT 5 FT ELY FROM THE SW ANGLE OF LT 2, A DISTANCE OF 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM THE POC; THENCE WLY ALONG THE SAID MENTIONED LINE 49 FT 4 3/4 INCHES MORE OR LESS TO THE POC; 6. T/W A FREE AND UNINTERRUPTED ROW OVER THE WLY 4 FT 6 INCHES OF LT 90 AND THE ELY 5 FT 6 INCHES OF LT 91 ON PL M512; 7. S/T THE RIGHT OF THE OWNER OF PCL 2664, SEC L TORONTO, TO USE (FOR THE PURPOSE OF ACCESS AND INGRESS TO AND EGRESS FROM THE LANDS COMPRISED IN SAID PCL 2664 OR ANY PT THEREOF, AND/OR THE BUILDINGS THEREON AND FOR THE TURNING OF VEHICLES USING THE ROW 3RDLY, 4THLY, 5THLY AND 6THLY ABOVE DESCRIBED) THE SPACE AT THE REAR OF THE BUILDINGS NOW SITUATED UPON THE LANDS COMPRISED IN ABOVE PCL EXTENDING NLY FROM THE NLY LIMIT AND ITS PRODUCTION ELY AND WLY OF THE SAID BUILDINGS TO THE SLY LIMIT OF THE SAID ROW 3RDLY, 4THLY, 5THLY AND 6THLY. PROVIDED ALWAYS THAT THE RIGHTS THEREBY GRANTED SHALL BE EXERCISED IN SUCH MANNER AS NOT UNREASONABLY TO INTERFERE WITH THE REASONABLE AND PROPER USE OF THE SPACE AT THE REAR OF THE RESPECTIVE BUILDINGS AFORESAID BY THE OWNER AND/OR ANY TENANT OR OCCUPANT OF ANY OF THE SAID BUILDINGS RESPECTIVELY AND/OR BY PERSONS HAVING DEALINGS WITH SUCH OWNER AND/OR ANY SUCH TENANT OR OCCUPANT AS IN LT350268; 8. T/W THE RIGHT TO USE (FOR THE PURPOSE OF ACCESS AND INGRESS TO AND EGRESS FROM THE LANDS COMPRISED IN PCL 2665, SEC L TORONTO, OR ANY PT THEREOF AND/OR THE BUILDINGS THEREON FOR THE TURNING OF VEHICLES USING THE ROW DESCRIBED IN THE ABOVE 3RDLY, 4THLY, 5THLY AND 6THLY) THE SPACE AT THE REAR OF THE BUILDINGS NOW SITUATED UPON THE LANDS COMPRISED IN PCL 2664, SEC L TORONTO, EXTENDING NLY FROM THE NLY LIMIT OF THE SAID BUILDINGS TO THE SLY LIMIT OF THE SAID ROW DESCRIBED IN THE SAID 3RDLY, 4THLY, 5THLY AND 6THLY. PROVIDED ALWAYS THAT THE RIGHTS THEREBY GRANTED SHALL BE EXERCISED IN SUCH MANNER AS NOT UNREASONABLY TO INTERFERE WITH THE REASONABLE THE AND PROPER USE OF THE SPACE AT THE REAR OF THE RESPECTIVE BUILDINGS AFORESAID BY THE OWNER AND/OR ANY TENANT OR OCCUPANT OF ANY OF THE SAID BUILDINGS RESPECTIVELY AND/OR BY PERSONS HAVING DEALINGS WITH SUCH OWNER AND/OR ANY SUCH TENANT OR OCCUPANT; TORONTO ; SUBJECT TO A TEMPORARY EASEMENT AS SET OUT IN EXPROPRIATION PLAN AS IN AT4214429; CITY OF TORONTO

Address 350 EGLINTON AVE W  
TORONTO



Chargor(s)

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

Name

2744746 ONTARIO LTD.

Address for Service

18 Doctors Lane, P.O. Box 760, King  
City, Ontario L7B 1A8

A person or persons with authority to bind the corporation has/have consented to the registration of this document.

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

Chargee(s)		Capacity	Share
Name	1288601 ONTARIO LIMITED	Tenants In Common	\$500,000.00 of \$33,000,000.00
Address for Service	8830 Jane Street, Vaughan ON., L4K 2M9		
Name	AMSTEL MANUFACTURING (1993) INC.	Tenants In Common	\$500,000.00 of \$33,000,000.00
Address for Service	8830 Jane Street, Vaughan ON., L4K 2M9		
Name	MCKINLAY, BRUCE	Tenants In Common	\$500,000.00 of \$33,000,000.00
Address for Service	8830 Jane Street, Vaughan ON., L4K 2M9		
Name	SALISI INVESTMENTS LTD.	Tenants In Common	\$500,000.00 of \$33,000,000.00
Address for Service	8830 Jane Street, Vaughan ON., L4K 2M9		
Name	M ANTONINI HOLDINGS INC.	Tenants In Common	\$250,000.00 of \$33,000,000.00
Address for Service	8830 Jane Street, Vaughan ON., L4K 2M9		
Name	PIZZARDI, GABRIELE	Tenants In Common	\$1,050,000.00 of \$33,000,000.00
Address for Service	8830 Jane Street, Vaughan ON., L4K 2M9		
Name	ROSSI, FREDY	Tenants In Common	\$12,500,000.00 of \$33,000,000.00
Address for Service	8830 Jane Street, Vaughan ON., L4K 2M9		
Name	2438747 ONTARIO LIMITED	Tenants In Common	\$15,000,000.00 of \$33,000,000.00
Address for Service	8830 Jane Street, Vaughan ON., L4K 2M9		
Name	2205633 ONTARIO LIMITED	Tenants In Common	\$1,350,000.00 of \$33,000,000.00
Address for Service	8830 Jane Street, Vaughan ON., L4K 2M9		
Name	1620375 ONTARIO LIMITED	Tenants In Common	\$850,000.00 of \$33,000,000.00
Address for Service	8830 Jane Street, Vaughan ON., L4K 2M9		

Statements

Schedule: See Schedules

Provisions

Principal	\$33,000,000.00	Currency	CDN
Calculation Period	Interest only, monthly		
Balance Due Date	2023/03/01		
Interest Rate	9.85%		
Payments	\$325,050.00		
Interest Adjustment Date	2022 05 01		

Provisions	
Payment Date	see Additional Provisions
First Payment Date	2022 06 01
Last Payment Date	2023 03 01
Standard Charge Terms	
Insurance Amount	Full insurable value
Guarantor	Christopher A. Morgis

Additional Provisions

This is a collateral charge/ mortgage related to first charge/ mortgage on the properties municipally known as 366-368 Eglinton Ave. W., Toronto, Ontario (the Mortgage). Any discharge of the Mortgage shall constitute a discharge of this collateral charge/ mortgage.

An interest reserve is in place representing total interest payable to term.

Signed By

Davide Joseph Di Iulio	1000-120 Adelaide St. W. Toronto M5H 3V1	acting for Chargor(s)	Signed	2022 05 13
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Tel        416-363-2211

Fax        416-363-0645

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

Submitted By

Schneider Ruggiero Spencer Milburn LLP	1000-120 Adelaide St. W. Toronto M5H 3V1	2022 05 13
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Tel        416-363-2211

Fax        416-363-0645

Fees/Taxes/Payment	
Statutory Registration Fee	\$66.30
Total Paid	\$66.30

File Number

Chargor Client File Number :                      44072

## SCHEDULE TO THE ATTACHED CHARGE/MORTGAGE

### RECITALS

The Lender has agreed to make a loan in favour of the Borrower upon the terms and conditions more particularly contained herein.

The Borrower is the registered owner of the lands and premises described in the electronic Charge to which this schedule is attached.

This Charge is given by the Borrower to the Lender as continuing security for the repayment by the Borrower to the Lender of such loan and the performance by the Borrower of its obligations as more particularly described herein.

### ARTICLE 1 - DEFINITIONS

1.1 For the purposes of this Charge the following definitions will apply:

“Applicable Laws” means, at any time, in respect of any Person, property, transaction, event or other matter, as applicable, all then current laws, rules, statutes, regulations, treaties, orders, judgments and decrees and all official directives, rules, guidelines, orders, policies, decisions and other requirements of any Governmental Authority (whether or not having the force of law) (collectively, the “Law”) relating or applicable to such Person, property, transaction, event or other matter and shall also include any interpretation of the Law or any part of the Law by any Person having jurisdiction over it or charged with its administration or interpretation;

“Applicable Rate” means the interest rate set out in the electronic Charge to which this schedule is attached or, in the alternative, the interest rate set out in the Commitment;

“Bills” has the meaning ascribed thereto in Section 10.1(a);

“Borrower” means the party identified as “Chargor” set out in the electronic Charge to which this schedule is attached and its successors and assigns;

“Business Day” means a day on which the Lender is open for business but specifically excluding Saturdays, Sundays or statutory holidays pursuant to the laws of Canada or the Province of Ontario and “Business Days” means more than one Business Day;

“Charge” means this charge/mortgage of land and all instruments supplemental hereto or in amendment, renewal, extension, restatement, replacement or confirmation hereof;

“Charged Premises” means, collectively, the Lands and the Improvements;

“Commitment” means the letter of commitment between the Borrower and the Lender, as the same has been or may be amended, restated, supplemented, renewed, extended or superseded from time to time;

“Environmental Approvals” has the meaning ascribed to it in Section 12.1 hereof;

“Environmental Laws” or “Environmental Law” has the meaning ascribed to them in Section 12.1 hereof;

“Event of Default” has the meaning ascribed thereto in Section 18.1 hereof;

“Event of Insolvency” means the occurrence of any one of the following events:

- (a) If the Borrower, or the Guarantor(s), shall, other than as expressly permitted hereby:
  - (i) be wound up, dissolved or liquidated, whether pursuant to the provisions of the laws of the Province of Ontario or the federal laws of Canada applicable therein, or any other law or otherwise, or becomes subject to the provisions of the *Winding-Up and Restructuring Act* (Canada), or has its existence terminated or has any resolution passed therefor; or
  - (ii) makes a general assignment for the benefit of its creditors or files a proposal or a notice of intention to make a proposal under the *Bankruptcy and Insolvency Act* (Canada), shall otherwise acknowledge its insolvency or shall be declared or become bankrupt or insolvent; or
  - (iii) proposes a compromise or arrangement or otherwise brings proceedings under or becomes subject to the provisions of the *Companies' Creditors Arrangement Act* (Canada) or shall file any petition or answer seeking any re-organization, arrangement, composition, re-adjustment, liquidation, dissolution or any other relief for itself under, or in any way takes the benefit of, the *Bankruptcy and Insolvency Act* (Canada) or any other present or future law relative to bankruptcy, insolvency or other relief for debtors or for or against the benefit of creditors; or
  - (iv) be unable, by reason of insolvency or similar circumstances, to pay its trade creditors generally, within one hundred and twenty (120) days of the rendering of trade accounts or admit its inability to pay its debts or perform its obligations as they become due; or
- (b) If a court of competent jurisdiction shall enter an order, judgment or decree against the Borrower in respect of any re-organization, arrangement, composition, re-adjustment, liquidation, dissolution, winding-up, termination of existence, declaration of bankruptcy or insolvency, or similar relief under any present or future law relative to bankruptcy, insolvency or other relief for debtors or for or against the benefit of creditors, or the Borrower shall acquiesce in the entry of such order, judgment or decree, unless the Borrower is also proceeding forthwith to diligently and in good faith contest the same and, provided that none of the Charged Premises, the Charge or the Security, the value of the Charged Premises or the operation thereof, are adversely affected and there is no prejudice to the Lender in the Lender's reasonable opinion, and such order, judgement or decree is vacated or permanently stayed within fifteen (15) days of its making; or
- (c) If any trustee in bankruptcy, receiver, receiver and manager, monitor or liquidator or any other officer with similar powers shall

be appointed for the Charged Premises or any portion thereof, or for the Borrower or the Guarantor(s), or for all or any substantial part of its assets or its interest in the Charged Premises with the consent or acquiescence of the Borrower; or

- (d) If, other than as expressly permitted hereby, an encumbrancer or the holder of any lien or charge or any other creditor takes possession of the Charged Premises or the Borrower's interest in the Charged Premises, or any part thereof, or if a distress, execution, garnishment or any similar process is levied or enforced upon or against the same;

"Governmental Authority" means any federal, provincial, territorial or municipal government and any executive, judicial, regulatory or administrative functions of, or pertaining to, government (including, without limitation, all boards, commissions, agencies, departments and ministries);

"Guarantor(s)" means any Person from time to time guaranteeing the Indebtedness;

"Hazardous Substance" has the meaning ascribed to it in Section 12.1 hereof;

"Improvements" means the buildings, erections, structures, fixed machinery, fixed equipment, plant, and improvements now located on the Lands and all appurtenances pertaining thereto, together with all other buildings, structures, fixtures and improvements hereafter located from time to time in, on or under the Lands and all personal property, equipment and chattels now or hereafter affixed to the Lands or to such buildings, erections, structures, fixed machinery, fixed equipment, plant, and improvements owned by the Borrower;

"Indebtedness" means, collectively, the Principal Sum, any debts, liabilities, obligations, covenants and duties owing by the Borrower to the Lender of any kind or nature, present or future and arising under, pursuant to or in connection with this Charge, the Security or any other document delivered pursuant to or in connection herewith or therewith, whether or not evidenced by any note, guarantee or other instrument, whether or not for the payment of money, whether arising by reason of an extension of credit, loan, guarantee, indemnification, or in any other manner, whether direct or indirect (including those acquired by assignment), absolute or contingent, due or to become due, now existing or hereafter arising and however acquired and in all cases arising under, pursuant to or in connection with this Charge, the Security or any other document delivered pursuant to or in connection herewith or therewith. The term includes, without limitation, all interest, yield maintenance, charges, expenses, fees, including all processing and commitment fees and all legal fees and disbursements (in each case whether or not allowed), and any other sum chargeable to the Borrower under, pursuant to or in connection with this Charge, the Security or any other document delivered pursuant to or in connection herewith or therewith;

"Inspections" has the meaning ascribed to it in Section 12.1 hereof;

"Interest Adjustment Date" means the interest adjustment date set by the Lender for the purposes of setting a payment schedule;

"Lands" means the lands and premises described in the electronic Charge to which this schedule is attached, including all tenements, hereditaments and appurtenances belonging or in any way appertaining thereto, and the reversion or reversions, remainder and remainders, rents, issues and profits therefrom, and all the estate, right, title, interest, property claim and demand whatsoever of the Borrower of, in and to the same and of, in and to every part thereof;

"Lease Benefits" means the benefit of all covenants and obligations of tenants, licencees or occupants contained in any of the Leases, including, without limitation, all rights and benefits of any guarantees thereof, the right to demand, sue for, collect, recover and receive all Rents, to enforce the landlord's rights under any Lease and generally any collateral advantage or benefit to be derived from the Leases or any of them;

"Lease Rights" means, collectively, the Leases, the Rents and the Lease Benefits;

"Leases" means all present and future leases, subleases, licences, agreements to lease, agreements to sublease, options to lease or sublease, rights of renewal or other agreements by which the Borrower, or any predecessor or successor in title thereto, has granted or will grant the right to use or occupy all or part or parts of the Charged Premises, including all agreements collateral thereto, but which, for the purpose of this definition does not include the Property Lease, and "Lease" means any one of them;

"Lender" means the party identified as "Chargee" in the electronic Charge to which this schedule is attached, and its successors and assigns;

"Loan" means the loan extended or to be extended by the Lender to the Borrower in the principal amount set out in the electronic Charge to which this schedule is attached and secured by this Charge and other security given to the Lender by the Borrower and the Guarantor(s), if any;

"Major Tenant Leases" means any agreements to lease, offers to lease or leases, subleases or occupancy agreements in respect of premises situate on the Charged Premises and which are determined by the Lender in its discretion to be material to the Charged Premises and the extension and maintenance of the Loan;

"Maturity Date" means, subject to early maturity by reason of the occurrence of an Event of Default and the acceleration of repayment at the option of the Lender, the balance due date set out in the electronic Charge to which this schedule is attached;

"Permitted Encumbrances" means the items more particularly set out in Schedule 'A' hereto together with such other encumbrances, liens and interests affecting the Charged Premises which are acceptable to the Lender in its sole discretion. If no Schedule 'A' is attached hereto, there are no permitted encumbrances;

"Person" means any natural person, sole proprietorship, partnership, syndicate, trust, joint venture, Governmental Authority or any incorporated or unincorporated or entity or association of any nature;

"Principal" or "Principal Sum" means the principal amount of the Loan owing from time to time by the Borrower to the Lender;

"Rents" means all rents, issues and profits now due or to become due under or derived from the Leases;

"Security" means, collectively, all other or additional security, other than this Charge, given by the Borrower or others to the Lender as security for the Loan;

“Taxes” means for each year during the term of this Charge all real property taxes, business taxes, rates, duties, charges, assessments, impositions, taxes, levies and charges for local improvements or otherwise, imposed upon or assessed against the Charged Premises or any part or parts thereof by any Governmental Authority including, without limitation, school boards, and paid or payable by the Borrower or any tenant of the Charged Premises, but shall not include franchise, capital levy or transfer tax or any income, excess profits or revenue tax or any other tax or impost of a personal nature charged or levied upon the Borrower or any tenant of the Charged Premises. If the system of real property taxation or business shall be altered or varied and any new tax shall be levied or imposed on all or any portion of the Charged Premises or the revenues therefrom in substitution for, or in addition to, taxes presently levied or imposed, then any such new tax or levy shall be deemed to be and shall be included herein; and

“Term” means the term of this Charge and being a period which expires on the Maturity Date.

## ARTICLE 2 - CHARGING PROVISIONS

- 2.1 Now therefore witnesseth that the Borrower, being the registered owner of a freehold estate in fee simple in possession of the Lands, in consideration of the Loan advanced or to be advanced by the Lender to the Borrower or for its benefit, and as security for the repayment of all Indebtedness and the performance of the obligations of the Borrower hereunder, does hereby grant, mortgage, charge and create a security interest in, to and in favour of the Lender all of its estate, right, title and interest in and to the Charged Premises and covenants and agrees to and with the Lender as hereinafter provided.
- 2.2 The last day of any term reserved by any lease or sublease, verbal or written, or any agreement therefor, now held or hereafter acquired by the Borrower, as lessee, and forming part of the Charged Premises is hereby excepted out of the mortgage, charge, assignment and security interest hereby created or granted or any instrument in implementations hereof, and the same shall be deemed to be a charge by way of sublease. As further security for the payment of the Indebtedness, the Borrower agrees that it will stand possessed of the reversion of such last day of the term and shall hold it in trust for the Lender for the purpose of this Charge and to assign and dispose thereof, without cost or expense to the Lender, in such manner as the Lender shall by notice in writing, for such purpose, direct. Upon any sale, assignment, sublease or other disposition of such leasehold interest or any part thereof, the Lender, for the purpose of vesting the aforesaid one day residue of such term or renewal thereof in any purchaser, assignee, sublessee or other acquirer thereof, shall be entitled by deed or writing to appoint such party or parties as a new trustee or trustees of the aforesaid residue of any such term or renewal thereof in the place of the Borrower and to vest the same accordingly in the new trustee or trustees so appointed freed and discharged from any obligation respecting the same.

## ARTICLE 3 - REPAYMENT AND INTEREST

- 3.1 The Borrower covenants to pay to or to the order of the Lender at its offices as set out in Article 23 hereof or at such other address as the Lender may from time to time designate in writing, without set-off, compensation or deduction, and without deduction for bank service or any other charges, the Principal Sum together with all other Indebtedness with interest thereon at the Applicable Rate, as well after as before maturity and both before and after default, demand and judgment. Such interest at the Applicable Rate shall be computed from the date of advance to become due and be paid initially on the Interest Adjustment Date and thereafter to be paid in equal instalments of interest, commencing on the first payment date set out in the Commitment or in the electronic Charge to which this schedule is attached and continuing each month during the Term, to and including the last payment date set out in the Commitment or in the electronic Charge to which this schedule is attached, each such instalment to be in the amount stipulated in the Commitment or in the electronic Charge to which this schedule is attached and the last instalment, in the amount of the then remaining balance of the Principal Sum, other Indebtedness and accrued interest thereon, to be paid on the Maturity Date.
- 3.2 The Borrower acknowledges and agrees that monthly instalments for interest described in Section 3.1 together with all payments for Taxes as set out in Section 10.1 hereof must pass through a single bank account on which the Borrower will have provided post-dated cheques (as required by the Lender) or have pre-authorized the Lender to withdraw the monthly payments under this Charge plus any Taxes payable in respect of the Charged Premises if not otherwise paid by the Borrower. In addition, the Borrower must maintain at all times in such account a minimum balance equal to the sum of the monthly payment of principal, interest and Taxes (as such Taxes become due).
- 3.3 It is hereby agreed that if default should occur in payment of any sum due at the time appointed for payment thereof as herein provided, compound interest at the Applicable Rate shall be payable on the sum in arrears from time to time, as well after as before maturity, and if interest as compounded is not paid within one (1) month from the time of default, a rest shall be made, and compound interest at the Applicable Rate shall be payable on the aggregate then due, as well after as before maturity, both before and after default, demand and judgement and so on from time to time and all such interest and compound interest shall be a charge on the Charged Premises.
- 3.4 All interest in arrears shall be treated (as to payment of interest thereon) as Principal and shall bear compound interest, as well after as before maturity, default and judgement as provided in Section 3.3 hereof.
- 3.5 The Borrower will pay interest, including interest on overdue interest, at the Applicable Rate on any arrears of instalments of interest, and any payment by the Borrower shall be applied by the Lender first on account of interest and then on account of principal.
- 3.6 All payments of principal and interest pursuant to Section 3.1 shall be made to and received by the Lender prior to 3:00 p.m. on the date due, failing which such payment shall be deemed received on the next succeeding Business Day provided that in such case, such extension of time shall be included for the purpose of computation for interest; provided further that in the event any payment is due on a day which is not a Business Day, it shall be payable prior to 3:00 p.m. on the next succeeding Business Day and provided such payment is received by such date and such time, then, save in respect of repayment of the Indebtedness at the Maturity Date where interest shall be charged for extensions to the next succeeding Business Day, interest shall not be charged for such extension.

#### **ARTICLE 4 - CRIMINAL RATE OF INTEREST**

- 4.1 Notwithstanding any other provisions of this Charge, in no event shall the aggregate “interest” (as defined in Section 347 of the Criminal Code, (Canada), as the same shall be amended, replaced or re-enacted from time to time) payable to the Lender under this Charge exceed the effective annual rate of interest on the “credit advances” (as defined in that section) under this Charge lawfully permitted under that section and, if any payment, collection or demand pursuant to this Charge in respect of “interest” (as defined in that section) is determined to be contrary to the provisions of that section, such payment, collection, or demand shall be deemed to have been made by mutual mistake of the Lender and the Borrower and the amount of such payment or collection in excess of that lawfully permitted shall be refunded by the Lender to the Borrower.

#### **ARTICLE 5 - INTEREST ACT (CANADA)**

- 5.1 For the purposes of this Charge, whenever interest is payable or stated not on the basis of a yearly rate, such rate of interest may be determined by multiplying the Applicable Rate by a fraction the numerator of which is the actual number of days in the calendar year in which the same is to be ascertained and the denominator of which is the number of days in the period for which such rate is determined to be payable.
- 5.2 All calculations of interest or fees under this Charge are to be made on the basis of the stated rates set out herein and not on any basis which gives effect to the principle of deemed re-investment.

#### **ARTICLE 6 - PREPAYMENT**

- 6.1 Subject to prepayment provisions provided for in the Commitment, if any, or early maturity by reason of the acceleration of the repayment of the Indebtedness at the option of the Lender upon the occurrence of an Event of Default, the Borrower shall not be entitled to prepay all or any portion of the Principal under this Charge prior to the Maturity Date.

#### **ARTICLE 7 - NO OBLIGATION TO ADVANCE**

- 7.1 The Borrower acknowledges and agrees that the Lender is not bound to make any advance of any of the Principal Sum or any unadvanced portion thereof by reason of the registration of this Charge in any place or registry office or the advance of any part of the said Principal Sum, it being acknowledged by the Borrower that any advance hereunder is subject, inter alia, to: (i) the representations and warranties contained herein being true and correct as of the date of any advance of the Loan; (ii) no default having occurred hereunder, under any of the Security or under the Commitment; and (iii) the conditions precedent contained in the Commitment having been satisfied.
- 7.2 In the event this Charge is registered and either no advance whatsoever is made hereunder by the Lender or the Borrower’s ability to draw down funds is terminated by the Lender before any funds are advanced, the Lender will, at the expense of the Borrower and upon payment of all monies, costs, fees and disbursements then due to the Lender, promptly upon request by the Borrower execute and deliver to the Borrower, or any agent thereof, registrable discharges of this Charge and of the Security, for use in every registry office where they or notices thereof have been recorded or filed; provided that the Borrower acknowledges that this Section 7.2 shall be of no effect once any advance of the funds is made hereunder by the Lender.

#### **ARTICLE 8 - REPRESENTATIONS AND WARRANTIES**

- 8.1 The Borrower represents and warrants in favour of the Lender, acknowledging that the Lender is relying on such representations and warranties in extending the Loan:
- (a) The Borrower is a corporation duly organized, validly subsisting and in good standing under the laws of its incorporating jurisdiction and has all necessary corporate power and authority to enter into this Charge and the Security and to perform or cause to be performed its obligations contained herein and therein, to own and operate the Charged Premises and to carry on its business pertaining thereto as presently carried on;
  - (b) There are no provisions in the articles or bylaws of the Borrower or any unanimous shareholders agreement of or with respect to the Borrower or to which the Borrower is a party which restrict, limit or regulate in any way the powers of the Borrower to borrow on credit or to issue, sell or pledge any of the property or assets now or hereafter owned by it to secure its debt obligations, save and except any provisions which have been complied with. No steps or proceedings have been taken or are pending to amend or supersede the articles or bylaws of the Borrower in a manner which would impair or limit the Borrower’s ability to perform its obligations hereunder or under the Security;
  - (c) The Borrower has taken all necessary corporate action to authorize the execution and delivery of this Charge and the Security, and performance of the provisions of each in accordance with its terms;
  - (d) The authorization, creation, execution or delivery of this Charge or the Security or the Borrower’s performance of its obligations hereunder or thereunder does not require any approval or consent of any Governmental Authority having jurisdiction nor will any such action be in conflict with or contravene any of the Borrower’s articles, bylaws, unanimous shareholders agreement, if any, or resolutions of directors or shareholders, or the provisions of any indenture, instrument, agreement or undertaking to which the Borrower is a party or by which it or its properties or assets are bound, or result in the creation, imposition or crystallization of any hypothec, title retention, charge, pledge, lien, encumbrance or security interest of any kind upon any of its property or assets subject to the Charge or security interest created thereby or by the Security other than in accordance with the provisions of this Charge and the Security. This Charge and the Security when executed and delivered will constitute valid and legally binding obligations of the Borrower, enforceable against it in accordance with its terms;
  - (e) There is not now pending or, to the best of the Borrower’s knowledge or belief after due inquiry, threatened against the Borrower, any litigation, action, suit, investigation or other proceeding by or before any court, tribunal or other competent Governmental Authority which would materially adversely affect the present or prospective ability of the Borrower to perform its obligations under this Charge or the Security, as the case may be, or which calls into question the validity or enforceability of this Charge or the Security;
  - (f) No Event of Insolvency has occurred or is threatened or pending;

- (g) The Borrower is the registered owner of and has a good and marketable title in fee simple to the Lands, and, unless otherwise disclosed to the Lender in writing, is the legal and beneficial owner of the Charged Premises, free and clear of all security interests, charges, liens and other encumbrances whatsoever except for the Permitted Encumbrances, which Permitted Encumbrances are in good standing;
  - (h) The Borrower has the right to charge the Charged Premises to the Lender;
  - (i) The Borrower has not received any notice of or threat of a lien under the *Construction Lien Act* (Ontario), as amended, against the Charged Premises nor has any lien been registered against the Charged Premises in respect of labour, materials or services furnished with respect to any improvement thereon which has not been discharged;
  - (j) Unless expressly stipulated in the Commitment, the Charge is not being given with the intention to use the proceeds thereof to finance any alterations, additions or repairs to, or any construction, erection, demolition or installation on the Charged Premises or any structure thereon;
  - (k) Unless expressly stipulated in the Commitment, the Charge is not a building mortgage, within the meaning of the *Construction Lien Act* (Ontario), as amended, and the funds to be advanced by the Lender are not being used to repay a building mortgage;
  - (l) There has been no improvement or materials supplied on or in respect of the Charged Premises in respect of which a construction lien could arise and which has not been completed or abandoned within the forty-five (45) days immediately preceding the date hereof;
  - (m) Except as disclosed to the Lender in writing, the existing and proposed uses, the operation of the Charged Premises and the business conducted thereon comply and, to the best of the Borrower's knowledge and belief, have (including all prior uses) at all times complied with all Applicable Laws, including all Environmental Laws, and the Borrower is not in violation of, and does not violate, by virtue of the ownership, use, maintenance or operation of the Charged Premises or the conduct of any business related thereto, any Applicable Laws, including all Environmental Laws;
  - (n) The Charged Premises may be charged by the Borrower in compliance with the *Planning Act* (Ontario), and no severance of any adjoining lands owned by the Borrower is required;
  - (o) All financial statements and data delivered or presented to the Lender by the Borrower up to and including the date hereof are true and correct in all material respects as at the dates and for the periods indicated and have been prepared in accordance with Canadian generally accepted accounting principles and disclose to the Lender all financial information relevant to the Lender in respect of making the Loan and there is no information, financial or otherwise, which has not been disclosed to the Lender which would be material to the Lender in its decision to advance the Loan, and, without limiting the foregoing, neither the Guarantor(s) nor the Borrower has failed to disclose to the Lender any facts or information material to the making of the Loan;
  - (p) No Event of Default, or an event which with the giving of notice, lapse of time or otherwise, would constitute an Event of Default exists;
  - (q) Each Permitted Encumbrance is in good standing and all obligations and covenants required to be met or complied with thereunder on the part of the Borrower have been complied with and, in respect to any other party thereto to the best of the Borrower's knowledge and belief, have been met or complied with;
  - (r) All Leases entered into as of the date hereof are valid, subsisting and enforceable leases and are in good standing as of the date hereof without right of set-off or abatement;
  - (s) The Borrower is not bound by any indenture, agreement, lease or other instrument, nor is it subject to any trust agreement, charter, by-law, unanimous shareholders agreement or other corporate restriction or any of the Applicable Laws, which materially adversely affects its business operations in respect of the Charged Premises or the performance of its obligations under this Charge or the Security;
  - (t) The Borrower has complied with all Applicable Laws in respect of any residential unit located on the Charged Premises, including in respect of any conversion, demolition, rentals charged or filings or applications to be made and there are no outstanding orders, decisions or directives made or pending which are or would be adverse to the Borrower or the Charged Premises in respect of any residential unit located on the Charged Premises;
  - (u) Each partner of the limited partnership of which the Borrower is the general partner is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada);
  - (v) With respect to each partner of the limited partnership of which the Borrower is a general partner that is a Canadian corporation, either (i) the shares of that corporation do not derive their value, directly or indirectly, primarily from foreign property, all within the meaning of the *Income Tax Act* (Canada) or (ii) the corporation is a corporation described in subsection 206(1.1) of the *Income Tax Act* (Canada), as that provision may be amended from time to time;
  - (w) The Borrower shall not, without the prior written consent of the Lender, execute or deliver any mortgage, charge, lien or other encumbrance of the Lands intended to rank subordinate to this Charge; and
  - (x) The Borrower is not and shall not be during the Term (without the prior written consent of the Lender), a farmer within the meaning of the *Farm Debt Mediation Act* (Canada).
- 8.2 The representations and warranties set out in this Article 8 shall speak as of the date made, survive the execution and delivery of this Charge and the making of any advance hereunder and continue to be true and accurate during the Term of this Charge, notwithstanding any investigations or examinations which may be made by the Lender or the Lender's solicitors and the Lender shall be deemed to have relied on such representations and warranties in making advances under the Loan.
- 8.3 The Borrower shall indemnify and save harmless the Lender from and against all losses, damages, claims and expenses directly

or indirectly incurred or suffered by the Lender resulting from any omission, inaccuracy or misrepresentation of the Borrower herein relating to or concerning the Charged Premises and with respect to all losses, charges, claims and expenses directly or indirectly incurred or suffered by the Lender resulting from or arising in connection with environmental matters relating to, arising from, in connection with or concerning the Charged Premises, whether referred to or contemplated herein or hereby.

#### ARTICLE 9 – COVENANTS

- 9.1 The Borrower covenants with the Lender that upon the occurrence of an Event of Default, the Lender shall have quiet possession of the Charged Premises, free from any encumbrances, save and except for the Permitted Encumbrances.
- 9.2 The Borrower shall not without the prior written consent of the Lender, which may be withheld in the sole discretion of the Lender permit or suffer to exist any charges, liens, security interests or other encumbrances against the Charged Premises, save and except for the Permitted Encumbrances; and the Borrower shall maintain the Permitted Encumbrances in good standing and provide notice to the Lender forthwith of any default under any of the Permitted Encumbrances.
- 9.3 The Borrower shall not initiate, permit or suffer to exist any Event of Insolvency, in respect of itself or, to the extent that the Loan, this Charge or the Security is affected by the occurrence of any such event, of any related person or corporation, including without limitation, any parent corporation of the Borrower. The Borrower covenants and agrees (i) to provide two Business Days' notice prior to the occurrence of an Event of Insolvency (an "Insolvency Notice"), and agrees that the receipt of an Insolvency Notice by the Lender shall constitute an immediate Event of Default if the Borrower or any Guarantor(s) is an applicant or takes the benefit of such statute or proceeding or if any of these proceedings otherwise affect the rights or entitlements of the Lender under the Loan, this Charge or the Security or the Lender's ability to enforce this Charge or the Security, and (ii) prior to the commencement of any such proceedings, to deliver to the Lender copies of all relevant filing materials, including, without limitation, copies of draft court orders, plans of compromise, proposals and notices of intention, it being intended by the Borrower that the Lender be entitled during the period after receipt of an Insolvency Notice to enforce this Charge and the Security for the purpose of, among other things, taking possession and control of the Charged Premises, in the Lender's sole discretion.
- 9.4 The Borrower shall not, without the prior written consent of the Lender, initiate, join in or consent to any change to or modification in any private restrictive covenant, municipal or other governmental law, rule or regulation, by-law, or any other public or private restrictions, limiting or defining the uses which may be made of the Charged Premises, or any part thereof and which could adversely affect the Charge, the Security, the day- to-day operations of the Charged Premises, the income derived therefrom or the value of the Charged Premises.
- 9.5 The Borrower shall comply in all respects with all covenants, deed restrictions, easements and Applicable Laws which pertain to the ownership, use or operation of the Charged Premises or the performance by the Borrower of its obligations under this Charge and shall ensure that all representations and warranties contained herein continue to be true and accurate at all times during the Term.
- 9.6 The Borrower shall permit the Lender, or cause to be made available to the Lender, access to all records, both written and electronic, pertaining to the Charged Premises and upon request shall make copies of such information for the Lender. For such purposes, the Lender shall have reasonable access to the Charged Premises or such other place as such records are kept upon reasonable prior written notice to the Borrower.
- 9.7 The Borrower shall fulfil on a timely basis any undertaking provided by it to the Lender at the time of the advance of the Loan.
- 9.8 The Borrower covenants to ensure that this Charge will remain a valid and enforceable mortgage of the Charged Premises with first priority subject only to the Permitted Encumbrances and the Borrower will fully and effectively maintain and keep the Security as valid and effective security during the currency hereof.
- 9.9 The Borrower shall promptly give written notice to the Lender of any litigation, proceeding or dispute affecting the Charged Premises if the result thereof might have a material adverse effect on the Charged Premises, the financial condition or operations of the Borrower or any Guarantor(s) or its ability to perform its obligations hereunder and shall, from time to time, furnish to the Lender all reasonable information requested by the Lender concerning the status of such litigation, proceeding or dispute and shall in all such cases diligently and in good faith proceed to defend, settle or otherwise deal with any such litigation, proceeding or dispute in a commercially reasonable manner.
- 9.10 The Borrower shall promptly give notice to the Lender upon becoming aware of and provide particulars in respect of:
- (a) An Event of Default or any event which with the passage of time or giving of notice would constitute an Event of Default;
  - (b) Any default under a Lease;
  - (c) Details of material renovations to the Charged Premises when the Borrower intends to or reasonably anticipates that it will renovate the Charged Premises;
  - (d) Any default under any Permitted Encumbrance;
  - (e) Any notice of expropriation, action or proceeding materially affecting the Charged Premises or the violation of any Applicable Law which may have a material adverse affect on the Charged Premises; and
  - (f) Any matter which may have a material adverse affect upon the Borrower or the Guarantor(s) or Charged Premises or the operations conducted thereon, or the security constituted by this Charge and the Security.
- 9.11 The Borrower covenants at all times:
- (a) to perform or cause to be performed all of the covenants and obligations on the part of lessor contained in the Leases



(except the extent the same have been expressly waived by the other parties to such Leases and except in circumstances where the tenant is in default and the Borrower is acting prudently and in the best interests of the Charged Premises);

- (b) to maintain or cause to be maintained the Lease Rights in good standing and not to do, permit to be done or omit to do anything which may impair the enforceability of the Lease Rights;
  - (c) save for the deposits for the first and last month rentals, not to accept Rents more than one (1) month in advance of the dates when Rents fall due;
  - (d) not to enter into Leases which are not at arm's length unless the terms thereof are at least equal to current market terms;
  - (e) not to enter into Lease which do not constitute Major Tenant Leases (each of which must be approved by the Lender as hereafter provided) unless such leases are substantially on Lender pre-approved standard lease forms and not to enter into Major Tenant Leases without the Lender's approval as hereafter provided;
  - (f) not to or to permit termination, alteration or amendment or waiver of rights or remedies or otherwise take any action with respect to any of the Leases which in the aggregate would create a material reduction in Rents from those payable as of the date hereof, without the prior approval of the Lender;
  - (g) not to further assign, mortgage or pledge or permit the assignment, mortgaging or pledging of any Lease or the rents thereunder, save for assignments by tenants of their tenant's interest in Leases, to the extent permitted under such Leases; and
  - (h) to ensure in respect of all Leases now or hereafter entered into that (i) the tenant thereunder, at the option of the Lender, subordinates its lease to the security of this Charge and attorns to and becomes a tenant of the Lender or any purchaser from the Lender in the event of the exercise of a sale remedy by the Lender, for the unexpired residue of the term and upon the terms and conditions of said lease, provided the Lender will agree to enter into non-disturbance agreements on commercially reasonable terms with all such tenants; and (ii) at the request of the Lender, provide as further security specific assignments of Leases hereinafter entered into.
- 9.12 The Borrower shall not, without the prior written consent of the Lender, acting reasonably and promptly, enter into any agreement or document in respect of the Charged Premises (except for leases in accordance with the terms hereof and the Security) which is material to the ownership, value, operation, or use of the Charged Premises unless the same is in the ordinary course of business.
- 9.13 With respect to any Major Tenant Lease, the Borrower shall not and shall not permit without the prior written consent of the Lender:
- (a) cancel or modify any Major Tenant Lease, release the obligations of any lessee thereunder, accept a surrender of a Major Tenant Lease, accept any prepayment of Rents thereunder or consent to any sublet or assignment by the lessee under any Major Tenant lease (except where the provisions of such Major Tenant Lease require the landlord to do so); or
  - (b) enter into any Major Tenant Lease unless the terms, form and substance of such Major Lease is satisfactory to the Lender, acting reasonably; or
  - (c) to further assign, mortgage, pledge, hypothecate or otherwise deal with any Major Tenant Lease.
- 9.14 The Borrower shall do or cause to be done all things necessary to keep in full force and effect all rights, franchises, licences and qualifications necessary or incidental to perform or cause to be performed its obligations contained in this Charge and the Security and to carry on its business pertaining thereto as presently carried on.
- 9.15 The Borrower shall from time to time to pay or cause to be paid all amounts related to taxes, wages, workers compensation obligations, government royalties, and any other similar amounts relating to the business conducted on the Charged Premises if non-payment thereof may result in an encumbrance (other than a Permitted Encumbrance) against the Charged Premises or any of the assets secured in favour of the Lender by the Security.
- 9.16 The Borrower shall not, without the prior written consent of the Lender, acting reasonably and promptly, cause or permit any change in the status of the Borrower that results in the representations contained in Subparagraph 8.1(u) or Subparagraph 8.1(v) ceasing to be accurate in all material respects.
- 9.17 The Borrower covenants, subject to the rights of reorganization herein contained, to continue as a corporation duly organized, validly subsisting and in good standing under the laws of its incorporating jurisdiction and maintain all necessary corporate power and authority to perform or cause to be performed its obligations contained herein and in the Security, to own and operate the Charged Premises and to carry on its business pertaining thereto as presently carried on.
- 9.18 The Borrower covenants that, unless in respect of a reorganization of the Borrower permitted under Paragraph 18.1(h) or with the consent of the Lender as provided therein, no steps or proceedings will be taken to amend or supersede the articles or bylaws of the Borrower and in any event no steps or proceedings, including any reorganization of the Borrower, will be taken in a manner which would impair or limit the Borrower's or its successor's ability to perform its obligations hereunder or under the Security.
- 9.19 The Borrower will not enter into any indenture, agreement, lease or other instrument, nor become subject to any trust agreement, charter, by-law, unanimous shareholders agreement or other corporate restriction, which materially adversely affects the Charged Premises.

## ARTICLE 10 - TAXES/LIENS

### 10.1

- (a) The Borrower shall pay or cause to be paid, all Taxes together with such other amounts, the failure to pay which would give rise to a lien against the Charged Premises, as and when the same shall fall due and payable (collectively, the "Bills").
- (b) With respect to Taxes at the option of the Lender, the Borrower shall pay to the Lender in equal monthly instalments on the first day of each month in each calendar year during the Term, commencing on the first day of the month next following the Interest Adjustment Date, one-twelfth (1/12) of the annual Taxes (or such amount as may be required in order to pay the Taxes as they become due) as reasonably estimated by the Lender; said payments of Taxes shall be paid to the Lender in addition to the instalments of interest due and payable under this Charge, to be deposited upon receipt and held by the Lender in an interest-bearing account for the payment of Taxes, with interest to accrue thereon to the benefit of the Borrower and to be credited in reduction of the amount required to be paid to the Lender for Taxes. The Lender agrees that upon and subject to receipt of monies for Taxes it will remit such monies to the proper municipal offices in payment of Taxes as required from time to time; provided that if any Event of Default shall occur and be continuing, then the Lender, at its sole option, may apply all or any part of any funds held in such account to any amount due hereunder, whether principal, interest or otherwise. The Borrower shall also pay, or cause to be paid, to the Lender before the due date for the payment of Taxes (or next periodic instalment date therefor, as the case may be) any sums in addition to the aforesaid monthly instalments which may be required in order that out of such sums held in trust or escrow by the Lender and such additional sums, the Lender may pay the whole amount of Taxes assessed thereto, on the due date for payment thereof. Notwithstanding the foregoing provisions of this Paragraph 10.1(b), the Borrower acknowledges that the Lender is under no obligation to collect from the Borrower monthly instalments on account of Taxes. In addition, the Borrower acknowledges its obligation to pay all Taxes when due, whether or not the payment of all Taxes are the responsibilities of tenants and whether or not such tenants have remitted the same to the Borrower.
- (c) The Lender may, after written notice being given to the Borrower, pay all unpaid and due Taxes, and any amounts, the failure to pay which would give rise to a lien and any amounts so paid by the Lender shall become part of the Principal hereby secured and be a charge on the Charged Premises in favour of the Lender and shall be payable forthwith by the Borrower to the Lender with interest at the Applicable Rate until paid.
- (d) If the Charged Premises or any part thereof are sold or forfeited for nonpayment of Taxes while any sum remains unpaid hereunder, the Lender may acquire the title and rights of the purchaser at any sale, or the rights of any other person or corporation becoming entitled on or under any such forfeiture, or the Lender may pay, either in its own name or in the name of the Borrower and on the Borrower's behalf, any and all sums necessary to be paid to redeem such land so sold or forfeited, and to revert such lands in the Borrower, and the Borrower hereby nominates and appoints the Lender as agent to pay such monies on the Borrower's behalf and in the Borrower's name, and any monies so expended by the Lender shall become part of the Principal Sum hereby secured and be a charge on the Charged Premises in favour of the Lender and shall be payable forthwith by the Borrower to the Lender and until so paid shall bear interest at the Applicable Rate or in the alternative, the Lender may purchase the Charged Premises at any tax sale of the same.
- (e) Notwithstanding anything to the contrary herein contained, the Borrower shall have the right to contest or defend any actions brought to recover, or appeal any judgments recovered against it in respect of any Bills, or other like charges, or any construction or other liens levied or registered against the Charged Premises, by appropriate proceedings diligently conducted in good faith, provided that the Borrower shall have first deposited with the Lender, or otherwise provided to the reasonable satisfaction of the Lender, such security as the Lender acting reasonably may require including, without limitation, security for the payment of such Bills, charges or liens and any costs payable in connection therewith, and further provided that the Lender shall have determined, to its reasonable satisfaction, that any such contest, defence or appeal or any delay or nonpayment of such Bills, charges or liens shall not materially prejudice the prior charge or lien of this Charge or the title of the Borrower to the Charged Premises. Should the Lender at any time thereafter determine, in its reasonable discretion, that any such contest, defence or appeal or any delay or nonpayment of such Bills, charges or liens shall materially prejudice the prior charge or lien of this Charge or the title of the Borrower to the Charged Premises, the Lender may realize upon such security for payment as aforesaid and pay such Bills, charges or liens. Upon termination of such proceedings, the Borrower shall promptly pay or cause to be paid the amount of the Bills, charges or liens and any other costs, fees, interest and penalties as are properly payable upon determination of such proceedings and promptly cause any tax notifications, caveats, liens, certificates of or pertaining litigation or any other form of notice or encumbrance in respect thereof to be promptly discharged from the title to the Charged Premises at the sole expense of the Borrower whereupon all such security deposited or otherwise provided to the Lender and any proceeds from the realization thereof not paid on account of Bills as aforesaid, shall be returned and paid to the Borrower.
- (f) The Borrower agrees to and does hereby indemnify the Lender against all claims, demands, costs, damages and expenses which arise in respect of any default, late payment, omission, act or proceeding by the Borrower, under or in respect of this Section 10.1.
- (g) If the Lender comes into and for as long as it is in possession of the Charged Premises, the Lender, in its sole discretion, shall be entitled to and shall enjoy all the rights of the Borrower set out in Paragraph 10.1(d) hereof, to the exclusion of the Borrower.

## ARTICLE 11 – INSURANCE

- 11.1 The Borrower will immediately insure, unless already insured, and during the continuance of the Charge keep insured against loss or damage by fire, in such proportions upon each building as may be required by the Lender, the buildings on the land to the amount of not less than their full insurable value on a replacement cost basis in dollars of lawful money of Canada. Such insurance shall be placed with a company approved by the Lender. Buildings shall include all buildings whether now or hereafter erected on the land, and such insurance shall include not only insurance against loss or damage by fire but also insurance against loss or damage by explosion, tempest, tornado, cyclone, lightning and all other extended perils customarily

provided in insurance policies including "all risks" insurance. The covenant to insure shall also include where appropriate or if required by the Lender, boiler, plate glass, rental and public liability insurance in amounts and on terms satisfactory to the Lender. Evidence of continuation of all such insurance having been effected shall be produced to the Lender at least fifteen (15) days before the expiration thereof; otherwise the Lender may provide therefore and charge the premium paid and interest thereon at the rate provided for in the Charge to the Borrower and the same shall be payable forthwith and shall also be a charge upon the land. It is further agreed that the Lender may at any time require any insurance of the buildings to be cancelled and new insurance effected in a company to be named by the Lender and also of his own accord may effect or maintain any insurance herein provided for, and any amount paid by the Lender therefore shall be payable forthwith by the Borrower with interest at the rate provided for in the Charge and shall also be a charge upon the land. Policies of insurance herein required shall provide that loss, if any, shall be payable to the Lender as his interest may appear, subject to the standard form of mortgage clause approved by the Insurance Bureau of Canada which shall be attached to the policy of insurance.

11.2 During any construction on the Charged Property, the Borrower shall maintain:

- (i) Builders' all-risk coverage for 100% of the construction cost with loss payable to the Lender by way of an Insurance Bureau of Canada ("IBC") approved mortgage clause. The policy must cover flood, earthquake, building by-laws, delayed opening, must allow for partial occupancy of the premises and provide for interim loss payments during reconstruction;
- (ii) Wrap-Up Liability coverage in an amount not less than \$10,000,000 per occurrence;
- (iii) Project performance and completion bonds and insurance, including coverage for labour and material bonds; and
- (iv) Professional Liability coverage in an amount not less than \$10,000,000.

## **ARTICLE 12 - ENVIRONMENTAL**

12.1 The following capitalized terms shall have the following respective meanings:

"Environmental Approvals" means all applicable permits, licences, authorizations, consents, directions or approvals required by Governmental Authorities pursuant to the Environmental Laws with respect to the use, occupation, ownership or operation of the Charged Premises;

"Environmental Laws" means all applicable federal, provincial and municipal laws, by-laws, regulations, executory orders, judgments and protocols, relating in whole or in part, to the environment or its protection, and without restricting the generality of the foregoing, includes without limitation, those laws relating to the manufacturing, processing, use, handling, packaging, labelling, sale, storage, recycling, transportation, treatment, destruction, burial or disposal of Hazardous Substances, employee safety, and the emission, discharge, release, deposit, issuance, spraying, dumping, throwing, pouring, spilling, emptying, placing, leaking, seeping, exhausting or abandonment of Hazardous Substances into the atmosphere, air, surface water, ground water, land surface or subsurface strata and, in each such case, as such Environmental Laws may be amended or supplemented from time to time, and "Environmental Law" means any of them;

"Hazardous Substance" means any pollutant, contaminant, waste, hazardous waste, toxic substance or dangerous good which is defined or identified in or the object of any Environmental Law, the presence of which in the environment is in contravention of any Environmental Law; and

"Inspections" means all inspections, evaluations or tests conducted by the Lender or any agent or consultant thereof for the purpose of determining the environmental condition of the Charged Premises, as the Lender may deem appropriate, acting reasonably.

12.2 The Borrower represents and warrants (which representations and warranties shall continue throughout the Term of the Loan) that:

- (a) The condition and use of the Charged Premises is and, to the best of the Borrower's knowledge, any prior use of the same was, in compliance in all material respects with all applicable Environmental Laws;
- (b) The Charged Premises is not subject to any judicial or administrative proceedings alleging violation of any Environmental Laws and there are no outstanding orders or proceedings against the Charged Premises from a Governmental Authority responsible for protecting the environment alleging the violation of any Environmental Laws;
- (c) To the knowledge of the Borrower, the Charged Premises is not the subject of any investigation by Governmental Authorities having jurisdiction evaluating whether any remedial action is needed to respond to a contravention of any Environmental Laws; and
- (d) There is no contingent liability of which the Borrower has knowledge or reasonably should have knowledge in connection with the contravention of any Environmental Laws.

12.3 The Borrower covenants with the Lender:

- (a) If not already provided, to provide to the Lender within ninety (90) days of the execution of this Charge, an environmental audit with respect to the Lands, and if an event shall have occurred after the date of this Charge, which the Lender, acting reasonably, believes may have resulted or may result in material adverse change in the environmental condition of the Charged Premises or any part thereof, to provide such further environmental audits as the Lender may require;
- (b) To provide notice within fifteen (15) days of either having learned of any enactment or promulgation of any Environmental Laws which may result in any material adverse change in the condition, financial or otherwise, of the Charged Premises;

- (c) To defend, indemnify and hold harmless the Lender, its directors, officers, employees, agents and their respective successors and assigns, against any and all loss, cost, expense, claim, liability or alleged liability arising out of any environmental damage occasioned to the Charged Premises contravention of any Environmental Laws;
- (d) To, at all times and at its own expense, conduct its business and maintain the Charged Premises in compliance with all Environmental Laws and Environmental Approvals including causing all tenants of the Charged Premises to comply with the same;
- (e) If the Borrower:
  - (i) receives notice from any Governmental Authority having jurisdiction that violation of any Environmental Law or Environmental Approval has been committed by the Borrower or any tenant with respect to the Charged Premises;
  - (ii) receives notice that any remedial order or other proceeding has been filed against the Borrower or any tenant alleging in respect of the Charged Premises violations of any Environmental Law or requiring the Borrower to take any action in connection with the release of a Hazardous Substance into the environment; or
  - (iii) receives any notice from a Governmental Authority having jurisdiction in respect of the Charged Premises that the Borrower or any tenant may be liable or responsible for costs associated with a nuisance or a response to, or clean up of, a release of a Hazardous Substance into the environment or any damages caused thereby;

to provide to the Lender a copy of such notice within ten (10) days of the Borrower's receipt thereof, and thereafter shall keep the Lender informed in a timely manner of any developments in such matters, and shall provide to the Lender such other information in respect thereto as may be reasonably requested by the Lender from time to time and shall proceed to deal with the same diligently and in good faith in order to bring the Charged Premises into compliance to the extent necessary to comply with Environmental Laws;
- (f) Unless in existence on the Charged Premises on the date of this Charge, not to use, discharge, transport or install in or upon the Charged Premises any material or equipment containing PCBs or permit any tenant of the Charged Premises to do so and, to the extent in existence on the Charged Premises as of the date of this Charge, to maintain the same in compliance with all Environmental Laws;
- (g) To maintain, and to require all occupants of the Charged Premises to maintain in good leak-proof condition all above-ground and underground storage tanks and drums on the Charged Premises;
- (h) Not to install asbestos or permit asbestos to be installed in the Charged Premises. With respect to any asbestos present in the Charged Premises on the date of this Charge, the Borrower shall, at its expense, promptly comply with the requirements of Environmental Laws and Governmental Authorities respecting the use, removal and disposal of asbestos; and
- (i) To obtain or cause its solicitors to obtain copies of all relevant environmental studies or assessments of the Charged Premises which the Borrower or its solicitors or agents have commissioned or which are in the possession or control of the Borrower, as of the date of this Charge and, to the extent any such assessments or studies are required by the Lender from time to time, to promptly provide same to the Lender upon request and hereby authorizes and directs its solicitors, agents and consultants to promptly release same to the Lender.

12.4 Having due regard to the rights of any tenant of the Borrower, the Lender and its employees and agents shall have the right, and are hereby granted permission by the Borrower, to enter the Charged Premises from time to time, and to have access to the Borrowers' relevant documents and records, in order to conduct Inspections, to determine compliance with Environmental Laws as the Lender, acting reasonably, may deem appropriate. Inspections shall be:

- (a) at such times and to such extent as may be reasonable in the circumstances on prior notice to the Borrower if the Lender has reasonable grounds for believing that:
  - (i) there are, contrary to Environmental Laws or Environmental Approvals, Hazardous Substances in or upon the Charged Premises which have not been disclosed to and approved by the Lender and appropriate Government Authorities; or
  - (ii) the Borrower is in breach of any environmental representations in this Charge or its covenants in this Article; or
  - (iii) the Borrower is not in compliance with any Environmental Laws or material Environmental Approvals; and
- (b) at any time without prior notice upon the occurrence of an Event of Default which is continuing.

If the Borrower is found not to be in compliance with the Environmental Laws or Environmental Approvals and such failure to comply becomes an Event of Default that is continuing, the Lender may, at its option (but without any obligation to do so) take such actions as are required, acting reasonably, to bring the Charged Premises into compliance, and the costs thereof shall immediately become due and payable to the Lender by the Borrower and shall be secured by the Security.

12.5 The Lender shall not, by virtue of being the chargee under this Charge or the enforcement of its rights contained herein for purposes of the Environmental Laws, be or be deemed to be the owner of, any of the Charged Premises, or to have management, charge, control, occupation or possession of any of the Charged Premises or the businesses of the Borrower, or of any Hazardous Substances located on, upon or within any of the Charged Premises.

12.6 The Borrower hereby covenants and agrees to be responsible for, and to indemnify and hold harmless the Lender and each of its officers, directors, employees, shareholders, all unitholders of any pooled funds under its management and agents and their

respective successors and assigns (in this Section, collectively referred to as the “Indemnified Parties”) from and against all claims, demands, liabilities, losses, costs, damages and expenses (including, without limitation, reasonable legal fees and all costs incurred in the investigation, pursuing of any claim, or in any proceeding with respect to, defense and settlement of any item or matter hereinafter set out) that the Indemnified Parties may incur or suffer, directly or indirectly as a result of or in connection with:

- (a) Any inaccuracy in or breach of the Borrower’s representations and warranties relating to the environmental matters contained herein;
- (b) The presence of any Hazardous Substance on, upon or within the Charged Premises, or the escape, seepage, leakage, spillage, discharge, emission, release, disposal or transportation away from the Charged Premises of any Hazardous Substance, whether or not there is compliance with all applicable Environmental Laws and Environmental Approvals;
- (c) The imposition of any remedial order affecting the Lands, or any non-compliance with Environmental Laws or Environmental Approvals pertaining to the Charged Premises by any person, including the Borrower, the Lender or any person acting on behalf of the Lender; and
- (d) Any diminution in the value or any loss on the disposition of the Charged Premises arising directly or indirectly as a result of the presence on the Lands of any Hazardous Substance, or as a result of the imposition of any remedial order or the breach by any person of any Environmental Law or Environmental Approval.

This indemnity shall survive the satisfaction and release of this Charge and the Security and the payment and satisfaction of all indebtedness hereunder. The benefit of this indemnity may be assigned by the Lender to any successor or assign of the Lender and the Borrower hereby consents to any such assignment.

#### ARTICLE 13 - ASSIGNMENT OF RENTS AND LEASES

- 13.1 As further security for the payment of all monies owing and the performance of all obligations to be performed hereunder, the Borrower does, as and by way of security, hereby sell, assign, transfer and set over unto to the Lender all of the Borrower’s right, title and interest, both at law and equity, in and to the Lease Rights, to hold and receive the same unto the Borrower with full power and authority to demand, collect, sue for, recover and receive and give receipts for Rents and enforce payments of the same and enforce performance of the obligations of tenants under the Leases, provided, however, that, subject to the terms of this Charge, the Borrower shall have the full right, so long as no Event of Default has occurred and is continuing, to continue to collect Rents, to take or cause to take all actions as it deems necessary with respect to the Lease Rights, acting as a reasonable lessor.
- 13.2 It is expressly acknowledged and agreed by the Borrower that nothing contained in this Charge shall oblige the Lender to assume or perform any obligation of the Borrower to any third party in respect of or arising out of the assigned Lease Rights. The Lender may, however, after the occurrence of an Event of Default and while such Event of Default continues, at its option, assume or perform any such obligation as the Lender considers necessary or desirable to obtain the benefit of the Lease Rights, free of any set-off, reduction or abatement, and any money expended by the Lender in this regard shall form part of or be deemed to form part of the indebtedness secured by this Charge and shall bear interest at the Applicable Rate.

#### ARTICLE 14 - MANAGEMENT AND REPAIR

- 14.1 The Borrower shall cause the Charged Premises at all times to be professionally maintained, managed and operated and fully and continuously operational during customary business hours, including all uses ancillary or incidental to its operations, at all times, by competent managers and staff of proper background and training, in a first class manner consistent with the management and operation of other properties which are of size, location, use, class, age and type comparable to the Charged Premises, and the Borrower shall obtain the Lender’s prior written approval of any manager and any management contract with any manager which may be entered into by the Borrower for the management of the Charged Premises. In addition to any other rights hereunder of the Lender, the Lender shall have the right, acting reasonably, to replace the manager at the expense of the Borrower in the event the management standards are not maintained as required hereunder and the situation is not remedied within thirty (30) days after written notice from the Lender. The Lender acknowledges and approves, as of the date hereof, of the Borrower or a company controlled by the Borrower acting as manager of the Charged Premises provided that the Charged Premises are managed and maintained in accordance with the provisions hereof.
- 14.2 The Borrower shall promptly repair, maintain, restore, replace, rebuild, keep, make good, finish, add to and put in order, or cause to be so done, the Charged Premises, so that the same shall, at all times, be in good condition and repair and to pay or cause to be paid when due all claims for labour performed and materials furnished therefor. The Borrower shall not commit or suffer any waste of the Charged Premises nor take any action that might invalidate or give cause for cancellation of any insurance maintained in respect of the Charged Premises. No building or other property now or hereafter charged by this Charge shall be removed, or demolished or nor shall the structure of any building be materially altered, redeveloped, retrofitted or renovated, without the prior written consent of the Lender, except that the Borrower shall have the right, without such consent, to remove and dispose of, free from the lien or charge of this Charge, such fixed equipment as from time to time may become worn out or obsolete, provided that either (a) simultaneously with or prior to such removal, and if necessary for the operation of the Charged Premises such equipment shall be replaced with other equipment of a quality comparable to that of the replaced equipment and free from any lien, title retention agreement, conditional sale contract, security agreement or other encumbrance, and by such removal and replacement the Borrower shall be deemed to have subjected such fixed equipment to the lien or charge of this Charge, or, (b) any net cash proceeds received from such disposition shall, at the option of the Lender, be paid over promptly to the Lender to be applied in a manner determined by Lender in its sole discretion toward the payment of any amounts owing hereunder or secured hereby. The Borrower shall notify the Lender promptly of any material damage to or defects in any of the Improvements, and thereafter forthwith shall make or cause to be made such repairs thereto as are required to correct any such damage or defects and return the Charged Premises to a state of condition and repair equivalent to the state of condition and repair required by the provisions of this Charge.
- 14.3 The Borrower shall comply with, or cause to be complied with, all statutes including without limitation the provisions of the *Construction Lien Act* (Ontario), ordinances and requirements of any Governmental Authority having jurisdiction with respect to the Charged Premises; the Borrower shall complete and pay for, within a reasonable time, any structure at any time in the

process of construction on the Charged Premises.

- 14.4 The Borrower shall permit the Lender or its authorized agents at all reasonable times to enter upon the Charged Premises and inspect same, and if such inspection reveals that any repairs or like actions are necessary, the Lender may give notice to the Borrower requiring the Borrower to repair, rebuild or reinstate the same, or take such other like action within a reasonable time. Any failure by the Borrower to comply with such notice shall constitute an Event of Default hereunder and the Lender may repair, rebuild or reinstate the Charged Premises at the cost of the Borrower and charge all sums of money determined by the Lender to be properly paid therefor and interest thereon at the Applicable Rate until paid.

#### ARTICLE 15 - INCREASED COSTS

- 15.1 In the event that as a result of any application of or any change in or enactment of any applicable law, regulation, treaty or official directive after the date hereof (whether or not having the force of law), or in the interpretation of application thereof by any court or by any governmental or other authority or entity charged with the administration thereof which now or hereafter:
- (a) Subjects the Lender to any tax or changes the basis of taxation, or increases any existing tax, on payments of principal, interest or other amounts payable by the Borrower to the Lender under this Charge (except for taxes on the overall net income of the Lender or capital of the Lender imposed by the Government of Canada or any political subdivision thereof or by the jurisdiction in which the principal or lending office of the Lender is located); or
  - (b) Imposes, modifies or deems applicable any special requirements against assets held by, or deposits in or for the account of or any other acquisition of funds by the Lender or imposes on the Lender a requirement to maintain or allocate capital or additional capital in relation to the Loan; or
  - (c) Imposes on the Lender any other condition with respect to this Charge; or
  - (d) Renders any portion of this Charge illegal or unenforceable;

and the result of any of the foregoing is to increase the cost to the Lender, or reduce the amount of principal, interest or other amount received or receivable by the Lender hereunder or its effective return hereunder in respect of making or maintaining the Loan hereunder or to reduce the payments receivable by the Lender in respect of the Loan by an amount which the Lender deems to be material, the Lender shall promptly give written notice thereof to the Borrower setting out in reasonable detail the facts giving rise to and a summary calculation of such increased costs or reduced payments, and the Borrower shall forthwith pay to the Lender upon receipt of such notice that amount which will compensate the Lender for such additional cost or reduction in income (herein referred to as "Additional Compensation"). Upon the Lender having determined that it is entitled to Additional Compensation in accordance with the provisions of this Section, the Lender shall promptly so notify the Borrower. The Borrower shall forthwith pay to the Lender upon receipt of such notice such Additional Compensation calculated on the date of demand. The Lender shall be entitled to be paid such Additional Compensation from time to time to the extent that the provisions of this Section are then applicable notwithstanding that the Lender has previously been paid any Additional Compensation. The Lender shall endeavour to limit the incidence of any such Additional Compensation, including seeking recovery for the account of the Borrower, by appealing any assessment at the expense of the Borrower upon the Borrower's request.

- 15.2 All payments made by the Borrower to the Lender will be made free and clear of all present and future taxes, withholdings or deductions of whatever nature. If these taxes, withholdings or deductions are required by Applicable Law and are made, the Borrower shall, as a separate and independent obligation, pay to the Lender all additional amounts as shall fully indemnify the Lender from any such taxes, withholding or deduction. Provided, however, that the Borrower shall have no obligation to pay any withholding or like tax which may be exigible, incurred or required as a result of the Lender being a non-resident of Canada for the purposes of the *Income Tax Act* (Canada).
- 15.3 If the result of any law, regulation, treaty or official directive or request or any change in or any introduction thereof or change in the interpretation or application thereof or compliance by the Lender with the same (including, without limitation, those relating to taxation, reserve requirements, capital adequacy or other banking or monetary controls) is such that it is or will become (other than as a result of some positive action of the Lender, including any participation or syndication hereof by the Lender) unlawful for the Lender to make, fund or allow to remain outstanding all or part of the Loan, or to carry out all or any of its other obligations under this Charge and/or the Security or receive interest or any fee at the Applicable Rate, then in such case:
- (a) The Lender may give written notice to the Borrower of such law, regulation, treaty or official directive or request (whether or not having the force of law) or such change in or any introduction thereof or change in the interpretation or application thereof or compliance by the Lender with the same (including, without limitation, those relating to taxation, reserve requirements, capital adequacy or other banking or monetary controls) which such notice shall certify that such law, regulation, treaty, official directive or request is generally applicable to all other borrowers from the Lender with any accommodation similar to that herein provided; and
  - (b) The Borrower shall prepay the Indebtedness on such date and to such extent as the Lender shall certify to be necessary to comply with the relevant law or change described above;

provided, however, that should the Loan become unlawful, the Lender, without prejudice to its rights to require repayment and without any obligation on its part, will consider other means of funding the Loan which would not be unlawful, would allow the Lender to carry out its obligations in respect of the Loan and would enable the Lender to receive interest at the Applicable Rate, provided always, notwithstanding the foregoing, the Lender is not obligated to provide alternate funding.

#### ARTICLE 16 - OBTAINING AND MAINTAINING SECURITY

- 16.1 Regardless of whether such sums are advanced or incurred with the knowledge, consent, concurrence or acquiescence of the Borrower or otherwise and in addition to any other amounts provided for herein or otherwise permitted by Applicable Law to be secured hereby, except as herein otherwise provided, the following are to be secured hereby and shall be a charge on the Charged Premises, together with the interest thereon at the Applicable Rate, and all such monies shall be repayable to the Lender, on demand, except as herein otherwise provided:

- (a) All reasonable and properly chargeable solicitor's, inspector's, valuator's, consultant's, architect's, engineer's, surveyor's and appraiser's fees and out-of-pocket expenses:
  - (i) for drawing and registering this Charge and the Security and financing statements in connection therewith, and attending to advances hereunder;
  - (ii) for examining the Charged Premises and the title thereto up the date hereof;
  - (iii) for making and maintaining this Charge as a registered charge on the Charged Premises and maintaining the Security (including the registration and filing of renewals);
  - (iv) for the preparation of this Charge, the Security and any related documents and in exercising or enforcing or attempting to enforce or advising the Lender in respect of defaults hereunder or in pursuit of any right, power, remedy or purpose hereunder or subsisting at law;
  - (v) reasonable allowance for the time, work and expenses of the Lender or of any agent of the Lender in connection therewith; and
- (b) All reasonable sums which the Lender may from time to time advance, expend, incur or suffer hereunder:
  - (i) for insurance premiums, Bills, Taxes, rates, or in or toward payment of prior liens, charges, encumbrances or claims charged or to be charged against the Charged Premises;
  - (ii) in maintaining, repairing, restoring or completing construction of the Charged Premise;
  - (iii) in inspecting, leasing, managing or improving the Charged Premises as permitted hereunder, including the price or value of any goods of any sort or description supplied to be used on the Charged Premises as permitted hereunder; and
- (c) Without limiting the generality of any of the foregoing, the then current reasonable fee of the Lender and/or its solicitor for the following matters:
  - (i) executing any cessation or discharge of this Charge, notwithstanding that said cessation or discharge may have been prepared by the Borrower;
  - (ii) entering into an agreement to amend the interest rate or any other provision in the Charge;
  - (iii) handling any dishonored cheque;
  - (iv) preparing an amortization schedule showing the principal and interest components of payments due under this Charge;
  - (v) the cost of completing a Phase I & II Environmental Audit and such other environmental audits as the Lender may require in its discretion;
  - (vi) such other administrative matters as the Lender may perform with regards to the Charge or with regards to any collateral security, as permitted by the Commitment;
  - (vii) the fee charged by the Lender's insurance consultant to review the Borrower's policy of insurance for the subject lands including business interruption insurance if required by the Lender; and
  - (viii) the execution and delivery of any consents, postponements, acknowledgments or any other documents that may be required from the Lender, whether from the Borrower and/or any governmental authorities and/or public/private utilities.

16.2 If any action or proceeding be commenced (except an action to foreclose this Charge or to collect the money that is secured hereby) in which the Lender becomes a party or participant by reason of being the holder of this Charge or the indebtedness secured hereby, all sums paid by the Lender for the expense of so becoming a party or participating (including all reasonable and properly chargeable legal costs) shall, on written notice, be paid by the Borrower, together with interest thereon at the Applicable Rate from the dates of payment of such sums by the Lender, and shall be a lien and charge on the Charged Premises, prior to any right or title to, interest in, or claim upon the Charged Premises subordinate to the lien and charge of this Charge, and shall be deemed to be secured by this Charge, and that in any action or proceeding to foreclose this Charge, or to recover or collect the indebtedness secured hereby, provisions of law respecting the recovery of costs, disbursements and allowances shall prevail unaffected by this covenant.

#### **ARTICLE 17 - CONDEMNATION AWARDS**

- 17.1 The Borrower shall notify the Lender promptly upon it being aware of any and all awards or payments ("Condemnation Award(s)") including interest thereon, and the right to receive the same (save for any portion of any such Condemnation Award paid for remedial purposes and which is actually used for such purpose) which may be made with respect to the Charged Premises, or any part thereof, as a result of:
- (a) Any condemnation, eminent domain, compulsory acquisition, expropriation or like procedures ("Condemnation"), partial or complete, including any sidewalk or lane; or
  - (b) The imposition, and enforcement, of any restriction, regulation or condition to meet any building or development guideline for development or restriction of or by any municipality or other competent authority; or



- (c) Any other material injury to or decrease in the value of the Charged Premises by any lawful regulation or any governmental authority having jurisdiction;

(any matter referred to in (a), (b) or (c) above being hereinafter called an "Incident of Expropriation") to the extent of all amounts which may be secured by this Charge at the date of receipt of any such Condemnation Award by the Borrower. Notwithstanding the occurrence of any Incident of Expropriation, the Borrower shall continue to pay interest at the Applicable Rate on the Principal Sum. The Borrower does hereby change, assign, set over as transfer to the Lender, as security for the repayment of all Indebtedness.

- 17.2 Any Condemnation Award received by the Lender shall be held by the Lender as part of the security for the Loan subject to application as provided in this Article 17. Pending such application, such amounts received shall be held and invested by the Lender, acting reasonably. If at any time an Event of Default has occurred and is continuing, the Lender may, at its option, apply such amounts in reduction of the amounts owing hereunder.
- 17.3 Notwithstanding the provisions of Sections 17.1 and 17.2, in the event that any Incident of Expropriation shall occur which, in the reasonable opinion of the Lender, would materially and adversely affect the security of the Charge or any other Security after the application of any Condemnation Award pursuant to Section 17.1 hereof, the Lender may, at its option, declare such Incident of Expropriation to be an Event of Default and be entitled to exercise any and all rights and remedies available to it hereunder at law or in equity.

#### ARTICLE 18 - EVENTS OF DEFAULT

- 18.1 The whole of the Principal Sum together with interest thereon at the Applicable Rate, interest on overdue interest and any amounts payable pursuant to Article 6, and all other amounts secured hereby shall, at the option of the Lender, subject to Section 18.2 hereof, become due and payable and all powers conferred on the Lender herein and hereby shall become exercisable, in like manner to all intents and purposes as if the time herein mentioned for payment of such Principal monies had fully come and expired, if specifically provided for in this Charge, or if any of the following events shall occur (the occurrence of any such event together with the expiry of the applicable cure period, if any, and any other occurrence specifically provided for herein as an Event of Default being collectively referred to as an "Event of Default"):
  - (a) Upon default in payment of any regularly schedule instalment of interest beyond the date such payment is due and payable; or
  - (b) Upon default in payment of the Indebtedness due and owing on the Maturity Date; or
  - (c) Upon default in payment of any Indebtedness (other than an instalment of interest and upon maturity) due hereunder within five (5) Business Days after written notice thereof is provided by the Lender; or
  - (d) Save as otherwise provided for in subparagraphs (a), (b) and (c) hereof or otherwise specifically provided herein, upon any default in the performance of any covenant or obligation of the Borrower hereunder within fifteen (15) days after written notice thereof is provided by the Lender, provided that if such default is curable and the nature of such default is such that the exercise of reasonable diligence of more than fifteen (15) days is required to cure such default, and if such default in the Lender's reasonable discretion does not jeopardize or adversely effect the security interest of the Lender hereunder or adversely affect the Borrower or its ability to perform its obligations hereunder or under the Security or adversely affect the Charged Premises, the Lender will not, for a further sixty (60) days so long as no other Event of Default has occurred, enforce its remedies in respect of such default while and so long as during such time the Borrower is actively continuing to diligently and in good faith cure such default; or
  - (e) If at any time during the Term there is a breach of any representation or warranty contained herein or at any time during the Term if any representation or warranty contained herein is no longer true or accurate or becomes untrue or inaccurate for any reason and provided the same can be rectified, and the same is not rectified within thirty (30) days after written notice thereof is provided by the Lender; or
  - (f) Upon the assignment by the Borrower to any other party of the whole or a part of the rents, income or profits arising from the Charged Premises, without the written consent of the Lender; or
  - (g) The occurrence of an Event of Insolvency; or
  - (h) If without the prior written consent of the Lender, in its sole and absolute discretion:
    - (i) the Borrower transfers, sells, conveys, or otherwise disposes of all or any part of the Charged Premises, or any interest therein (other than by way of Leases), whether legal or beneficial or enters into any transaction or series of transactions where all or any part of the Charged Premises becomes the property of another person, whether through reorganization, amalgamation, merger, consolidation or otherwise, or if there is any change in the legal or beneficial interest, in whole or in part, of the Charged Premises; or
  - (i) If, without the prior written consent of the Lender, in its sole and absolute discretion:
    - (i) there is any change in the Borrower's corporate control or change in the Borrower's effective control existing as of the date of this Charge; or
    - (ii) the Borrower creates, permits or suffers to exist any mortgage, pledge, charge, loan, assignment, hypothecation, security interest or other encumbrance attaching the Charged Premises other than this Charge, the Security and the Permitted Encumbrances; or
  - (j) Upon default by or non-compliance of the Borrower or any Guarantor(s), or any others bound by or acknowledging to be bound by the terms of this Charge, with respect to any of the provisions of the Security or the Permitted Encumbrances; or



- (k) If the Charged Premises are abandoned; or
- (l) Failure by the Borrower to fulfil, complete or comply with any undertakings delivered by the Borrower to Lender in connection with the Loan in accordance with the terms of such undertakings; or
- (m) Upon any breach, default, non-observance occurring or being alleged, charged or claimed against the Borrower as lessor under any lease or as sublessor under any sublease of the Charged Premises and the Borrower is not diligently proceeding to rectify any such breach, default, non-observance or non-performance or defend any allegations, charges or claims of the same; or
- (n) If this Charge, or any of the Security, shall fail to constitute a legal, valid, binding and enforceable first charge, first assignment or first security interest, each enforceable in accordance with its terms, subject only to Permitted Encumbrances; or
- (o) If in the reasonable opinion of the Lender there occurs an event which has a material adverse effect on the financial condition or operation of the Borrower, the Charged Premises, this Charge, the Security or the ability of the Borrower to pay the Indebtedness or to perform its obligations hereunder or under the Security and which cannot be rectified by the Borrower within a reasonable period of time.

18.2 Save as otherwise specifically provided, an Event of Default hereunder or under any Security shall not have occurred or be deemed to have occurred until the expiration of any applicable notice period, if any, called for in this Charge or in such Security within which the Borrower may remedy such default. In any event, if in the opinion of the Lender, an event has occurred which with the passing of time, the giving of notice or otherwise would constitute an Event of Default and as a result of which the Charged Premises or the property assets and undertaking subject to the Security is materially at risk, the Lender may take such action or exercise such remedies as may be appropriate without notice to the Borrower or the expiry of any cure period.

#### ARTICLE 19 - REMEDIES

19.1 If an Event of Default has occurred hereunder and is continuing (or if the Lender exercises its rights pursuant to Section 18.2 hereof before the occurrence of an Event of Default), then at any time thereafter, but subject always to the waiver thereof by the Lender, the Lender may:

- (a) Declare the Indebtedness to be immediately due and payable and proceed to exercise any and all rights hereunder or under the Security or any other rights available to it under any other document or instrument or at law or in equity including without limitation, the drawdown of any letter of credit held by the Lender;
- (b) Commence legal action to enforce payment of the Indebtedness or performance of the obligations by the Borrower to the Lender;
- (c) At the expense of the Borrower, when and to such extent as the Lender deems advisable, observe and perform or cause to be observed and performed any covenant, agreement, proviso or stipulation contained herein or in the Security, and the reasonable cost thereof with interest thereon at the Applicable Rate until paid, shall immediately become due from the Borrower to the Lender after demand by the Lender upon the Borrower therefor;
- (d) Pay or discharge any mortgage, encumbrance, lien, adverse claim or charge that may exist or be threatened against the Charged Premises; in any such case, the amounts so paid together with costs, charges and expenses incurred in connection therewith shall be added to the Principal outstanding and shall bear interest at the Applicable Rate;
- (e) Send or employ any inspector or agent to inspect and report upon the value, state and condition of the Charged Premises and may employ a lawyer to examine and report upon the title to the same;
- (f) Immediately take possession of all of the Charged Premises or any part or parts thereof by action or otherwise, with power, among other things, to exclude the Borrower, to enforce the Borrower's rights, to preserve and maintain the Charged Premises, to repair, alter or extend the Charged Premises, to lease the Charged Premises, to complete construction and development of the Charged Premises, to operate and manage the Charged Premises and to collect or receive rents, income and profits of all kinds (including taking proceedings in the name of the Borrower for that purpose) and pay therefrom all reasonable expenses and charges of maintaining, preserving, protecting and operating the Charged Premises (payment of which may be necessary to preserve or protect the Charged Premises), and to enjoy and exercise all powers necessary to the performance of all functions made necessary or advisable by possession, including without limitation, power to advance its own moneys and enter into contracts and undertake obligations for the foregoing purposes upon the security hereof, and all sums advanced or expended shall be added to the Principal outstanding and shall bear interest at the Applicable Rate;
- (g) On default of payment for at least fifteen (15) days may, on at least thirty-five (35) days' notice, sell and dispose in the Charged Premises with or without entering into possession of the same and with notice to such persons and in such manner and form and within such terms as provided under Part III of the *Mortgages Act* (Ontario), as amended; and all remedies available may be resorted to and all rights, powers and privileges granted or conferred upon the Lender under and by virtue of any statute or by this Charge may be exercised and no want of notice or publication or any other defect, impropriety or irregularity shall invalidate any sale made or purporting to be made in the Charged Premises; and the Lender may sell, transfer and convey any part of the Charged Premises on such terms, including on credit for all or part of the consideration, (provided the Borrower shall not be accountable for any default in respect of the credit), secured by contract or agreement for sale, or charge, or otherwise, as shall appear to the Lender most advantageous and for such prices as can reasonably be obtained therefor in the circumstances; and in the event of sale on credit or part cash and part credit, whether by way of contract for sale or by conveyance or transfer, charge, or otherwise, the Lender is not to be accountable for or charged with any monies until the same shall be actually received in cash or received by a take-back charge; and sales may be made from time to time of parts of the Charged Premises to satisfy interest and leaving the Principal or part thereof to run with interest at the Applicable Rate; and the Lender may make any stipulations as to title or evidences or commencement of title or otherwise as the Lender shall deem proper and may buy or rescind or vary any contract for sale; and on any sale or resale, the Lender shall not be answerable for loss

occasioned thereby; and for any of such purposes the Lender may make and execute all arrangements and assurances that the Lender shall deem advisable or necessary;

- (h) With respect to the Leases:
  - (i) to demand, collect and receive the Rents or any part thereof and to give acquittances therefor, and to take from time to time, in the name of the Borrower, any proceeding which may be, in the opinion of the Lender or its counsel, expedient for the purpose of collecting the Rents or for securing the payment thereof or for enforcing any of the Borrower's rights under the Leases;
  - (ii) to compound, compromise or submit to arbitration any dispute which has arisen or may arise in respect to any amount of Rent and any settlement arrived at shall be binding upon the Borrower;
  - (iii) to enter upon the Lands by its officers, agents or employees for the purpose of collecting the Rents; (iv) to receive, enjoy or otherwise avail itself of the Lease Rights; and
  - (v) on behalf of the Borrower to alter, modify, amend or change the terms of Leases; to terminate Leases, to enter into new Leases; to give consents, concessions or waivers of any rights or provisions of Leases; to accept surrenders of Leases; to give consents to assignment of or subletting under Leases;
- (i) With or without taking possession of all or any part of the Charged Premises, sell, lease or otherwise dispose of the whole or any part of the Charged Premises, as agent for the Borrower and not the Lender, and in exercising the foregoing power, the Lender may, in its absolute discretion:
  - (i) sell, lease or otherwise dispose of the whole or any part of the Charged Premises by public auction, public tender with notice, or by private contract (in the name of or on behalf of the Borrower) or otherwise, with such notice, advertisement or other formality as is required by law;
  - (ii) make and deliver to the purchaser good and sufficient deeds, assurances and conveyances of the Charged Premises and give receipts for the purchase money, and any such sale once effected shall be a perpetual bar, both at law and in equity, to the Borrower and all those claiming an interest in the Charged Premises by, from, through or under the Borrower making any claim against the purchaser of the Charged Premises;
  - (iii) grant, rescind, vary or complete any contract for sale, lease or options to purchase or lease, or rights of first refusal to purchase or lease the whole or any part of the Charged Premises, for cash or for credit, with or without security being given therefor, and on terms as shall appear to be most advantageous to the Lender (including a term that a commission be payable to the Lender or a related corporation in respect thereof) and if a sale is on credit, the Lender shall not be accountable for any moneys until actually received;
  - (iv) make any stipulation as to title or conveyance or commencement of title;
  - (v) re-sell or re-lease the Charged Premises or any part thereof without being answerable for any loss occasioned thereby; and
  - (vi) make any arrangements or compromises which the Lender shall think expedient in the interest of the Lender and to assent to any modification of this Charge, and to exchange any part or parts of the Charged Premises for any other property suitable for the purposes of the Lender on such terms as the Lender considers expedient, either with or without payment of money for equality or exchange or otherwise;
- (j) Take proceedings in any court of competent jurisdiction for sale or foreclosure of all or any part of the Charged Premises;
- (k) To borrow or raise money on the security of the Charged Premises or any part thereof in priority to this Charge or otherwise, for the purpose of the maintenance, preservation or protection of the Charged Premises or any part thereof or for carrying on all or any part of the business of the Borrower relating to the Charged Premises;
- (l) Take proceedings in any court of competent jurisdiction for the appointment of a receiver (which term as used in this Charge includes a manager and a receiver and manager, and hereafter, the "Receiver") of all or any part of the Charged Premises;
- (m) By instrument in writing appoint, with or without taking possession, any person to be a Receiver of the Charged Premises or of any part thereof and may remove any Receiver so appointed and appoint another in his stead, with all fees and costs related thereto being the Borrower's obligations; and the following shall apply in respect of any such Receiver so appointed:
  - (i) the Lender may from time to time fix the remuneration of the Receiver who shall be entitled to deduct that same out of the revenue from the Charged Premises or the proceeds thereof;
  - (ii) the Receiver shall, to the fullest extent permitted by law, be deemed the agent or attorney of the Borrower for all purposes and the Lender shall not be in any way responsible for any actions other than as caused by gross negligence, willful misconduct or fraud, of any Receiver, and the Borrower hereby agrees to indemnify and save harmless the Lender from and against any and all claims, demands, actions, costs, damages, expenses or payments which the Lender may hereafter suffer, incur or be required to pay as a result, in whole or in part, of any action taken by the Receiver or any failure of the Receiver to do any act or thing other than as are caused by gross negligence, willful misconduct or fraud;
  - (iii) the appointment of the Receiver by the Lender shall not incur or create any liability on the part of the Lender to the Receiver in any respect and such appointment or anything which may be done by the Receiver or the removal of the Receiver or the termination of any such Receivership shall not have the effect of constituting

the Lender a mortgagee in possession in respect of the Lands or any part thereof;

- (iv) the Receiver may exercise or pursue any other remedy or proceeding which the Lender is entitled as the holder of the Charge authorized or permitted hereby or by law or in equity in order to enforce the security constituted by this Charge;
- (v) and for the purposes above, the Borrower hereby irrevocably empowers the Receiver so appointed as its attorney to execute deeds, transfers, leases, contracts, agreements or other documents on its behalf and in its place (and the same shall bind the Borrower and have the same effect as if such deeds were executed by the Borrower) and to affix the Borrower's seal, if necessary, or a duplicate thereof to any of the same. On its own account or through a Receiver and whether alone or in conjunction with the exercise of all or any other remedies contemplated hereby, shall have the right, at any time, to notify and direct any account debtor to make all payments whatsoever to the Lender and the Lender shall have the right, at any time, to hold all amounts received from any account debtor and any proceeds as part of the Secured Property; any payments received by the Borrower from and after the security hereby constituted becomes enforceable, shall be held by the Borrower in trust for the Lender in the same medium in which received, shall not be commingled with any assets of the Borrower and shall, at the request of the Lender, be turned over to the Lender not later than the next Business Day following the day of their receipt; and
- (vi) save as to claims for accounting under paragraph (o) below, the Borrower hereby releases and discharges the Lender and the Receiver from every claim of every nature, whether resulting in damages or not, which may arise or be caused to the Borrower by reason or as a result of anything done by the Lender or any successor or assign claiming through or under the Lender or the Receiver under the provisions of this paragraph unless such claim be the direct result of dishonesty or gross neglect;
- (n) The Lender may at any time and from time to time terminate any receivership by notice in writing to the Borrower and to the Receiver;
- (o) The Receiver shall account for all monies received in respect of the Charged Premises or any part thereof, and shall pay, out of such monies received, subject to the further direction of the Lender in its discretion, the following in the order specified:
  - (i) the Receiver's remuneration;
  - (ii) all payments reasonably made or incurred by the Receiver in connection with its receivership;
  - (iii) all payments of interest, Principal and other money which may, from time to time, be or become charged upon the Charged Premises in priority to this Charge, and all Bills, Taxes, insurance premiums and every other proper expenditure reasonably made or incurred by the Receiver in respect to the Charged Premises or any part thereof; and
  - (iv) all payments to the Lender of all interest due or falling due hereunder and the balance to be applied upon Principal due and payable and secured hereby;

and thereafter any surplus remaining in the hands of the Receiver after payments made as aforesaid shall be accountable to the Borrower or other persons entitled thereto; and

- (p) On its own account or through a Receiver and whether alone or in conjunction with the exercise of all or any other remedies contemplated hereby, shall have the right, at any time, to notify and direct any account debtor to make all payments whatsoever to the Lender and the Lender shall have the right, at any time, to hold all amounts received from any account debtor and any proceeds thereof as security for the Indebtedness; any payments received by the Borrower from and after the security hereby constituted becomes enforceable, shall be held by the Borrower in trust for the Lender in the same medium in which received, shall not be commingled with any assets of the Borrower and shall, at the request of the Lender, be turned over to the Lender not later than the next Business Day following the day of their receipt.

## **ARTICLE 20 - DEFAULT UNDER SECURITY, PARAMOUNTCY DISCHARGE AND RENEWAL**

- 20.1 Payments of principal and interest made under and pursuant to the terms of the Security shall constitute payment hereunder and vice versa and default in the payment of principal and interest under the Security shall constitute default hereunder and vice versa. Default in compliance with any of the conditions, covenants, undertakings, provisions and stipulations contained in the Security shall entitle the Lender to exercise all or any of the rights or remedies provided herein and the occurrence of an Event of Default hereunder or in compliance with any of the conditions, covenants, undertakings, provisions and stipulations contained herein shall entitle the Lender to exercise all or any of the rights or remedies provided in the Security. The occurrence of an Event of Default hereunder shall constitute an Event of Default under the Security and vice versa.
- 20.2 The cancellation of or any other dealing with any Security (other than foreclosure thereof) shall not release or affect this Charge, and the taking of this Charge, or the cancellation of or any other dealing with, or proceeding under (other than foreclosure hereunder), this Charge, shall not release or affect any Security:
  - (a) The Lender may at any time and from time to time release any part or parts of the Charged Premises or any other Security or any surety for payment of all or any part of the monies hereby secured or may release the Borrower or any other person from any covenant or other liability to pay the Principal Sum and interest and all other monies secured hereby, or any part thereof, either with or without any consideration therefor, and without being accountable for the value thereof or for any monies except those actually received by the Lender, and without thereby releasing any other part of the Charged Premises, or any other Security or covenants herein contained, it being especially agreed that notwithstanding any such release, the Charged Premises, the Security and the covenants remaining unreleased shall stand charged with the whole of the monies hereby secured;

- (b) In the event that the monies advanced hereunder are applied to payment of any charge or encumbrance, the Lender shall be subrogated to all the rights of and stand in the position of and be entitled to all the equities of the party or parties so paid whether such charge or encumbrance has or has not been discharged; and the decision of the Lender as to the validity or amount of any advance or disbursement made under this Charge or of any claims so paid, shall be final and binding on the Borrower; and
- (c) The Lender shall not be charged with any monies receivable or collectible out of the Charged Premises or otherwise, except those actually received by or on behalf of the Lender and all revenue of the Charged Premises received or collected by the Lender from any source other than payment by the Borrower may, at the option of the Lender, be retained in a separate account to be used in, maintaining, insuring or improving the Charged Premises to the extent required for such purpose, in the opinion of the Lender, acting reasonably, or in payment of Taxes or other liens, charges or encumbrances against the Charged Premises, or applied in reduction of the amounts owing hereunder.
- 20.3 Subject to Section 6.1 hereof, upon payment of all amounts secured by this Charge, the Borrower shall be entitled to receive and the Lender shall provide a discharge of this Charge and the Security within a reasonable period of time after the request therefor. The Lender shall have a reasonable time after such payment within which to prepare and execute such discharge and all reasonable legal and other expenses for the preparation, execution and registration of such discharge and/or documents, as the case may be, shall be borne by the Borrower.
- 20.4 All payments made pursuant to Section 20.3 shall be made to and received by the Lender prior to 1:00 p.m. on the date due or the next succeeding Business Day in the event the date due is not a Business Day; provided such extension of time shall be included for the purposes of computation of interest.

#### **ARTICLE 21 - NO MERGER OR WAIVER OF LENDER'S RIGHTS**

- 21.1 It is further understood and agreed that this Charge and the Security shall stand as a continuing security for repayment of the Loan, including, all advances made thereunder together with all interest, damages, costs, charges and expenses which may become due and payable to the Lender in respect of or in connection with the Loan or any portion thereof, notwithstanding any fluctuation or change in the amount, nature or form of the Loan or in the obligations now or hereafter representing the Loan or any portion thereof or in the names of the obligors or any of them.
- 21.2 The rights of the Lender arising under this Charge shall be separate, distinct and cumulative and, except as expressly provided herein, none of them shall be in exclusion of the other and no act of the Lender shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision, anything herein or otherwise to the contrary notwithstanding.
- 21.3 The giving and taking of this Charge shall in no way merge, waive, prejudice, suspend or affect any of the rights or remedies of the Lender under any Security which may be given or which may have been or may hereafter be given in respect of the Principal Sum hereof, interest and other monies secured by this Charge, or any part thereof, or under the Security and all rights and remedies which the Lender now has or may hereafter have against any one or more persons, are hereby preserved.
- 21.4 The taking of a judgment or judgments under any of the covenants or obligations herein or under any Security shall not operate as a merger of the covenants of the Borrower or affect the Lender's right to interest at the Applicable Rate on any monies due or owing to the Lender during the continuance of this Charge, under any of the covenants herein contained or on any judgment to be recovered thereon.
- 21.5 The covenant of the Borrower to pay interest shall not merge in any judgment in respect of any covenant or obligation of the Borrower under this Charge or any Security and such judgment shall bear interest at the Applicable Rate until such judgment and all interest thereon have been paid in full.
- 21.6 Any waiver by the Lender of any default by the Borrower or any omission on the Lender's part in respect of any default by the Borrower shall not extend to or be taken in any manner whatsoever to affect any subsequent default by the Borrower or the rights resulting therefrom.
- 21.7 No extension of time given by the Lender to the Borrower or anyone claiming under the Borrower, shall in any way affect or prejudice the rights of the Lender against the Borrower or any person liable for payment of the monies hereby secured.

#### **ARTICLE 22 - FINANCIAL DATA**

- 22.1 The Borrower shall provide or cause to be provided promptly to the Lender full and complete information about the financial condition and operations of the Charged Premises, including a comprehensive rent roll of all space in the Charged Premises, about the financial condition of the Borrower and any Guarantor(s) and such other information which the Lender may reasonably require from time to time, and the Lender shall have the right to examine the books and records of the Borrower relating to the Charged Premises at reasonable times and upon reasonable prior notice.
- 22.2 Without limiting the foregoing, the Borrower covenants and agrees to provide or cause to be provided to the Lender audited financial statements together with operating statements pertaining to the Charged Premises and such other financial information the Lender may reasonably require, (a) in the case of audited financial statements, within ninety (90) days of the end of each fiscal year of the Borrower (or such other time as may reasonably be required by the Lender), and (b) with respect to operating statements for the Charged Premises, within thirty (30) days of the end of each quarter of each calendar year. The audited financial statements are to be prepared by a nationally recognized firm of chartered accountants and shall include a balance sheet, and a detailed statement of income and expenditures and supporting notes and schedules. The operating statements shall contain a certificate by a senior officer of the Borrower as to the contents and preparation thereof, and shall include detailed statements of income, expenditures results of operation and such other matters relating to the operation of the Charged Premises as the Lender may reasonably require. In the event applicable, the Borrower shall provide the Lender with copies of all proxy statements, reports and information circulars that the Borrower makes available to its shareholders and copies of all regular and periodic reports which the Borrower may file with any securities commission or any other Governmental Authority.
- 22.3 The Borrower shall provide or cause to be provided to the Lender, or as the Lender may direct, a comprehensive list of all

current tenants and rentals of space in the Charged Premises during the Term, which list shall disclose, without limitation, the name of each tenant, the duration of its term, renewal options, if any, and the term thereof, the rental being paid, the last date on which rental was paid and whether such tenancy is in good standing. Such list shall contain an endorsement by an officer of the Borrower as to being complete and accurate.

- 22.4 All statements, reports and other documents required to be provided hereunder shall be prepared in a manner acceptable to the Lender, in its reasonable discretion.

#### ARTICLE 23 - NOTICE

- 23.1 Unless otherwise provided herein, any demand, notice or communication given or required to be given to a party hereunder shall be in writing and shall be personally delivered or given by transmittal by telecopy or facsimile transmission addressed to the respective parties at its address or telecopy or facsimile number set forth below or to such other address or telecopy or facsimile number as such party may designate by notice in writing to the other party hereto:

- (a) If to the Borrower, at the address for service set out in the electronic Charge to which this schedule is attached; and
- (b) If to the Lender, at the address for service set out in the electronic Charge to which this schedule is attached.

Any demand, notice or communication made by or given by personal delivery shall be conclusively deemed to have been made or given on the day of actual delivery thereof, and, if made or given by telecopy or by facsimile, on the first day other than a Saturday, Sunday or a statutory holiday in Ontario, on which Schedule I banks are open for commercial business in Toronto, Ontario, following the transmittal thereof.

#### ARTICLE 24 - GENERAL

- 24.1 If any provision of this Charge or the application thereof to any circumstances shall be held to be invalid or unenforceable, it shall be deemed severed herefrom and the remaining provisions of this Charge, or the application thereof to other circumstances, shall not be affected thereby and shall be held valid and enforceable to the full extent permitted by law. In particular, and without limiting the generality of the foregoing, to the extent any and all amounts due pursuant to Article 6 hereof may be deemed to be in excess of what is permissible by law, any such excess shall be deemed not to be due under this Charge.
- 24.2 Wherever used in this Charge, unless the context clearly indicates a contrary intent as unless or otherwise specifically provided herein, the word "Borrower" shall mean "Borrower and/or subsequent owner or owners of the Charged Premises", the word "Lender" shall mean "Lender or any subsequent holder or holders of this Charge".
- 24.3 The descriptive headings of the several subparagraphs or paragraphs or sections or articles of this Charge are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.
- 24.4 Wherever the singular number or masculine gender is used in this Charge, the same shall be construed as including the plural and feminine or a body corporate, respectively, and vice versa, where the fact or context so requires; and the successors and assigns of any party executing this Charge are bound by the covenants, agreements stipulations and provisos herein contained. The covenants, agreements stipulations and provisos herein stated shall, except as otherwise limited hereby, be in addition to those granted or implied by statutory law.
- 24.5 This Charge shall be construed and enforceable under and in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein, and the Borrower hereby irrevocably attorns to the non-exclusive jurisdiction of the courts sitting at Toronto, Ontario.
- 24.6 The Borrower shall at all times, do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered all such further acts, deeds, transfers, assignments, security agreements and assurances as the Lender may reasonably require in order to give effect to the provisions hereof and for the better granting, transferring, assigning, charging, setting over, assuring, confirming or perfecting the Charge and the priority accorded to them by law or under this Charge.
- 24.7 If any of the forms of words contained herein are also contained in Column 1 of Schedule "B" of the Short Forms of Mortgages Act (Ontario) and distinguished by a number therein, this Charge shall be deemed to include and shall have the same effect as if it contained the form of words in Column 2 of Schedule "B" of the said Act distinguished by the same number, and this Charge shall be interpreted as if the *Short Forms of Mortgages Act* (Ontario) were still in full force and effect. The implied covenants deemed to be included in a charge under Subsection 7(1) of the *Land Registration Reform Act* (Ontario) shall be and are hereby expressly excluded from the terms of this Charge.
- 24.8 This Charge shall, whether or not it secures a current or running account, be a general and continuing security to the Lender for payment of the indebtedness in an amount not exceeding the amount secured by this Charge and performance of the Borrower's other obligations under the Charge notwithstanding any fluctuation or change in the amount, nature or form of the indebtedness or in the accounts relating thereto or in the bills of exchange, promissory notes and/or other obligations now or later held by the Lender representing all or any part of the indebtedness outstanding at any particular time; and the Charge will not be deemed to have been redeemed or become void as a result of any such event or circumstance.
- 24.9 This Charge is given as collateral security to the Commitment.
- 24.10 In the event of conflict between the Commitment and the terms of this Charge, the provisions of the Commitment shall prevail; provided that any provision herein contained that is not contained in the Commitment and vice versa shall not in and of itself be considered to be inconsistent or in conflict.

#### ARTICLE 25 – CONDOMINIUM PROVISIONS

- 25.1 The Borrower covenants and agrees that in the event that the security for the within Charge shall be or shall become a condominium unit(s) the following provisions shall apply.

- (i) the Borrower does hereby assign to the Lender all of its rights to vote or consent in the affairs of the Condominium Corporation having jurisdiction over the subject lands and the Lender, may at its option, exercise the right of an owner of a condominium unit to vote or consent in the affairs of the Condominium Corporation in the place and stead of such owner, without in any way consulting the owner as to the manner in which the vote shall be exercised or not exercised, and without incurring any liability to the owner or anyone else because of the manner in which such vote or right to consent in the affairs of the Condominium Corporation was exercised.
- (ii) the Borrower shall pay promptly, when due, any common expenses, assessments, instalments or payments due to the Condominium Corporation.
- (iii) the Borrower shall observe and perform the covenants and provisions required to be observed and performed under or pursuant to the provisions of the *Condominium Act* (Ontario), all amendments thereto, and any legislation passed in substitution thereof, and the declaration and by-laws of the Condominium Corporation and any amendments thereto.
- (iv) Where the Borrower defaults in the Borrower's obligation to contribute to the common expenses assessed or levied by the Condominium Corporation, or any authorized agent on its behalf, or any assessment, instalment of payment due to the Condominium Corporation, upon breach of any of the foregoing covenants or provisions in this paragraph contained, regardless of any other action or proceeding taken, or to be taken by the Condominium Corporation, the Lender, at its option and without notice to the Borrower, may deem such default to be a default under the terms of this Charge and proceed to exercise its rights therein and the Lender shall be entitled at its option to pay all common expense amounts as they come due and these amounts so paid together with legal fees shall form part of the Indebtedness.

#### ARTICLE 26 – CONSTRUCTION LOAN PROVISIONS

In the event that any of the monies advanced or to be advanced under this Charge are intended to finance any improvement to the Charged Premises, the parties hereto covenant and agree that the following conditions shall apply:

- 26.1 All construction on the Charged Premises shall be carried out by reputable contractors having experience which is commensurate to nature and size of the project to be constructed, which contractors must be prior approved by the Lender in writing, such approval not to be unreasonably withheld.
- 26.2 The construction of the building and structures located on the Charged Premises have been commenced and shall be continued in a good and workmanlike manner, with all due diligence and in accordance with the plans and specifications delivered to the Lender and to the satisfaction of all governmental and regulatory authorities having jurisdiction.
- 26.3 Provided that should construction of the project on the Charged Premises cease for any reason whatsoever (strikes, material shortages and weather conditions beyond the control of the Borrower excepted), for a period of ten (10) consecutive days (Saturdays, Sundays and Statutory holidays excepted), then, at the option of the Lender, this Charge shall immediately become due and payable. In the event that construction does cease, then the Lender shall have the right, at its sole option, to assume complete control of the construction of the said project in such manner and on such terms as it deems advisable. The cost of completion of the said project by the Lender and all expenses incidental thereto shall be added to the principal amount of this Charge, together with a management fee of fifteen percent (15%) of the costs of the construction completed by the Lender. All costs and expenses, as well as the management fee of fifteen percent (15%) added to the principal amount of this Charge shall bear interest at the rate as herein provided for and shall form part of the principal sum herein and the Lender shall have the same rights and remedies to collection of principal and interest hereunder or at law.
- 26.4 At all times there shall be sufficient funds unadvanced under this Charge and retained by the Lender to complete the construction and/or renovation of the project on the Charged Premises and as may be necessary to retain the Lender's priority with respect to any deficiency in the holdbacks required to be retained by the Borrower under the *Construction Lien Act* (Ontario).
- 26.5 This Charge will be advanced in stages as construction upon the Charged Premises proceeds or as the conditions as enumerated by the Commitment are complied with.
- 26.6 All advances which are made from time to time hereunder shall be based on certificates of a duly qualified architect, engineer, quantity surveyor, cost consultant or other consultant(s) retained for the purpose of reviewing and advising the Lender with respect to the said project and the progress thereof, whose fees and costs shall be for the account of the Borrower regardless of by whom such person has been retained. All such certificates shall without limitation certify the value of the work completed and the estimated costs of any uncompleted work and such certificates shall further certify that such completed construction and/or renovation to the date of such certificate shall be in accordance with the approved plans and specifications for the said construction and further, in accordance with the building permits issued for such construction and in accordance with all municipal and other governmental requirements of all authorities having jurisdiction pertaining to such construction and that there shall be no outstanding work orders or other requirements pertaining to construction on the Charged Premises. Such certificates with respect to any values shall not include materials on the site which are not incorporated into the building.
- 26.7 The Borrower shall pay to the Lender on each occasion when an inspection of the Charged Premises is required to confirm construction costs to date and compliance with conditions for further advances, an inspection fee in such reasonable amount as the Lender may charge from time to time for each such inspection and the Lender's solicitors shall be paid their reasonable fees and disbursements for each sub-search and work done prior to each such advance and all such monies shall be deemed to be secured hereunder and the Lender shall be entitled to all rights and remedies with respect to collection of same in the same manner as it would have with respect to collection of principal and interest hereunder or at law.
- 26.8 The Borrower agrees to indemnify and hold the Lender harmless from any and all claims, demands, sums of money, debts, covenants, bonds, accounts, actions, causes of action, rights, obligations and liability of every kind whatsoever which arise out of claims against the property under the *Construction Lien Act* (Ontario) and that any liens for work and/or supplies that are registered against the Borrower's interest in the property will be promptly discharged within seven (7) days from the date of registration of the lien. The Lender may, but is not required to, deal with the lien claimant and pay the lien claim into court pursuant to the provision of the *Construction Lien Act* (Ontario) for the purpose of vacating the lien from title to the property.

The Borrower agrees to be liable for all costs, claims, amounts and fees including, without limitation, all legal fees (on a solicitor and his client basis) incurred by the Lender arising from or in connection with the Borrower or the Lender obtaining and registering either a release of the lien or an order vacating the lien.

**ARTICLE 27 - ASSIGNMENT AND SALE**

- 27.1 The Loan and all other amounts secured hereby, this Charge, the Security and all documents ancillary or collateral thereto may, in the Lender’s sole discretion and without the consent of the Borrower, in whole or in part, be participated, sold, securitized, syndicated or assigned by the Lender from time to time to one or more Persons.
- 27.2 The Lender may disclose to participants, transferees or assignees or to potential participants, transferees or assignees or others in connection with any sale, assignment, participation, securitization, transfer or syndication, such information concerning the Borrower or the Charged Premises as the Lender may consider to be appropriate in connection therewith.
- 27.3 No grant, assignment or transfer pursuant to this Article 27 shall constitute a repayment by the Borrower to the Lender of the Loan or any other amounts owing hereunder and included in such assignment or transfer and the Borrower acknowledges that all obligations under this Charge and the Security with respect to such assignment or transfer will continue and not constitute new obligations.
- 27.4 The Borrower agrees to be bound by and do all things necessary or appropriate to assist and give effect to any transfer, participation, securitization, sale, syndication or assignment, but shall incur no increased liabilities as a result thereof.

**TAB P**



This is **Exhibit “P”** referred to  
in the Affidavit of Donald Ierfino  
sworn before me, the 19th day of April, 2024.



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A Commissioner etc.

Sara Mosadeq  
LSO No.: 67864K

## GENERAL SECURITY AGREEMENT

TO: SCHNEIDER RUGGIERO SPENCER MILBURN LLP

AND TO: FREDY ROSSI, 2438747 ONTARIO LIMITED, 2205633 ONTARIO LIMITED, 1620375 ONTARIO LIMITED, 1288601 ONTARIO LIMITED, AMSTEL MANUFACTURING (1993) INC., BRUCE MCKINLAY, SALISI INVESTMENTS LTD., M ANTONINI HOLDINGS INC., AND GABRIELE PIZZARDI

RE: Fredy Rossi, 2438747 Ontario Limited, 2205633 Ontario Limited, 1620375 Ontario Limited, 1288601 Ontario Limited, Amstel Manufacturing (1993) Inc., Bruce McKinlay, Salisi Investments Ltd., M Antonini Holdings Inc., and Gabriele Pizzardi (the "**Lender**") loan/ mortgage to 1000193772 Ontario Ltd. and 1000195736 Ontario Ltd. (collectively the "**Borrower**") as guaranteed by Christopher A. Morgis (the "**Guarantor**") pursuant to a commitment letter dated 6 April 2022 as it may be amended from time to time (the "**Commitment**") on the primary security of a first charge/ mortgage against those lands and premises municipally known as 366-368 Eglinton Avenue West, Toronto, Ontario (the "**Real Property**")

FILE NO.: 44072

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### SECURITY INTEREST

- (a) For value received, the undersigned hereby grants to the Lender a security interest (the "**Security Interest**") in the undertaking of the Debtor, and in all of the Debtor's present and after acquired personal property including, without limitation, in all Goods (including all parts, accessories, attachments, special tools, additions and accessions thereto), Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles, Money and Securities now owned or hereafter owned or acquired by or on behalf of the Debtor (including such as may be returned to or repossessed by the Debtor) and in all proceeds and renewals thereof, accretions thereto and substitutions therefore and relating to the Real Property (hereinafter collectively called "**Collateral**"), and including, without limitation, all of the following, now owned or hereafter owned or acquired by or on behalf of the Debtor:
- (i) all inventory of whatever kind and wherever situate;
  - (ii) all equipment (other than inventory) of whatever kind and wherever situate, including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures and vehicles of whatsoever nature or kind;
  - (iii) all Accounts and book debts and generally all debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including letters of credit and advices of credit, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by the Debtor (the "**Debts**");
  - (iv) all deeds, documents, writings, papers, books of account and other books relating to or being records of the Debts, Chattel Paper or Documents of Title by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
  - (v) all contractual rights and insurance claims;
  - (vi) all patents, industrial designs, trade-marks, trade secrets and know-how, including without limitation environmental technology and biotechnology, confidential information, trade-names, goodwill, copyrights, personality rights, plant breeders' rights, integrated circuit topographies, software and all other forms of intellectual and industrial property, and any registrations and applications for registration of any of the foregoing (collectively, "**Intellectual Property**"); and
  - (vii) without in any way limiting the foregoing, all cash and reserve accounts of the Debtor.

- (b) The Security Interest granted hereby shall not extend or apply to, and Collateral shall not include the last day of the term of any lease or agreement therefor, but upon the enforcement of the Security Interest, the Debtor shall stand possessed of such last day in trust to assign the same to any person acquiring such term.
- (c) The terms "Goods", "Chattel Paper", "Document of Title", "Instrument", "Intangible", "Security", "proceed", "Inventory", "accession", "Money", "Account", "financing statement" and "financing change statement" whenever used herein shall be interpreted pursuant to their respective meanings when used in the Personal Property Security Act of the Province of Ontario, as amended from time to time, which Act, including amendments thereto and any Act substituted therefor and amendments thereto is herein referred to as the "P.P.S.A.". Provided always that the term "Goods" when used herein shall not include "consumer goods" of the Debtor as that term is defined in the P.P.S.A., and the term "Inventory" when used herein shall include livestock and the young thereof after conception and crops that become such within one year of execution of this Security Agreement. Any reference herein to "Collateral" shall, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof".

## 2. INDEBTEDNESS SECURED

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

## 3. REPRESENTATIONS AND WARRANTIES OF DEBTOR

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

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

## 4. COVENANTS OF THE DEBTOR

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

- (a) to defend the Collateral against the claims and demands of all other parties claiming the same or an interest therein; to diligently initiate and prosecute legal action against all infringes of the Debtor's rights in Intellectual Property; to take all reasonable action to keep the Collateral free from all prior Encumbrances, except for the Security Interest, licences which are compulsory under federal or provincial legislation and those shown on Schedule A, and not to sell, exchange, transfer, assign, lease license or otherwise dispose of Collateral or any interest therein without the prior written consent of the Lender save and except in the normal course of business or as may be required by law or contract; provided always that, until default, Debtor may, in the ordinary course of the Debtor's business, sell or lease inventory and, subject to Clause 7 hereof, use Money available to the Debtor;
- (b) to notify the Lender promptly of:
  - (i) any change in the information contained herein or in the Schedules hereto relating to the Debtor, the Debtor's business or Collateral;
  - (ii) the details of any significant acquisition of Collateral;
  - (iii) the details of any claims or litigation affecting the Debtor or Collateral, (iv) any loss or damage to Collateral;
  - (iv) any default by any Account Debtor in payment or other performance of his /her obligations with respect to Collateral; and
  - (v) the return to or repossession by the Debtor of Collateral.
- (c) to keep Collateral in good order, condition and repair and not to use Collateral in violations of the provisions of this Security Agreement or any other agreement relating to Collateral or any policy insuring Collateral or any applicable statute, law, by-law, rule, regulation or ordinance; to keep all agreements, registrations and applications relating to Intellectual Property and intellectual property used by the Debtor in its business in good standing and to renew all agreements and registrations as may be necessary or desirable to protect Intellectual Property, unless otherwise agreed in writing by the Lender; to apply to register all existing and future copyrights, trademarks, patents, integrated circuit topographies and industrial designs whenever it is commercially reasonable to do so;
- (d) to do, execute, acknowledge and deliver such financing statements, financing change statements and further assignment, transfers, documents, acts, matters and things (including further schedules hereto) as may be reasonably requested by the Lender of or with respect to Collateral all in order to give effect to these presents and to pay all costs for searches and filings in connection therewith;
- (e) to pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of the Debtor or Collateral as and when the same become due and payable;
- (f) to insure Collateral for such periods, in such amounts, on such terms and against loss or damage by fire and such other risks as the Lender shall reasonably direct, with loss payable to the Lender and the Debtor, as insureds, as their respective interests may appear, and to pay all premiums therefor;
- (g) to prevent Collateral, save Inventory sold or leased as permitted hereby or intended to be affixed to real property, from being or becoming an accession to other property not covered by this Security Agreement;
- (h) to carry on and conduct the business of the Debtor in a proper and efficient manner, so as to protect and preserve Collateral and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for the Debtor's business as well as accurate and complete records concerning Collateral, and mark any and all such records and Collateral at the Lender's request so as to indicate the Security Interest;
- (i) to deliver to the Lender from time to time promptly upon request:
  - (i) any Documents of Title, Instruments, Securities and Chattel Paper constituting, representing or relating to Collateral;

- (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to Collateral for the purpose of inspecting, auditing or copying the same;
- (iii) all financial statements prepared by or for the Debtor regarding the Debtor's business;
- (iv) all policies and certificates of insurance relating to Collateral; and
- (v) such information concerning Collateral, the Debtor and the Debtor's business and affairs as the Lender may reasonably request.

#### 5. USE AND VERIFICATION OF COLLATERAL

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

#### 6. SECURITIES

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

#### 7. COLLECTION OF DEBTS

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

#### 8. INCOME FROM AND INTEREST ON COLLATERAL

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

#### 9. INCREASES, PROFITS, PAYMENTS OR DISTRIBUTIONS

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

such Collateral in exchange therefor and to hold any such payment or distribution as part of Collateral.

- (b) If the Debtor receives any such increase or profits (other than Money) or payments or distributions, the Debtor will deliver the same promptly to the Lender to be held by the Lender as herein provided.

#### 10. DISPOSITION OF MONEY

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

#### 11. EVENTS OF DEFAULT

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

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

#### 12. ACCELERATION

The Lender, in its sole discretion, may declare all or any part of Indebtedness which is not by its terms payable on demand to be immediately due and payable, without demand or notice of any kind, in the event of default, or if the Lender considers itself insecure or that the Collateral is in

jeopardy. The provisions of this clause are not intended in any way to affect any rights of the Lender with respect to any Indebtedness which may now or hereafter be payable on demand.

13. REMEDIES

- (a) Upon default, the Lender may appoint or re-appoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of the Lender or not, to be a receiver or receivers (hereinafter called a "Receiver", which term when used herein shall include a receiver and manager) of Collateral (including any interest, income or profits therefrom) and may remove any Receiver so appointed and appoint another in his/her stead. Any such Receiver shall, so far as concerns responsibility for his/her acts, be deemed the agent of Debtor and not the Lender, and the Lender shall not be in any way responsible for any misconduct, negligence or non-feasance on the part of any such Receiver, his/her servants, agents or employees. Subject to the provisions of the instrument appointing him/her, any such Receiver shall have power to take possession of Collateral to preserve Collateral or its value, to carry on or concur in carrying on all or any part of the business of the Debtor and to sell, lease, license or otherwise dispose of or concur in selling, leasing, licensing or otherwise disposing of Collateral. To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others, including the Debtor, enter upon, use and occupy all premises owned or occupied by the Debtor wherein Collateral may be 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 Lender, all Money received from time to time by such Receiver in carrying out his/her appointment shall be received in trust for and paid over to the Lender. Every such Receiver may, in the discretion of the Lender, be vested with all or any of the rights and powers of the Lender.
- (b) Upon default, the Lender may, either directly or through its agents or nominees, exercise any or all of the powers and rights given to a Receiver by virtue of the foregoing sub-clause (a).
- (c) The Lender may take possession of, collect, demand, sue on, enforce, recover and receive Collateral and give valid and binding receipts and discharges therefor and in respect thereof and, upon default, the Lender may sell, license, lease or otherwise dispose of Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as to the Lender may seem reasonable.
- (d) In addition to those rights granted herein and in any other agreement now or hereafter in effect between Debtor and the Lender, and in addition to any other rights the Lender may have at law or in equity, the Lender shall have, both before and after default, all rights and remedies of a secured party under the P.P.S.A. Provided always, that the Lender shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, lease, license or otherwise dispose of Collateral or to institute any proceedings for such purposes. Furthermore, the Lender shall have no obligation to take any steps to preserve rights against prior parties to any Instrument or Chattel Paper, whether Collateral or proceeds, and whether or not in the Lender's possession, and shall not be liable or accountable for failure to do so.
- (e) The Debtor acknowledges that the Lender or any Receiver appointed by it may take possession of Collateral wherever it may be located and by any method permitted by law, and Debtor agrees upon request from The Lender or any such Receiver to assemble and deliver possession of Collateral at such place or places as directed.
- (f) The Debtor agrees to be liable for and to pay all costs, charges and expenses reasonably incurred by the Lender or any Receiver appointed by it, whether directly or for services rendered (including reasonable solicitors and auditors costs and other legal expenses and Receiver remuneration), in operating Debtor's accounts, in preparing or enforcing this Security Agreement, taking and maintaining custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting indebtedness and all such costs, charges and expenses, together with any amounts owing as a result of any borrowing by The Lender or any Receiver

appointed by it, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of Collateral and shall be secured hereby.

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

#### 14. MISCELLANEOUS

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



are cumulative and may be exercised at any time and from time to time independently or in combination.

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

- (i) shall extend to "Collateral" (as that term is herein defined) owned by each of the amalgamating companies and the amalgamated company at the time of the amalgamation and to any "Collateral" thereafter owned or acquired by the amalgamated company, and
- (ii) shall secure the "Indebtedness" (as that term is herein defined) of each of the amalgamating companies and the amalgamated company to the Lender at the time of amalgamation and any "Indebtedness" of the amalgamated company to the Lender thereafter arising. The Security Interest shall attach to "Collateral" owned by each company amalgamating with the Debtor, and by the amalgamated company, at the time of the amalgamation, and shall attach to any "Collateral" thereafter owned or acquired by the amalgamated company when such becomes owned or is acquired.
- (q) This security agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the Province of Ontario, as the same may from time to time be in effect, including, where applicable, the P.P.S.A.

15. COPY OF AGREEMENT

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

DATED this 12 day of May 2022

1000193772 ONTARIO LTD.

Per: 

Name: Christopher Morgis

Title: President

I have the authority to bind the corporation

1000195736 ONTARIO LTD.

Per: 


Name: Christopher Morgis

Title: President

I have the authority to bind the corporation

Witness: 

GORDON H. HUNTER

  
Christopher A. Morgis as Guarantor

## SCHEDULE A

**SCHEDULE B**

1. Location of the Debtor's Business Operations:  
18 Doctors Lane, P.O. Box 760, King City, Ontario L7B 1A8  
366-368 Eglinton Avenue West, Toronto, Ontario
2. Location of Collateral:  
18 Doctors Lane, P.O. Box 760, King City, Ontario L7B 1A8  
366-368 Eglinton Avenue West, Toronto, Ontario
3. Location of Business Records relating to Collateral:  
18 Doctors Lane, P.O. Box 760, King City, Ontario L7B 1A8

**TAB Q**

This is **Exhibit “Q”** referred to  
in the Affidavit of Donald Ierfino  
sworn before me, the 19th day of April, 2024.



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A Commissioner etc.

Sara Mosadeq  
LSO No.: 67864K

Properties

PIN	21169 - 0182    LT
Description	<p>PCL 1-3-A SEC M256; PT LT 1 BLK A PL M256 TORONTO COMM AT A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED BY BY-LAW # 11494 OF THE CORPORATION OF THE CITY OF TORONTO AT THE INTERSECTION WITH THE ELY LIMIT OF THE SAID LT 1. THENCE WLY ALONG THE SAID NLY LIMIT OF EGLINTON AV 34 FT 6 1/2 INCHES MORE OR LESS TO THE INTERSECTION WITH THE PRODUCTION SLY OF THE CENTRE LINE OF THE PARTY WALL BTN THE BUILDINGS ERECTED ON THESE LANDS AND ON LAND LYING WLY AND ADJACENT THERETO. THENCE NLY ALONG THE SAID PRODUCTION TO AND ALONG THE SAID CENTRE LINE OF WALL AND ITS PRODUCTION NLY IN ALL 96 FT. THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV 34 FT 6 1/2 INCHES TO THE INTERSECTION WITH THE SAID ELY LIMIT OF LT 1. THENCE SLY ALONG THE SAID ELY LIMIT OF LT 1, 96 FT TO THE FRONT OF COMMENCEMENT; T/W A ROW OVER PARTS OF LOTS 1 AND 2 IN BLK A ON PL M256; COMM AT A POINT IN THE ELY LIMIT OF LT 1 DISTANT 96 FT MEASURED NLY THEREON FROM THE SAID NLY LIMIT OF EGLINTON AV AS WIDENED. THENCE WLY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV AS WIDENED 125 FT. THENCE NLY PARALLEL TO THE SAID ELY LIMIT OF LT 1, 12 FT. THENCE ELY PARALLEL TO THE NLY LIMIT OF EGLINTON AV 125 FT TO ITS INTERSECTION WITH THE SAID ELY LIMIT OF LT 1. THENCE SLY ALONG THE SAID ELY LIMIT OF LT 1, 12 FT TO THE POC. PROVIDED THAT THE PROJECTIONS INCLUDING THE PROJECTIONS OF THE SECOND STORY OF THE BUILDING SITUATE ON THE LANDS DESCRIBED IN PCL 3021 SEC K TORONTO EXISTING AT THIS DATE JULY 5, 1943 T/W THE FIRE ESCAPE ERECTED IN CONNECTION HERewith OVER THE SAID ROW OR ANY PT THEREOF SHALL BE DEEMED NOT TO BE AN ENCROACHMENT UPON THE SAID ROW; T/W A ROW OVER THAT PT OF LT 125 ON PL M512; COMM AT A POINT IN THE ELY LIMIT OF LT 125 DISTANT 96 FT MEASURED NLY THEREON FROM THE SE ANGLE OF SAID LT. THENCE WLY PARALLEL TO THE SLY LIMIT OF SAID LT 22 FT 4 INCHES MORE OR LESS TO A POINT 77 FT 8 INCHES MEASURED ELY FROM THE WLY LIMIT OF LT 124 ON SAID PL. THENCE NLY IN A STRAIGHT LINE 14 FT MORE OR LESS TO A POINT IN THE NLY LIMIT OF THE SAID LT 125 DISTANT 77 FT 8 INCHES MEASURED ELY THEREON FROM THE NW ANGLE OF LT 124. THENCE ELY ALONG THE NLY LIMIT OF LT 125, 22 FT 4 INCHES MORE OR LESS TO THE NE ANGLE THEREOF. THENCE SLY ALONG THE ELY LIMIT OF LT 125 A DISTANCE OF 14 FT MORE OR LESS TO THE POB; T/W A ROW OVER THE WLY 4 FT 6 INCHES OF LT 90 AND THE ELY 5 FT 6 INCHES OF LT 91 ON PL M512; T/W A ROW OVER PARTS OF LOTS 1 AND 2 ON PL M380; COMM AT A POINT IN THE WLY LIMIT OF LT 1 DISTANT 96 FT NLY THEREON FROM EGLINTON AV AS WIDENED BY BY-LAW # 11494. THENCE NLY ALONG THE SAID WLY LIMIT OF LT 1, 18 FT MORE OR LESS TO THE N WLY ANGLE THEREOF. THENCE ELY ALONG THE NLY LIMIT OF LT 1, 48 FT 5 1/4 INCHES MORE OR LESS TO A POINT 1 FT 6 3/4 INCHES WLY THEREON FROM THE NE ANGLE OF SAID LT 1. THENCE SLY ALONG A LINE WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2 AT A POINT THEREIN DISTANT 5 FT ELY FROM THE SW ANGLE OF LT 2 A DISTANCE OF 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM THE POC. THENCE WLY ALONG THE SAID MENTIONED LINE 49 FT 4 3/4 INCHES MORE OR LESS TO THE POC; T/W A ROW OVER PARTS OF LOTS 1 AND 2 ON PL M380; COMM AT A POINT IN THE NLY LIMIT OF LT 1 DISTANT 1 FT 6 3/4 INCHES WLY THEREON FROM THE N ELY ANGLE OF LT 1. THENCE SLY ALONG A LINE WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2 AT A POINT THEREON 5 FT ELY FROM THE SW ANGLE OF LT 2 AT A DISTANCE OF 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM A POINT IN THE W LIMIT OF LT 1 DISTANT 96 FT NLY FROM THE N LIMIT OF EGLINTON AV AS WIDENED. THENCE N ELY IN A STRAIGHT LINE 19 FT 6 INCHES TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF LT 2 AND DISTANT 16 FT 1/2 AN INCH MEASURED ELY THEREON FROM THE N WLY ANGLE THEREOF TO A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED, DISTANT 25 FT MEASURED ELY THEREON FROM ITS INTERSECTION WITH THE WLY LIMIT OF LT 2, THE SAID POINT BEING DISTANT 10 FT 6 INCHES MORE OR LESS MEASURED SLY ON THE SAID LINE FROM THE SAID NLY LIMIT OF LT 2. THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF LT 2, 22 FT 3 1/2 INCHES MORE OR LESS TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED DISTANT 78 FT 10 INCHES MEASURED WLY FROM THE SE ANGLE OF LT 3 ON SAID PL TO A POINT IN THE N LIMIT OF SAID LT 2 DISTANT 80 FT 6 3/4 INCHES MEASURED WLY THEREON FROM THE NE ANGLE OF LT 3. THENCE NLY ALONG THE SAID LAST MENTIONED LINE 10 FT 6 INCHES MORE OR LESS TO THE NLY LIMIT OF LT 2. THENCE WLY ALONG THE NLY LIMIT OF SAID LT 2 AND 1, 39 FT 7 1/2 INCHES MORE OR LESS TO THE POC; TORONTO , CITY OF TORONTO</p>
Address	366 EGLINTON AVENUE WEST TORONTO

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                            1000193772 ONTARIO LTD.  
Address for Service        18 Doctors Lane, P.O. Box 760, King  
   City, Ontario L7B 1A8

A person or persons with authority to bind the corporation has/have consented to the registration of this document.  
This document is not authorized   under Power of Attorney by this party.

Party To(s)		Capacity	Share
Name	1288601 ONTARIO LIMITED	Tenants In Common	\$500,000.00 of \$33,000,000.00
Address for Service	8830 Jane Street, Vaughan, Ontario L4K 2M9		
Name	AMSTEL MANUFACTURING (1993) INC.	Tenants In Common	\$500,000.00 of \$33,000,000.00
Address for Service	8830 Jane Street, Vaughan, Ontario L4K 2M9		
Name	MCKINLAY, BRUCE	Tenants In Common	\$500,000.00 of \$33,000,000.00
Address for Service	8830 Jane Street, Vaughan, Ontario L4K 2M9		
Name	SALISI INVESTMENTS LTD.	Tenants In Common	\$500,000.00 of \$33,000,000.00
Address for Service	8830 Jane Street, Vaughan, Ontario L4K 2M9		
Name	M ANTONINI HOLDINGS INC.	Tenants In Common	\$250,000.00 of \$33,000,000.00
Address for Service	8830 Jane Street, Vaughan, Ontario L4K 2M9		
Name	ROSSI, FREDY	Tenants In Common	\$12,500,000.00 of \$33,000,000.00
Address for Service	8830 Jane Street, Vaughan, Ontario L4K 2M9		
Name	2438747 ONTARIO LIMITED	Tenants In Common	\$15,000,000.00 of \$33,000,000.00
Address for Service	8830 Jane Street, Vaughan, Ontario L4K 2M9		
Name	2205633 ONTARIO LIMITED	Tenants In Common	\$1,350,000.00 of \$33,000,000.00
Address for Service	8830 Jane Street, Vaughan, Ontario L4K 2M9		
Name	1620375 ONTARIO LIMITED	Tenants In Common	\$850,000.00 of \$33,000,000.00
Address for Service	8830 Jane Street, Vaughan, Ontario L4K 2M9		
Name	PIZZARDI, GABRIELE	Tenants In Common	\$1,050,000.00 of \$33,000,000.00
Address for Service	8830 Jane Street, Vaughan, Ontario L4K 2M9		

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, AT6078517 registered on 2022/05/13 to which this notice relates is deleted  
Schedule:   See Schedules

Signed By

Davide Joseph Di Iulio

1000-120 Adelaide St. W.  
Toronto  
M5H 3V1

acting for  
Applicant(s)

Signed    2022 05 13

Tel            416-363-2211



Signed By

Fax            416-363-0645

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

Davide Joseph Di Iulio	1000-120 Adelaide St. W. Toronto M5H 3V1	acting for Party To(s)	Signed    2022 05 13
------------------------	--	---------------------------	----------------------

Tel            416-363-2211

Fax            416-363-0645

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

Submitted By

Schneider Ruggiero Spencer Milburn LLP	1000-120 Adelaide St. W. Toronto M5H 3V1	2022 05 13
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Tel            416-363-2211

Fax            416-363-0645

Fees/Taxes/Payment

Statutory Registration Fee	\$66.30
Total Paid	\$66.30

File Number

Party To Client File Number :            44072

GENERAL ASSIGNMENT OF LEASES AND RENTS

TO: SCHNEIDER RUGGIERO SPENCER MILBURN LLP

AND TO: FREDY ROSSI, 2438747 ONTARIO LIMITED, 2205633 ONTARIO LIMITED, 1620375 ONTARIO LIMITED, 1288601 ONTARIO LIMITED, AMSTEL MANUFACTURING (1993) INC., BRUCE MCKINLAY, SALISI INVESTMENTS LTD., M ANTONINI HOLDINGS INC., AND GABRIELE PIZZARDI

RE: Fredy Rossi, 2438747 Ontario Limited, 2205633 Ontario Limited, 1620375 Ontario Limited, 1288601 Ontario Limited, Amstel Manufacturing (1993) Inc., Bruce McKinlay, Salisi Investments Ltd., M Antonini Holdings Inc., and Gabriele Pizzardi (the "**Lender**") loan/ mortgage to 1000193772 Ontario Ltd. and 1000195736 Ontario Ltd. (collectively the "**Borrower**") as guaranteed by Christopher A. Morgis (the "**Guarantor**") pursuant to a commitment letter dated 6 April 2022 as it may be amended from time to time (the "**Commitment**") on the primary security of a first charge/ mortgage against those lands and premises municipally known as 366-368 Eglinton Avenue West, Toronto, Ontario (the "**Real Property**")

FILE NO.: 44072

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RECITALS

1.1 Description of Underlying Obligation

The Lender (the "Chargee") has or is about to extend a mortgage loan in the amount of \$33,000,000.00 (the "**Loan**") to the Borrower, 1000193772 Ontario Ltd. and 1000195736 Ontario Ltd. as the "Chargor" of the Real Property pursuant to the Commitment and the Chargee requires that the indebtedness of the Chargor pursuant to the Commitment Letter and under the Loan be further secured by a \$33,000,000.00 mortgage on the Charged Premises (the "**Charge**") and the presents hereinafter set out.

2. GRANTING CLAUSES

- 2.1 To secure the Chargor's obligations to the Chargee and to assure performance of the agreements contained herein, the Charge, the Commitment Letter and in any other loan document, Chargor assigns to Chargee, Chargor's right, title and interest in:
- (a) All oral and written leases, offers to lease with, or other agreements for use or occupancy made to or agreed to by any person or entity (including without limitation of the foregoing, Chargor and Chargee under the powers granted herein), and any and all amendments, extensions, renewals, modifications and replacements thereof pertaining to all or any part of the Charged Premises, whether such leases or other agreements have heretofore been made or as are in the future made or agreed to (such leases, offers to lease and other use or occupancy agreements being referred to as the "**Leases**");
  - (b) The rents, issues and profits (collectively the "**Rents**") which may hereafter become due pursuant to any of the Leases pertaining to all or any part of the Charged Premises;
  - (c) Subject to section 4.2, all rights, powers, privileges, options and other benefits (collectively the "**Rights**") of Chargor under the Leases, including without limitation the following:
    - (i) The immediate and continuing right to receive and collect all Rents, income, revenues, insurance proceeds, condemnation awards, moneys and security deposits or the like pursuant to any of the provisions thereof, whether as Rents or otherwise (except sums payable directly to any person other than the lessor thereunder);
    - (ii) The right to make all waivers and agreements, including waivers of obligations of lessees;

- (iii) The right to give all notices, permissions, consents and releases, including consent to the subordination of the interest of a lessee;
  - (iv) The right to take such action upon the happening of a default under the Leases (including the commencement, conduct and consummation of proceedings at law or in equity) as shall be permitted under any provisions of the Leases or by law;
  - (v) The right to do any and all other things whatsoever which Chargor, as lessor, is or may become entitled to under the Leases;
  - (vi) The right to exercise any option; and
- (d) Any and all guarantees (the "**Guarantees**") of any of the Leases, and the rights, powers, privileges and other benefits of the Chargor under the Guarantees;

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

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

### 3. COVENANTS, REPRESENTATIONS AND WARRANTIES

#### 3.1 Power Coupled with Interest

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

#### 3.2 Notice of Lessor's Default

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

#### 3.3 Chargee to be Creditor of Lessee

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

### 4. DEFAULTS AND REMEDIES

#### 4.1 Defaults

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

#### 4.2 Exercise of the Assignment of Leases and Rents

- (a) Until Default shall have been made in payment of any sum as provided in the Charge, and so long as that Default is not cured, the Chargor shall be entitled to receive all Rents and other amounts payable under the Leases and Guarantees;
- (b) In the event of Default, and so long as that Default is not cured, then in addition to the rights hereby assigned to the Chargee the Chargee may collect the Rents and/or manage the Charged Premises without regard to the adequacy of the security and without waiving such Default;
- (c) In the event Chargee elects to invoke any of its rights hereunder and thereafter, for any reason, relinquishes to the Chargor such rights, this Assignment of Leases and Rents shall in no respect be terminated but instead remain in full force and effect until the indebtedness represented by the Charge is paid in full, it being the intent of the parties that Chargee shall, from time to time upon the occurrence of any Default under this Assignment of Leases and Rents and/or the Charge, have all the rights granted hereby.

#### 4.3 Nature of Remedies

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

#### 4.4 Application of Rents

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

#### 4.5 Limitation of Chargee's Obligations

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

#### 4.6 Reimbursement

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

4.7 Authorization to Lessees

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

4.8 Discharge

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

5. **MISCELLANEOUS**

5.1 Modification of Loan Terms

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

5.2 Successors and Assigns

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

5.3 No Merger

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

5.4 Notices

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

Chargee: TRILEND INC. on behalf of the Chargee  
8830 Jane St., Woodbridge, Ontario L4K 2M9

Chargor: 2744746 Ontario Ltd.  
18 Doctor's Lane, P.O. Box 760, King City, Ontario L7B 1A8

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

5.5 Governing Law

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

5.6 Severability

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

5.7 Captions

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

# TAB R

This is **Exhibit “R”** referred to  
in the Affidavit of Donald Ierfino  
sworn before me, the 19th day of April, 2024.



---

A Commissioner etc.

Sara Mosadeq  
LSO No.: 67864K



Properties

PIN	21169 - 0181 LT
Description	<p>PCL 1-1-A SEC M256; PT LT 1 N/S EGLINTON AV BLK A PL M256 TORONTO; PT LT 2 N/S EGLINTON AV BLK A PL M256 TORONTO COMM AT A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED BY BY-LAW 11494 DISTANT 34 FT 6 1/2 INCHES MORE OR LESS WLY FROM ITS INTERSECTION WITH THE E LIMIT OF SAID LT 1; THENCE WLY ALONG SAID NLY LIMIT OF EGLINTON AV A DISTANCE OF 90 FT 5 1/2 INCHES MORE OR LESS TO A POINT; THENCE NLY PARALLEL TO THE LINE BTN SAID LOTS 1 AND 2 A DISTANCE OF 109 FT 11 INCHES MORE OR LESS TO A POINT DISTANT 120 FT NLY FROM THE SLY LIMIT OF SAID LT 2; THENCE ELY PARALLEL WITH THE SAID S LIMITS OF SAID LOTS 1 AND 2 A DISTANCE OF 125 FT MORE OR LESS TO THE E LIMIT OF SAID LT 1; THENCE SLY ALONG THE LAST MENTIONED LIMIT A DISTANCE OF 13 FT 11 INCHES MORE OR LESS TO A POINT; THENCE WLY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV A DISTANCE OF 34 FT 6 1/2 INCHES MORE OR LESS TO ITS INTERSECTION WITH THE PRODUCTION NLY OF THE CENTRE LINE OF THE PARTY WALL BTN THE BUILDINGS ERECTED ON THIS LAND AND ON LAND LYING ELY AND ADJACENT THERETO; THENCE SLY ALONG SAID PRODUCTION TO AND ALONG SAID CENTRE LINE OF WALL AND ITS PRODUCTION SLY IN ALL 96 FT MORE OR LESS TO THE POC; S/T A FREE AND UNINTERRUPTED ROW INGRESS AND EGRESS FOR PERSONS, ANIMALS AND VEHICLES THROUGH, ALONG AND UPON THAT CERTAIN PCL OF LAND DESCRIBED AS FOLLOWS: PARTS OF LOTS 1 AND 2 ON BLK A ON PL M256 AS FOLLOWS: COMM AT A POINT IN THE E LIMIT OF LT 1, 96 FT NLY FROM THE NLY LIMIT OF EGLINTON AV AS WIDENED BY BY-LAW 11494; THENCE WLY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV AS WIDENED 125 FT; THENCE NLY PARALLEL TO THE E LIMIT OF LT 1, 12 FT; THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV AS WIDENED 125 FT TO THE E LIMIT OF LT 1; THENCE SLY ALONG THE SAID E LIMIT 12 FT TO THE POC; PROVIDED THAT THE PROJECTIONS INCLUDING THE PROJECTION OF THE SECOND STOREY BUILDINGS SITUATE ON THE ABOVE PCL EXISTING ON THIS DATE AND A FIRE ESCAPE TO BE ERECTED IN CONNECTION THEREWITH OVER THE SAID ROW OR ANY PT THEREOF SHALL BE DEEMED NOT TO BE AN ENCROACHMENT UPON THE SAID ROW; T/W A FREE AND UNINTERRUPTED ROW, INGRESS AND EGRESS, FOR PERSONS, ANIMALS AND VEHICLES THROUGH, ALONG AND OVER THAT PT OF LT 125 ON PL M512 (BOROUGH OF E YORK) DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE ELY LIMIT OF LT 125 DISTANT 96 FT NLY FROM THE SE ANGLE OF SAID LT; THENCE WLY PARALLEL TO THE SLY LIMIT OF SAID LT, 22 FT 4 INCHES MORE OR LESS TO A POINT 77 FT 8 INCHES ELY FROM THE WLY LIMIT OF LT 124 ON SAID PL; THENCE NLY IN A STRAIGHT LINE 14 FT MORE OR LESS TO A POINT IN THE NLY LIMIT OF LT 125, 77 FT 8 INCHES ELY FROM THE NW ANGLE OF SAID LT 124; THENCE ELY ALONG THE NLY LIMIT OF LT 125, 22 FT 4 INCHES MORE OR LESS TO THE N ELY ANGLE THEREOF; THENCE SLY ALONG THE ELY LIMIT OF LT 125, 14 FT MORE OR LESS TO THE POB; T/W A FREE AND UNINTERRUPTED ROW INGRESS AND EGRESS, FOR PERSONS, ANIMALS AND VEHICLES THROUGH ALONG AND OVER PT OF LOTS 1 AND 2 ON PL M380 (CITY OF TORONTO) DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE WLY LIMIT OF LT 1, 96 FT MEASURED NLY THEREON FROM EGLINTON AV AS WIDENED UNDER BY-LAW # 11494; THENCE NLY ALONG THE SAID WLY LIMIT OF LT 1, 18 FT MORE OR LESS TO THE N WLY ANGLE THEREOF; THENCE ELY ALONG THE NLY LIMIT OF SAID LT 1, 48 FT 5 1/4 INCHES MORE OR LESS TO A POINT 1 FT 6 3/4 INCHES WLY FROM THE NE ANGLE OF LT 1; THENCE SLY ALONG A LINE WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2 AT A POINT 5 FT ELY FROM THE SW ANGLE OF LT 2 A DISTANCE OF 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM THE POC; THENCE WLY ALONG THE SAID MENTIONED LINE 49 FT 4 3/4 INCHES MORE OR LESS TO THE POC; T/W A FREE AND UNINTERRUPTED ROW INGRESS AND EGRESS FOR PERSONS, ANIMALS AND VEHICLES THROUGH OVER AND ALONG THOSE PARTS OF LOTS 1 AND 2 ON PL M380 (CITY OF TORONTO) DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE NLY LIMIT OF LT 1, 1 FT 6 3/4 INCHES WLY THEREON FROM THE N ELY ANGLE OF LT 1; THENCE SLY ALONG A LINE WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2 AT A POINT THEREIN 5 FT ELY FROM THE SW ANGLE OF LT 2, 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM A POINT IN THE W LIMIT OF LT 1, 96 FT NLY FROM THE N LIMIT OF EGLINTON AV AS WIDENED; THENCE N ELY IN A STRAIGHT LINE 19 FT 6 INCHES TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF LT 2 AND DISTANT 16 FT 1/2 INCH ELY THEREON FROM THE N WLY ANGLE THEREOF TO A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED DISTANT 25 FT ELY THEREON FROM ITS INTERSECTION WITH THE WLY LIMIT OF LT 2; THE SAID POINT BEING 10 FT 6 INCHES MORE OR LESS SLY ON THE SAID LINE FROM THE SAID NLY LIMIT OF LT 2; THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF LT 2, 22 FT 3 1/2 INCHES MORE OR LESS TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED 78 FT 10 INCHES WLY FROM THE SE ANGLE OF LT 3 ON SAID PL TO A POINT IN THE N LIMIT OF LT 2 DISTANT 80 FT 6 3/4 INCHES WLY THEREON FROM THE NE ANGLE OF LT 3; THENCE NLY ALONG THE SAID LAST MENTIONED LINE 10 FT 6 INCHES MORE OR LESS TO THE NLY LIMIT OF LT 2; THENCE WLY ALONG THE NLY LIMIT OF LOTS 2 AND 1, 39 FT 7 1/2 INCHES MORE OR LESS TO THE POC; TORONTO , CITY OF TORONTO</p>
Address	368 378 EGLINTON AVE WEST TORONTO

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.

Name1000195736 ONTARIO LTD.  
Address for Service18 Doctors Lane, P.O. Box 760, King  
City, Ontario L7B 1A8

A person or persons with authority to bind the corporation has/have consented to the registration of this document.  
This document is not authorized under Power of Attorney by this party.

Party To(s)	Capacity	Share
Name1288601 ONTARIO LIMITED	Tenants In Common	\$500,000.00 of \$33,000,000.00
Address for Service8830 Jane Street, Vaughan ON., L4K 2M9		
NameAMSTEL MANUFACTURING (1993) INC.	Tenants In Common	\$500,000.00 of \$33,000,000.00
Address for Service8830 Jane Street, Vaughan ON., L4K 2M9		
NameMCKINLAY, BRUCE	Tenants In Common	\$500,000.00 of \$33,000,000.00
Address for Service8830 Jane Street, Vaughan ON., L4K 2M9		
NameSALISI INVESTMENTS LTD.	Tenants In Common	\$500,000.00 of \$33,000,000.00
Address for Service8830 Jane Street, Vaughan ON., L4K 2M9		
NameM ANTONINI HOLDINGS INC.	Tenants In Common	\$250,000.00 of \$33,000,000.00
Address for Service8830 Jane Street, Vaughan ON., L4K 2M9		
NameROSSI, FREDY	Tenants In Common	\$12,500,000.00 of \$33,000,000.00
Address for Service8830 Jane Street, Vaughan ON., L4K 2M9		
Name2438747 ONTARIO LIMITED	Tenants In Common	\$15,000,000.00 of \$33,000,000.00
Address for Service8830 Jane Street, Vaughan ON., L4K 2M9		
Name2205633 ONTARIO LIMITED	Tenants In Common	\$1,350,000.00 of \$33,000,000.00
Address for Service8830 Jane Street, Vaughan ON., L4K 2M9		
Name1620375 ONTARIO LIMITED	Tenants In Common	\$850,000.00 of \$33,000,000.00
Address for Service8830 Jane Street, Vaughan ON., L4K 2M9		
NamePIZZARDI, GABRIELE	Tenants In Common	\$1,050,000.00 of \$33,000,000.00
Address for Service8830 Jane Street, Vaughan ON., L4K 2M9		

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, AT6082633 registered on 2022/05/18 to which this notice relates is deleted  
Schedule: See Schedules

Signed By

Davide Joseph Di Iulio

1000-120 Adelaide St. W.  
Toronto  
M5H 3V1

acting for  
Applicant(s)

Signed2022 05 18

Tel416-363-2211

Signed By

Fax            416-363-0645

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

Davide Joseph Di Iulio	1000-120 Adelaide St. W. Toronto M5H 3V1	acting for Party To(s)	Signed    2022 05 18
------------------------	--	---------------------------	----------------------

Tel            416-363-2211

Fax            416-363-0645

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

Submitted By

Schneider Ruggiero Spencer Milburn LLP	1000-120 Adelaide St. W. Toronto M5H 3V1	2022 05 18
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Tel            416-363-2211

Fax            416-363-0645

Fees/Taxes/Payment

Statutory Registration Fee	\$66.30
Total Paid	\$66.30

File Number

Party To Client File Number :                    44072

GENERAL ASSIGNMENT OF LEASES AND RENTS

TO: SCHNEIDER RUGGIERO SPENCER MILBURN LLP

AND TO: FREDY ROSSI, 2438747 ONTARIO LIMITED, 2205633 ONTARIO LIMITED, 1620375 ONTARIO LIMITED, 1288601 ONTARIO LIMITED, AMSTEL MANUFACTURING (1993) INC., BRUCE MCKINLAY, SALISI INVESTMENTS LTD., M ANTONINI HOLDINGS INC., AND GABRIELE PIZZARDI

RE: Fredy Rossi, 2438747 Ontario Limited, 2205633 Ontario Limited, 1620375 Ontario Limited, 1288601 Ontario Limited, Amstel Manufacturing (1993) Inc., Bruce McKinlay, Salisi Investments Ltd., M Antonini Holdings Inc., and Gabriele Pizzardi (the "**Lender**") loan/ mortgage to 1000193772 Ontario Ltd. and 1000195736 Ontario Ltd. (collectively the "**Borrower**") as guaranteed by Christopher A. Morgis (the "**Guarantor**") pursuant to a commitment letter dated 6 April 2022 as it may be amended from time to time (the "**Commitment**") on the primary security of a first charge/ mortgage against those lands and premises municipally known as 366-368 Eglinton Avenue West, Toronto, Ontario (the "**Real Property**")

FILE NO.: 44072

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RECITALS

1.1 Description of Underlying Obligation

The Lender (the "Chargee") has or is about to extend a mortgage loan in the amount of \$33,000,000.00 (the "**Loan**") to the Borrower, 1000193772 Ontario Ltd. and 1000195736 Ontario Ltd. as the "Chargor" of the Real Property pursuant to the Commitment and the Chargee requires that the indebtedness of the Chargor pursuant to the Commitment Letter and under the Loan be further secured by a \$33,000,000.00 mortgage on the Charged Premises (the "**Charge**") and the presents hereinafter set out.

2. GRANTING CLAUSES

- 2.1 To secure the Chargor's obligations to the Chargee and to assure performance of the agreements contained herein, the Charge, the Commitment Letter and in any other loan document, Chargor assigns to Chargee, Chargor's right, title and interest in:
- (a) All oral and written leases, offers to lease with, or other agreements for use or occupancy made to or agreed to by any person or entity (including without limitation of the foregoing, Chargor and Chargee under the powers granted herein), and any and all amendments, extensions, renewals, modifications and replacements thereof pertaining to all or any part of the Charged Premises, whether such leases or other agreements have heretofore been made or as are in the future made or agreed to (such leases, offers to lease and other use or occupancy agreements being referred to as the "**Leases**");
  - (b) The rents, issues and profits (collectively the "**Rents**") which may hereafter become due pursuant to any of the Leases pertaining to all or any part of the Charged Premises;
  - (c) Subject to section 4.2, all rights, powers, privileges, options and other benefits (collectively the "**Rights**") of Chargor under the Leases, including without limitation the following:
    - (i) The immediate and continuing right to receive and collect all Rents, income, revenues, insurance proceeds, condemnation awards, moneys and security deposits or the like pursuant to any of the provisions thereof, whether as Rents or otherwise (except sums payable directly to any person other than the lessor thereunder);
    - (ii) The right to make all waivers and agreements, including waivers of obligations of lessees;

- (iii) The right to give all notices, permissions, consents and releases, including consent to the subordination of the interest of a lessee;
- (iv) The right to take such action upon the happening of a default under the Leases (including the commencement, conduct and consummation of proceedings at law or in equity) as shall be permitted under any provisions of the Leases or by law;
- (v) The right to do any and all other things whatsoever which Chargor, as lessor, is or may become entitled to under the Leases;
- (vi) The right to exercise any option; and
- (d) Any and all guarantees (the "**Guarantees**") of any of the Leases, and the rights, powers, privileges and other benefits of the Chargor under the Guarantees;

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

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

### 3. COVENANTS, REPRESENTATIONS AND WARRANTIES

#### 3.1 Power Coupled with Interest

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

#### 3.2 Notice of Lessor's Default

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

#### 3.3 Chargee to be Creditor of Lessee

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

### 4. DEFAULTS AND REMEDIES

#### 4.1 Defaults

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

#### 4.2 Exercise of the Assignment of Leases and Rents

- (a) Until Default shall have been made in payment of any sum as provided in the Charge, and so long as that Default is not cured, the Chargor shall be entitled to receive all Rents and other amounts payable under the Leases and Guarantees;
- (b) In the event of Default, and so long as that Default is not cured, then in addition to the rights hereby assigned to the Chargee the Chargee may collect the Rents and/or manage the Charged Premises without regard to the adequacy of the security and without waiving such Default;
- (c) In the event Chargee elects to invoke any of its rights hereunder and thereafter, for any reason, relinquishes to the Chargor such rights, this Assignment of Leases and Rents shall in no respect be terminated but instead remain in full force and effect until the indebtedness represented by the Charge is paid in full, it being the intent of the parties that Chargee shall, from time to time upon the occurrence of any Default under this Assignment of Leases and Rents and/or the Charge, have all the rights granted hereby.

#### 4.3 Nature of Remedies

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

#### 4.4 Application of Rents

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

#### 4.5 Limitation of Chargee's Obligations

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

#### 4.6 Reimbursement

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

4.7 Authorization to Lessees

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

4.8 Discharge

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

5. **MISCELLANEOUS**

5.1 Modification of Loan Terms

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

5.2 Successors and Assigns

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

5.3 No Merger

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

5.4 Notices

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

Chargee: TRILEND INC. on behalf of the Chargee  
8830 Jane St., Woodbridge, Ontario L4K 2M9

Chargor: 2744746 Ontario Ltd.  
18 Doctor's Lane, P.O. Box 760, King City, Ontario L7B 1A8

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

5.5 Governing Law

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

5.6 Severability

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

5.7 Captions

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



**TAB S**

This is **Exhibit “S”** referred to  
in the Affidavit of Donald Ierfino  
sworn before me, the 19th day of April, 2024.



---

A Commissioner etc.

Sara Mosadeq  
LSO No.: 67864K

## GUARANTEE

TO: SCHNEIDER RUGGIERO SPENCER MILBURN LLP

AND TO: FREDY ROSSI, 2438747 ONTARIO LIMITED, 2205633 ONTARIO LIMITED, 1620375 ONTARIO LIMITED, 1288601 ONTARIO LIMITED, AMSTEL MANUFACTURING (1993) INC., BRUCE MCKINLAY, SALISI INVESTMENTS LTD., M ANTONINI HOLDINGS INC., AND GABRIELE PIZZARDI

RE: Fredy Rossi, 2438747 Ontario Limited, 2205633 Ontario Limited, 1620375 Ontario Limited, 1288601 Ontario Limited, Amstel Manufacturing (1993) Inc., Bruce McKinlay, Salisi Investments Ltd., M Antonini Holdings Inc., and Gabriele Pizzardi (the "**Lender**") loan/ mortgage to 1000193772 Ontario Ltd. and 1000195736 Ontario Ltd. (collectively the "**Borrower**") as guaranteed by Christopher A. Morgis (the "**Guarantor**") pursuant to a commitment letter dated 6 April 2022 as it may be amended from time to time (the "**Commitment**") on the primary security of a first charge/ mortgage against those lands and premises municipally known as 366-368 Eglinton Avenue West, Toronto, Ontario (the "**Real Property**")

FILE NO.: 44072

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IN CONSIDERATION of **Lender** dealing with the **Borrower**, the undersigned and each of them, if more than one, hereby jointly and severally guarantee payment to the Lender of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Borrower to the Lender or remaining unpaid by the Borrower to the Lender, whether arising from dealings between the Borrower and the Lender or from any other dealings by which the Borrower may become in any manner whatever liable to the Lender either alone or jointly with any other corporation, person or persons or otherwise including all costs and disbursements incurred by the Lender with a view to recovering or attempting to recover said debts and liabilities (such debts and liabilities being herein called the "**Guaranteed Liabilities**") provided that the liability of the undersigned and of each of them, if more than one, is limited to \$33,000,000.00 of the loan amounts together with all costs, charges, expenses and interest accruing from date of demand for payment at the rate of 9.85% per annum.

AND THE UNDERSIGNED and each of them, if more than one, hereby, jointly and severally agrees with the Lender as follows:

1. In this guarantee the word "**Guarantor**" shall mean the undersigned and, if there is more than one guarantor, it shall mean each of them.
2. This guarantee shall be a continuing guarantee of one hundred percent (100%) of the Guaranteed Liabilities and shall apply to and secure any ultimate balance due or remaining unpaid to the Lender and this guarantee shall not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Lender.
3. The Lender shall not be bound to exhaust its recourse against the Borrower or others or any security or other guarantees before being entitled to payment from the Guarantor of the Guaranteed Liabilities and it shall not be obliged to deliver its security before its whole claim has been paid.
4. The Guarantor's liability to make payment under this guarantee shall arise forthwith after demand for payment has been made in writing on the undersigned or any one of them, if more than one, and such demand shall be deemed to have been duly made when delivered to or served at the address of the undersigned or such one of them last known to the Lender, on the third business day following posting if sent by regular mail, postage prepaid, to such address, or on the business day next following if sent by facsimile transmission.
5. In addition to the Lender's right to demand payment at any time, upon default in payment of any sum owing by the Borrower to the Lender at any time, the Lender may treat all Guaranteed Liabilities as due and payable and may forthwith collect from the Guarantor the total amount hereby guaranteed and may apply the sum so collected upon the Guaranteed Liabilities or may place it to the credit of a special account. A written statement of the Lender as to the amount remaining unpaid to the Lender at any time by the Borrower shall, if agreed to by the Borrower, be conclusive evidence and shall, in

any event, be prima facie evidence against the Guarantor as to the amount remaining unpaid to the Lender at such time by the Borrower.

6. This guarantee shall be in addition to and not in substitution for any other guarantees or other security which the Lender may now or hereafter hold in respect of the Guaranteed Liabilities and the Lender shall be under no obligation to marshal in favour of the Guarantor any other guarantees or other security or any moneys or other assets which the Lender may be entitled to receive or may have a claim upon and no loss of or in respect of or unenforceability of any other guarantees or other security which the Lender may now or hereafter hold in respect of the Guaranteed Liabilities, whether occasioned by the fault of the Lender or otherwise, shall in any way limit or lessen the Guarantor's liability.
7. Without prejudice to or in any way limiting or lessening the Guarantor's liability and without obtaining the consent of or giving notice to the Guarantor, the Lender may discontinue, reduce, increase or otherwise vary the credit of the Borrower, may grant time, renewals, extensions, indulgences, releases and discharges to and accept compositions from or otherwise deal with the Borrower and others, including the Guarantor and any other guarantor as the Lender may see fit, and the Lender may apply all money received from the Borrower or others or from security or guarantees upon such parts of the Guaranteed Liabilities as the Lender may see fit and change any such application in whole or in part from time to time.
8. Until repayment in full of all the Guaranteed Liabilities, all dividends, compositions, proceeds of security, security valued or payments received by the Lender from the Borrower or others or from estates in respect of the Guaranteed Liabilities shall be regarded for all purposes as payments in gross without any right on the part of the Guarantor to claim the benefit thereof in reduction of the liability under this guarantee, and the Guarantor shall not claim any set-off or counterclaim against the Borrower in respect of any liability of the Borrower to the Guarantor, claim or prove in the Bankruptcy or insolvency of the Borrower in competition with the Lender or have any right to be subrogated to the Lender.
9. This guarantee shall not be discharged or otherwise affected by the death or loss of capacity of the Borrower, by any change in the name of the Borrower, or in the membership of the Borrower, if a partnership, or in the objects, capital structure or constitution of the Borrower, if a corporation, or by the sale of the Borrower's business or any part thereof or by the Borrower amalgamating with a corporation, but shall, notwithstanding any such event, continue to apply to all Guaranteed Liabilities whether theretofore or thereafter incurred and in the case of a change in the membership of a Borrower which is a partnership or in the case of liabilities of the resulting partnership or corporation, the term "Borrower" shall include each such resulting partnership and corporation.
10. The Guarantor represents and warrants to the Lender that it is fully aware of the financial condition of the Borrower and agrees to monitor changes in the financial condition of the Borrower. The Guarantor acknowledges that the Lender has made no representations or warranties regarding the financial condition of the Borrower, that the Lender expressly disclaims any obligation to advise the Guarantor of any changes in the financial condition of the Borrower and hereby releases the Lender from any liability arising therefrom.
11. All advances, renewals and credits made or granted by the Lender to or for the Borrower after the death, loss of capacity, Bankruptcy or insolvency of the Borrower, but before the Lender has received notice thereof shall be deemed to form part of the Guaranteed Liabilities and all advances, renewals and credits obtained from the Lender by or on behalf of the Borrower shall be deemed to form part of the Guaranteed Liabilities notwithstanding any lack or limitation of power, incapacity or disability of the Borrower or of the directors, partners or agents thereof, or that the Borrower may not be a legal or suable entity, or any irregularity, defect or informality in the obtaining of such advances, renewals or credits, whether or not the Lender had knowledge thereof; and any such advance, renewal or credit which may not be recoverable from the undersigned as guarantor(s) shall be recoverable from the undersigned and each of them, if more than one, jointly and severally as principal debtor(s) in respect thereof and shall be paid to the Lender on demand.
12. All debts and liabilities, present and future, of the Borrower to the Guarantor are hereby assigned to the Lender and postponed to the Guaranteed Liabilities and all money received by the Guarantor in respect thereof shall be received in trust for the Lender and forthwith upon receipt shall be paid over to the Lender, the whole without in any way

lessening or limiting the liability of the Guarantor under this guarantee; and this assignment and postponement is independent of the guarantee and shall remain in full force and effect until repayment in full to the Lender of all the Guaranteed Liabilities, notwithstanding that the liability of the undersigned or any of them under this guarantee may have been discharged or terminated.

13. This guarantee embodies all the agreements between the parties hereto relative to the guarantee, assignment and postponement and none of the parties shall be bound by any representation or promise made by any person relative thereto which is not embodied herein and it is specifically agreed that the Lender shall not be bound by any representations or promises made by the Borrower to the Guarantor. Possession of this instrument by the Lender shall be conclusive evidence against the Guarantor that the instrument was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been fulfilled.
14. This guarantee shall be binding upon every signatory hereof notwithstanding the non-execution hereof or of a similar guarantee by any other proposed signatory or signatories.
15. This guarantee shall not be discharged or affected by the death of the undersigned or any of them, if more than one, and shall enure to the benefit of and be binding upon the Lender, its successors and assigns, and the Guarantor, its heirs, executors, administrators, successors and assigns.
16. This guarantee shall be governed in all respects by the laws of the Province of Ontario and the laws of Canada applicable therein.
17. The undersigned are domiciled at the locations disclosed on identification presented to the Lender and/ or Lender's counsel and will not change such domicile without providing the Lender with prior written notice setting forth its new domicile and the effective date of the change.
18. The Guarantor acknowledges having read this guarantee before signing it and declares that he/she/it understands the terms, conditions and undertakings contained herein. The Guarantor acknowledges receipt of a fully executed copy of this guarantee hereby waives any right to receive a copy of any financing statement, financing change statement or verification statement filed at any time in connection with this guarantee.

DATED this 12<sup>th</sup> day of May 2022

Witness:

GORDON H. HUNTER

Christopher A. Morgis

**TAB T**

This is **Exhibit “T”** referred to  
in the Affidavit of Donald Ierfino  
sworn before me, the 19th day of April, 2024.



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A Commissioner etc.

Sara Mosadeq  
LSO No.: 67864K



# TRILEND

RESIDENTIAL • COMMERCIAL • DEVELOPMENT

## Commitment Letter

**March 1, 2023**

RE: Refinance of 346-350 and 352-356 Eglinton Avenue West, Toronto ON., M5N 1A2 and 366, 368 Eglinton Avenue West, Toronto ON., M5N 1A2

Please be advised that the Lender is prepared to provide to the Borrower financing on the security of the Real Property in accordance with the following terms and conditions.

Subject to the discovery of undisclosed information relevant to this mortgage loan, Trilend Inc. and/or its assigns ("the Lender") is pleased to provide a conditional mortgage commitment loan offer, subject to, but not limited to conditions contained herein.

This document is a conditional Mortgage Commitment Letter, conditional on areas of concern to the Lender/Mortgagee arising during the finalization of this loan, being resolved to the satisfaction of the Lender/Mortgagee. The Mortgagee has the absolute discretion to withdraw from this conditional commitment at any time prior to funding with no penalty or recourse by the Mortgagor (s) / Guarantor (s) against the Mortgagee

**Borrower:** MORGIS GROUP  
2744746 ONTARIO LTD.  
1000195736 ONTARIO LTD.

**Guarantor:** Christopher Morgis

**Lender:** TriLend Inc. and its investors

**Address:** 346-350 and 352-356 Eglinton Avenue West, Toronto ON.  
366, 368 Eglinton Avenue West, Toronto ON.  
(subject property)

**Amount:** \$4,500,000.00

**Amortization:** Not Applicable, interest only mortgage

**Purpose of Loan:** Refinance of the subject property

To provide funding for the refinance relating to the Real Property secured by a second (2nd) and third (3rd) mortgage

**Availability:**

TriLend Inc.  
8830 Jane St., Vaughan, ON L4K 2M9  
FSCO Brokerage #12788 FSCO Administrator #12832  
**CONFIDENTIAL 2022**

Initials:



Available by way of a single advance of \$4,500,000.00 following completion of legal security in support of this loan. It is anticipated that the closing will take place as soon as possible

**Term:**

The loan shall be due 6 months from the date of advance. The Lender at its unfettered discretion may renew the mortgage for an additional 12-month term subject to a renewal fee. Any and all brokerage and legal fees associated with such renewal shall be borne by the borrower.

**Interest Rate:**

Twelve and fifty one hundredths percent (12.50%) per annum, calculated monthly and payable interest only monthly. In this case, \$281,250.00 will be deducted from advance and will represent 6 month's payments.

The Borrower may prepay all or any part of the principal amount outstanding herein at any time upon providing the lesser of three months' interest bonus, or the balance of interest, to the Lender.

The Guarantor jointly and severally unconditionally guarantees payment to the Lender of all monies hereby secured and does further agree to postpone to and in favour of the Lender all present and future debts and liabilities direct or indirect, absolute or contingent, now or at any time hereafter due or owing from the Borrower to the Guarantor.

For the Thirteenth (13th) month of the Term, interest on the outstanding principal balance of the Loan (together with any other amounts which may be owed by the Borrower to the Lender from time to time), and on all overdue interest, shall accrue and to be calculated before, as well as after maturity, default or judgment at the rate of 18.00% per annum, calculated and payable monthly, interest only, on the first day of each and every month of the remaining Term of the Loan.

**Conditions:**

- i) Title to the Real Property to be satisfactory to the Lender and its solicitors in their absolute discretion;
- ii) The Borrower shall provide an up to date survey of the Real Property by no later than the closing date;
- iii) The Borrower shall provide its solicitor's opinion letter that all of the security documentation required hereunder has been properly authorized and executed and all of the obligations of the Borrower and the Guarantors are valid, binding and enforceable and further that all documents were executed in the office of the Borrower's solicitor and all of the parties are who they purport to be;
- iv) The Borrower to provide all corporate certificates and documentation in support of the loan as may be required by the Lender's solicitors;
- v) The Lender is to receive no adverse financial information with respect to the Borrower or any the

Guarantors prior to closing or thereafter;

vi) The Borrower shall provide to the Lender evidence that, as of the closing date, the Real Property will comply with all provincial regulations and there will be no outstanding work orders affecting the Real Property; and

vii) The Borrower and Guarantor are to execute *all* of the security documentation provided for herein including the Lender's standard charge terms and any other documentation required by the Lender or its solicitors to further secure the repayment of the indebtedness.

viii) The Borrower is to provide the following, all of which must be satisfactory to the Lender, prior to advance of funds:

1. Verification that borrower, and guarantor if applicable, do not owe CRA taxes (personally or corporately) or HST
2. Verification of ability to pay
3. Current original appraisal of 346-350 and 352-356 Eglinton Avenue West, Toronto ON. 366, 368 Eglinton Avenue West, Toronto ON. addressed to TriLend Inc. reflecting a value of no less than \$66,640,000.00. TriLend Inc. will order all appraisals unless otherwise agreed or a satisfactory appraisal is already completed. If a satisfactory appraisal exists, TriLend Inc. requires a letter of transmittal addressed to "Trilend Inc. & its investors"
4. An invoice will be issued to the borrower for the full cost of the appraisal plus any applicable administration fees
5. Confirmation that TriLend Inc's existing mortgages do not exceed \$48,500,000.00 and are up to date for the subject property (346-350 and 352-356 Eglinton Avenue W. and 366, 368 Eglinton Avenue West, Toronto ON.)
6. Satisfactory interview with the Borrower(s)/Guarantor(s) to be conducted at a mutually convenient time. (if requested)
7. ~~A 6 month interest reserve in the amount of \$775,000.00 in connection to the mortgage extension of the existing 1<sup>st</sup> mortgage registered on the subject property (346-350 and 352-356 Eglinton Avenue W.)~~ (TO BE PAID MONTHLY) (INTEREST PAYMENT \$129,166.<sup>67</sup>)
8. A 6 month interest reserve in the amount of \$1,732,500.00 in connection to the mortgage extension of the existing 1<sup>st</sup> mortgage registered on the subject property (366-368 Eglinton Avenue W.) ✓
9. A deposit of \$45,000.00 is due upon acceptance of this commitment. The deposit is refundable under the following provisions:  
In the event that the loan transaction is not completed through no fault of the Lender, the Borrower agrees to pay on demand the Lender's legal fees and disbursements as well as forfeit the deposit (\$45,000.00).  
In the event that the loan transaction is not completed through no fault of the Borrower the Lender agrees to refund the deposit (\$45,000.00) minus any reasonable expenses incurred.
10. Satisfactory Phase I / Phase II Environment report and Geotechnical report
11. Planning review to the satisfaction of TriLend Inc. to be conducted by a TriLend approved planning consultant, at the borrower's expense.
12. Identification for all borrowers, scanned not faxed, front and back and clearly presented



13. Letter of direction for the Broker fee (if applicable)
14. Proof of fire insurance
15. Client's Solicitor details
16. SIGNED Disclosure to borrower, Amortization Schedule, and Consent Form to be provided by Broker prior to Solicitor Instruction
17. Broker to provide a satisfactory investor/lender disclosure for signature prior to close addressed to 'TriLend Inc. and its Investors'
18. All documentation is to be to the complete satisfaction of TriLend Inc. and its Solicitor.
19. This Commitment Letter may be executed in counterparts and all such counterparts shall for all purposes constitute one agreement binding all of the parties hereto, notwithstanding that all parties are not signatory to the same counterpart.
20. Title insurance at the expense of the Borrower;
21. The Borrower(s) and/or Guarantor(s) to have Independent Legal Representation
22. Borrower(s) and/or Guarantor(s) hereby acknowledge and direct TriLend Inc. or its designates to obtain all required information from third parties to facilitate the closing of this loan.

ix) Any other reasonable documentation or security requested by TriLend Inc. not specified in this commitment.

**Security:**

The liability and indebtedness of the Borrower under the Loan and this Commitment shall be evidenced, governed and secured, as the case may be, by the following documents (the "**Security Documents**") completed in form and manner satisfactory to the Lender and its solicitors:


- i) 2<sup>nd</sup> mortgage and 3<sup>rd</sup> mortgage against the Real Property in the amount of \$4,500,000.00
- ii) Second position General Assignment of Rents pledging the rental income of the Real Property as additional security for the repayment of the mortgage indebtedness; (if applicable)
- iii) General Security Agreement in favour of the Lender registered under the Personal Property Security Act providing a first position floating charge over the assets of the Borrower; (if applicable)
- iv) Assignment of Insurance with 2<sup>nd</sup> Loss Payable to the Lender;
- v) All supporting certificates, opinions and other documentation as the Lender or its solicitors may reasonably require.

**Events of Default:**

All of the standard Lender events of default shall be deemed included in the security documentation including but not limited to the following:

- a) the Borrower ceasing to carry on all or a substantial part of its business;

TriLend Inc.  
8830 Jane St., Vaughan, ON L4K 2M9  
FSCO Brokerage #12788 FSCO Administrator #12832  
**CONFIDENTIAL 2022**

Initials: 

- b) the winding up, liquidation, bankruptcy, assignment into bankruptcy, or receivership of the Borrower or the levying of distress against the Borrower;
- c) re-organization, amalgamation, or transfer of ownership of the Borrower or the Real Property without the prior written consent of the Lender;
- d) failure of the Borrower to maintain adequate insurance coverage against the Real Property including but not limited to insurance for the renovation work to be performed;
- e) failure of the Borrower to repair the Real Property or any other assets secured under this commitment following notice from the Borrower;
- f) failure of the Borrower to keep the Real Property free of environmental contaminants;
- g) failure of the Borrower to pay real property taxes as they fall due; or
- h) failure of the Borrower to obtain any municipal approval required for the purchaser's intended development.
- i) Trilend Inc. shall charge a three (3) month bonus upon any event default including but not limited to non-renewal of the mortgage

The occurrence of any event of default under any security document referred to in this commitment letter shall be an event of default under all other security documents referred to herein.

**Insurance:**

The Borrower shall provide proof of insurance by a copy of the insurance policy or a certificate thereof confirmed by the insuring company, satisfactory to the Lender and subject to review by the Lender's insurance consultant. This letter of insurance must specifically provide for the insurance of the premises during the Borrower's intended renovation period.

**Financial Statements:**

If requested by the Lender, the Borrower is to provide financial statements within 120 days of its fiscal year end.

**Income and Operating Statements:**

If requested by the Lender, the Borrower is to provide annual income and operating statements for the Real Property and annual financial statements for the Guarantors.

**Corporate Documentation:**

The Borrower will provide such corporate documentation in support of the loan as may be required by the Lender's solicitors as they relate to this project.

**Zoning:**

The Borrower shall provide evidence satisfactory to the Lender to confirm that the Real Property complies with all applicable zoning and building by-laws.

**Expropriation:**

The Borrower shall acknowledge that the proceeds of any expropriation of all or any part of the Real Property shall be paid to the Lender at the option of the Lender subject to the rights of the first mortgage holder.

**Access to Real Property:**

The Lender shall have access to the Real Property at any time during the loan term with no less than 48 hours written notice to the borrower.

**Representations:**

The Borrower and the Guarantor represent and warrant that all statements made hereunder are completely accurate and in the event of any discrepancy, at the option of the Lender, this commitment letter shall become null and void.

**Solicitors:**

Our solicitors for the purpose of this mortgage transaction are Schneider Ruggiero Spencer Milburn LLP, or such other solicitors as the Lender may designate.

**Fees:**

By executing this commitment letter, the Borrower and the Guarantor unconditionally undertake to pay all fees and expenses (including legal fees) incurred or to be incurred in connection with this loan whether or not the loan is completed, and any funds are ever advanced hereunder.

The Borrower shall pay a Lender Fee of \$67,500.00. Said fee shall be deemed to have been fully earned by the Lender upon acceptance of this commitment letter. The borrower hereby irrevocably directs the Lenders solicitor to pay from the closing proceeds, any outstanding balance of the subject fees. In the event that the loan transaction is not completed through no fault of the Lender, the Borrower agrees to pay on demand the full amount of the Lender Fee. ✓

The Borrower shall pay an Extension Fee of \$232,500.00 in connection to the existing 1<sup>st</sup> mortgage registered at the subject property (346-350 and 352-356 Eglinton Avenue West, Toronto). Said fee shall be deemed to have been fully earned by the Lender upon execution of the extension agreement. In the event that the loan transaction is not completed through no fault of the Lender, the Borrower agrees to pay on demand the full amount of the Lender Fee. ✓

The Borrower shall pay an Extension Fee of \$495,000.00 in connection to the existing 1<sup>st</sup> mortgage registered at the subject property (366-368 Eglinton Avenue West, Toronto). Said fee shall be deemed to ✓



have been fully earned by the Lender upon execution of the extension agreement. In the event that the loan transaction is not completed through no fault of the Lender, the Borrower agrees to pay on demand the full amount of the Lender Fee.

**Independent Legal Advice:**

The Borrower and the Guarantor acknowledge and agree that they have received independent legal advice prior to executing this Commitment and confirm that they have not looked to the Lender or the Lender's solicitor for any legal advice in connection with this transaction.

The Lender shall appoint a solicitor of its choosing. Any and all legal fees plus disbursement associated with the loan closing, ongoing monitoring, and repayment and discharge of this loan shall be borne by the Borrower.

**Acceptance:**

The Borrower and the Guarantor must execute this commitment prior to 5:00 p.m. on March 3, 2023 or at the option of the Lender, the commitment shall become null and void and of no further force or effect.

**Cancellation:**

This commitment, once accepted, shall expire on March 15, 2023 and unless an advance of loan proceeds is made on or before that date, the commitment may be cancelled at Lender's option.

**Survival of Representations and Warranties:**

The representations, warranties, covenants and obligations herein set out shall not merge upon the execution and registration of the security documents and the advance of mortgage monies hereunder but shall survive until all obligations under this commitment, the mortgage as registered and any other security document executed in accordance herewith have been fully performed and all amounts outstanding to the Lender hereunder have been paid in full.

**Costs:**

The Borrower and the Guarantor shall be unconditionally responsible to pay all costs including but not limited to legal, appraisal, insurance consultants, environmental inspections, and any other costs incurred or to be incurred by the Lender in connection with this loan.

**Authorization:**

The Borrower for good and valuable consideration authorizes the Lender to accept telecopier communications on behalf of the Borrower as full and sufficient authority to act in accordance with communications as received by the Lender from the Borrower.

The Borrower shall be bound by all such telecopier communications from itself in the same manner and extent as if such communications were originally handwritten and signed by the Borrower and the Borrower shall hold the Lender at all times fully indemnified from all claims and demands in respect of all such instructions, in the event such telex, and telecopier communications, were made without authority

or otherwise.

Neither anything contained herein nor the execution and registration of any security documents shall obligate the Lender to advance any monies hereunder. In addition, the advance of part or parts of the monies herein shall not obligate the Lender to advance any unadvanced portion thereof.

Yours very truly,

Cinzia Sorrenti  
Mortgage Underwriter

**Acknowledgement**

We hereby acknowledge the terms and conditions set out above and understand and agree that this Commitment Letter is subject to Lender Due Diligence. Until such a time that the Lender formally acknowledges, in writing to the Borrower that the Lender is satisfied with the outcome of its due diligence, the Lender reserves the right to amend, change, or decline this Loan. All parties hereto shall hold in strict confidence and shall not make any disclosure to any third party any of the terms and conditions of this Commitment letter.

If you are in agreement with the above terms, please indicate such agreement by signing and forwarding to us a copy of the Commitment Letter together with a \$45,000.00  
Cheque made payable to TRILEND INC. as partial payment of the Lender fee. The Lender Fee shall be deemed to be fully earned upon acceptance of this Commitment Letter.

We the undersigned do hereby accept the loan and terms above and authorize you to instruct your solicitors to prepare the necessary documentation. We hereby submit with this signed Commitment a cheque in the amount of \$45,000.00 payable to TriLend Inc In the event that the loan is advanced in accordance with the terms of this Commitment, the \$45,000.00 will be credited to the Borrower at the time of the first advance. In the event that the Borrower defaults in performing the Borrower's obligations herein contained, the said sum shall be forfeited by the Borrower to the Lender as liquidated damages and not as a penalty.

The Borrower and Guarantor acknowledge and agree that in consideration of the Lender furnishing this Commitment and providing the funding as contemplated hereunder, the Borrower and the Guarantor shall pay the following fees at the times and in the amounts as follows:

- a) lender fee to TriLend Inc. in the amount of 1.50 % of the loan amount herein;
- b) legal fees to Schneider Ruggiero Spencer Milburn LLP, inclusive of disbursements, plus HST for preparation of the mortgage commitment and legal fees for the preparation and registration of security to secure this loan transaction

DATED this 3<sup>RD</sup> day of March, 2023.

1000195736 ONTARIO LTD. (Borrower)

Per:



Name:

Title:

I have authority to bind the corporation

2744746 ONTARIO LTD. (Borrower)

Per:



Name:

Title:

I have authority to bind the corporation

MORGIS GROUP (Guarantor)

Per:



Name:

Title:

I have authority to bind the corporation



Christopher Morgis (Guarantor)



Schedule "A"  
Additional Fees

- 1) In addition to the \$400 + HST fee charged for a property inspection (section 1(j) above) a fuel surcharge of \$.59 per KM shall apply for each KM the Lender or Lender's representative must drive from the Lender's head office location.
- 2) For each day in which the Lender is in possession of a charged Property, the greater of a) a fee of \$100 per day for each charged Property shall apply or b) the cost of hiring a property manager.
- 3) For each month (or part thereof) during which an Event of Default shall occur that has not been cured within ten days of the occurrence, a monitoring fee of \$500.00.
- 4) In the event that the Lender or its agents takes possession of a Property as a result of an Event of Default, or in the event that the Lender or its agents commences Power of Sale proceedings, or if a receiver is appointed as a result of an Event of Default, the Lender, will be entitled to charge the Borrower a management fee shall be based on the higher of 5% of the mortgage principal plus applicable taxes, or \$5,000 per month of the Lender's personnel 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 charged Property in default which amount is deemed not to be a penalty.
- 5) A fee equivalent to three (3) months interest should the Lender commence or respond to legal action commenced due to default under this Commitment or the Security.
- 6) If the Loan is not repaid on the maturity date thereof, then the Lender may at its option charge an additional Fee equivalent to three (3) months' interest on the principal balance of the Loan Amount.
- 7) The Lender reserves the right to charge \$400 + HST per hour for other administrative services that may be required in connection with the administration of the loan and security as compensation for the Lender's reasonable time and attention in dealing with such matters if an applicable fee is not addressed within sections 1-6 of Schedule "A".

		
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***Borrower and Guarantor to initial***

# TAB U

This is **Exhibit “U”** referred to  
in the Affidavit of Donald Ierfino  
sworn before me, the 19th day of April, 2024.



---

A Commissioner etc.

Sara Mosadeq  
LSO No.: 67864K

**Properties**

<b>PIN</b>	21169 - 0183 LT	<b>Interest/Estate</b>	Fee Simple
<b>Description</b>	PCL 1-2 SEC M380; PT LT 1 PL M380 TORONTO; PT LT 2 PL M380 TORONTO COMM AT THE S WLY ANGLE OF SAID LT 1; THENCE ELY ALONG THE SLY LIMITS OF LOTS 1 AND 2 - 55 FT MORE OR LESS TO A POINT IN THE SAID SLY LIMIT OF SAID LT 2 DISTANT 5 FT MEASURED ELY THEREON FROM THE S WLY ANGLE OF SAID LT 2; THENCE NLY IN A STRAIGHT LINE 113 FT 5 3/4 INCHES MORE OR LESS TO A POINT IN THE NLY LIMIT OF SAID LT 1 DISTANT 1 FT 6 3/4 INCHES MEASURED WLY THEREON FROM THE N ELY ANGLE OF SAID LT; THENCE WLY ALONG THE NLY LIMIT OF SAID LT 1 - 48 FT 5 1/4 INCHES MORE OR LESS TO THE N WLY ANGLE OF SAID LT; THENCE SLY ALONG THE WLY LIMIT OF SAID LT 1 - 114 FT MORE OR LESS TO THE POC; S/T LT345020; T/W LT345020; S/T LT346559; T/W LT346559 (S/T LT263283); S/T LT350268; T/W LT350268; TORONTO ; SUBJECT TO A TEMPORARY EASEMENT AS SET IN EXPROPRIATION PLAN AS IN AT4214430; CITY OF TORONTO		
<b>Address</b>	356 EGLINTON AVENUE WEST TORONTO		
<b>PIN</b>	21169 - 0184 LT	<b>Interest/Estate</b>	Fee Simple
<b>Description</b>	PCL 1-1 SEC M380; PT LT 1 PL M380 TORONTO; PT LT 2 PL M380 TORONTO; PT LT 3 PL M380 TORONTO , IF ANY, COMM AT A POINT IN THE SLY LIMIT OF SAID LT 2 DISTANT 5 FT MEASURED ELY THEREON FROM THE S WLY ANGLE OF SAID LT; THENCE ELY ALONG THE SLY LIMIT OF SAID LT 2, BEING THE NLY LIMIT OF EGLINTON AV W, 45 FT MORE OR LESS TO A POINT DISTANT 78 FT 10 INCHES MEASURED WLY FROM THE SE ANGLE OF LT 3 ON SAID PL; THENCE NLY IN A STRAIGHT LINE 113 FT 4 1/2 INCHES MORE OR LESS TO A POINT IN THE NLY LIMIT OF SAID LT 2 DISTANT 80 FT 6 3/4 INCHES MEASURED WLY THEREON FROM THE N ELY ANGLE OF SAID LT 3; THENCE WLY ALONG THE NLY LIMITS OF SAID LOTS 2 AND 1, 39 FT 7 1/2 INCHES MORE OR LESS TO A POINT IN THE SAID NLY LIMIT OF SAID LT 1 DISTANT 1 FT 6 3/4 INCHES MEASURED WLY THEREON FROM THE N ELY ANGLE OF SAID LT; THENCE SLY IN A STRAIGHT LINE 113 FT 5 3/4 INCHES MORE OR LESS TO THE POC; 1. S/T THE RIGHT OF THE OWNERS OF PCL 2664, SEC L TORONTO, TO USE THE WLY WALL OF THE BRICK STORE BUILDINGS, INCLUDING THE FOOTINGS THEREOF SITUATED ON THE LANDS IN THE ABOVE PCL OR ANY PT THEREOF AS A PARTY WALL , TO FORM THE ELY WALL OR A PT THEREOF OF ANY BUILDING OR BUILDINGS WHICH ARE NOW OR MAY HEREAFTER BE ERECTED ON THE LANDS KNOWN AS PCL 2664, SEC L TORONTO, CONTIGUOUS WITH THE SAID WLY WALL OR ANY PT THEREOF; 2. T/W THE RIGHT TO MAINTAIN THE WLY WALL OF THE BRICK STORE BUILDINGS (INCLUDING THE FOOTINGS THEREOF) SITUATE ON THE LANDS IN THE ABOVE PCL OVER THE LANDS IMMEDIATELY ADJOINING TO THE W OF THESE LANDS IN THE POSITION NOW OCCUPIED BY THE SAID WLY WALL; THE OWNER OR OWNERS FROM TIME TO TIME EITHER OF THE PARCELS AFOREMENTIONED MAY EXTEND THE SAID WLY WALL IN A NLY DIRECTION OR ADD TO THE HEIGHT THEREOF, AND MAY REBUILD THE SAME IN CASE OF THE PARTIAL OR TOTAL DESTRUCTION THEREOF AND WHEN ALL OR ANY PORTION OF THE SAID WLY WALL INCLUDING ANY EXT THEREOF AND ADDITION THERETO, SHALL BE USED BY SUCH AN OWNER OR OWNERS BY WHOM OR BY ANY OF WHOSE PREDECESSORS IN TITLE, THE PROPER SHARE OF THE COSTS OF CONSTRUCTION OF THE PORTION OF THE WALL SO USED WAS NOT PAID, HE, SHE OR THEY SHALL PAY TO THE PERSON OR PERSONS WHO CONSTRUCTED THE SAME OR TO HIS, OR THEIR HER, OR THEIR HEIRS, EXECUTORS, ADMINISTRATORS OR ASSIGNS, ONE-HALF OF THE VALUE AT THE TIME OF SUCH USE AND THEREAFTER ONE-HALF OF THE COST OF MAINTENANCE OF THE WHOLE THICKNESS OF THE PORTION OF SUCH WALL SO USED BY HIM, HER OR THEM, AND THE SUM SO TO BE PAID SHALL, UNTIL PAID, REMAIN A CHARGE UPON THE LAND OF THE PERSON OR PERSONS LIABLE TO PAY THE SAME. AND IT IS AGREED THAT THE COVENANTS HEREIN CONTAINED SHALL RUN WITH THE LAND, BUT NO COVENANT HEREIN CONTAINED SHALL BE PERSONALLY BINDING ON ANY PERSON EXCEPT IN RESPECT OF BREACHES, DURING HIS, HER OR THEIR SEISEN OR TITLE TO THE SAID LANDS; AND IT IS FURTHER AGREED THAT WHENEVER THE SAID WLY WALL SHALL BE EXTENDED IN HEIGHT THE CHIMNEYS, IF ANY, PREVIOUSLY BUILT IN SUCH WALL SHALL BE CARRIED UP TO A PROPER HEIGHT AND ANY INJURY CAUSED BY SUCH EXT SHALL BE MADE GOOD AND SUCH EXT OF THE WALL AND CHIMNEYS SHALL BE AT THE EXPENSE OF THE PARTY MAKING THE EXT. AND IT IS AGREED THAT IF THE PARTIES CANNOT AGREE AS TO ANY VALUE ABOVE MENTIONED, THE AMOUNT THEREOF SHALL BE REFERRED TO THREE DISINTERESTED PERSONS AS VALUATORS OF WHOM THE OWNER OR OWNERS FROM TIME TO TIME OF EACH OF THE SAID PARCELS SHALL APPOINT ONE AND THESE TWO VALUATORS SHALL APPOINT A THIRD AND THE DECISION OF THE THREE SAID VALUATORS OR OF ANY TWO OF THEM IN WRITING UNDER THEIR HANDS SHALL BE BINDING ON THE PARTIES HERETO, THEIR RESPECTIVE HEIRS, EXECUTORS, ADMINISTRATORS AND ASSIGNS; AND IT IS FURTHER AGREED THAT ANY REPAIRS, ADDITIONS OR EXTENSIONS TO THE SAID WLY WALL SHALL BE OF GOOD MATERIALS AND WORKMANSHIP AND WHEN BUILT SHALL BE AND REMAIN A PARTY WALL; 3. S/T A FREE AND UNINTERRUPTED ROW FOR THE USE OF THE OWNER OF PARCELS 2664, SEC L TORONTO, 3887, SEC K TORONTO AND 1-1-A, SEC M256, THEIR HEIRS AND ASSIGNS, INGRESS AND EGRESS FOR PERSONS, ANIMALS AND VEHICLES, THROUGH OVER AND ALONG THOSE PARTS OF LOTS 1 AND 2 ON PL M380, DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE NLY LIMIT OF LT 1, 1 FT 6 3/4 INCHES WLY FROM THE N ELY ANGLE OF LT 1; THENCE SLY ALONG A LINE, WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2		

**Properties**

AT A POINT 5 FT ELY FROM THE SW ANGLE OF LT 2, 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM A POINT IN THE W LIMIT OF LT 1 DISTANT 96 FT NLY FROM THE N LIMIT OF EGLINTON AV AS WIDENED; THENCE N ELY IN A STRAIGHT LINE 19 FT 6 INCHES TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF LT 2 AND DISTANT 16 FT 01/2 INCH ELY FROM THE N WLY ANGLE THEREOF TO A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED 25 FT ELY FROM ITS INTERSECTION WITH THE WLY LIMIT OF LT 2, THE SAID POINT BEING 10 FT 6 INCHES MORE OR LESS SLY ON THE SAID LINE FROM THE SAID NLY LIMIT OF LT 2; THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF LT 2, 22 FT 3 1/2 INCHES MORE OR LESS TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED 78 FT 10 INCHES WLY FROM THE SE ANGLE OF LT 3 ON SAID PL TO A POINT IN THE N LIMIT OF LT 2, 80 FT 6 3/4 INCHES WLY FROM THE NE ANGLE OF LT 3; THENCE NLY ALONG THE SAID LAST MENTIONED LINE 10 FT 6 INCHES MORE OR LESS TO THE NLY LIMIT OF LT 2; THENCE WLY ALONG THE NLY LIMIT OF LOTS 2 AND 1, 39 FT 7 1/2 INCHES MORE OR LESS TO THE POC AS IN LT346559; 4. T/W A FREE AND UNINTERRUPTED ROW, INGRESS AND EGRESS, FOR PERSONS, ANIMALS AND VEHICLES, THROUGH, ALONG AND OVER THOSE PARTS OF LOTS 1 AND 2 BLK 'A', PL M256, DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE E LIMIT OF LT 1, 96 FT NLY THEREON FROM THE NLY LIMIT OF EGLINTON AV AS WIDENED BY BY-LAW 11494; THENCE WLY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV AS WIDENED 125 FT; THENCE NLY PARALLEL TO THE E LIMIT OF LT 1, 12 FT; THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV AS WIDENED 125 FT TO THE SAID E LIMIT OF LT 1; THENCE SLY ALONG THE SAID E LIMIT 12 FT TO THE POC; PROVIDED THAT THE PROJECTIONS, INCLUDING THE PROJECTION OF THE SECOND STOREY OF THE BUILDING SITUATE ON PCL 1-1-A, SEC M256, EXISTING ON THIS DATE AND A FIRE ESCAPE TO BE ERECTED IN CONNECTION THEREWITH, OVER THE SAID ROW OR ANY PT THEREOF SHALL BE DEEMED NOT TO BE AN ENCROACHMENT UPON THE SAID ROW; 5. T/W A FREE AND UNINTERRUPTED ROW, INGRESS AND EGRESS, FOR PERSONS ANIMALS AND VEHICLES, THROUGH, ALONG AND OVER THOSE PARTS OF LOTS 1 AND 2 ON PL M380, DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE WLY LIMIT OF SAID LT 1 DISTANT 96 FT NLY THEREON FROM EGLINTON AV AS WIDENED UNDER BY-LAW 11494; THENCE NLY ALONG THE SAID WLY LIMIT OF LT 1, 18 FT MORE OR LESS TO THE N WLY ANGLE THEREOF; THENCE ELY ALONG THE NLY LIMIT OF LT 1, 48 FT 5 1/4 INCHES MORE OR LESS TO A POINT 1 FT 6 3/4 INCHES WLY THEREON FROM THE NE ANGLE OF LT 1; THENCE SLY ALONG A LINE, WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2 AT A POINT THEREIN DISTANT 5 FT ELY FROM THE SW ANGLE OF LT 2, A DISTANCE OF 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM THE POC; THENCE WLY ALONG THE SAID MENTIONED LINE 49 FT 4 3/4 INCHES MORE OR LESS TO THE POC; 6. T/W A FREE AND UNINTERRUPTED ROW OVER THE WLY 4 FT 6 INCHES OF LT 90 AND THE ELY 5 FT 6 INCHES OF LT 91 ON PL M512; 7. S/T THE RIGHT OF THE OWNER OF PCL 2664, SEC L TORONTO, TO USE (FOR THE PURPOSE OF ACCESS AND INGRESS TO AND EGRESS FROM THE LANDS COMPRISED IN SAID PCL 2664 OR ANY PT THEREOF, AND/OR THE BUILDINGS THEREON AND FOR THE TURNING OF VEHICLES USING THE ROW 3RDLY, 4THLY, 5THLY AND 6THLY ABOVE DESCRIBED) THE SPACE AT THE REAR OF THE BUILDINGS NOW SITUATED UPON THE LANDS COMPRISED IN ABOVE PCL EXTENDING NLY FROM THE NLY LIMIT AND ITS PRODUCTION ELY AND WLY OF THE SAID BUILDINGS TO THE SLY LIMIT OF THE SAID ROW 3RDLY, 4THLY, 5THLY AND 6THLY. PROVIDED ALWAYS THAT THE RIGHTS THEREBY GRANTED SHALL BE EXERCISED IN SUCH MANNER AS NOT UNREASONABLY TO INTERFERE WITH THE REASONABLE AND PROPER USE OF THE SPACE AT THE REAR OF THE RESPECTIVE BUILDINGS AFORESAID BY THE OWNER AND/OR ANY TENANT OR OCCUPANT OF ANY OF THE SAID BUILDINGS RESPECTIVELY AND/OR BY PERSONS HAVING DEALINGS WITH SUCH OWNER AND/OR ANY SUCH TENANT OR OCCUPANT AS IN LT350268; 8. T/W THE RIGHT TO USE (FOR THE PURPOSE OF ACCESS AND INGRESS TO AND EGRESS FROM THE LANDS COMPRISED IN PCL 2665, SEC L TORONTO, OR ANY PT THEREOF AND/OR THE BUILDINGS THEREON FOR THE TURNING OF VEHICLES USING THE ROW DESCRIBED IN THE ABOVE 3RDLY, 4THLY, 5THLY AND 6THLY) THE SPACE AT THE REAR OF THE BUILDINGS NOW SITUATED UPON THE LANDS COMPRISED IN PCL 2664, SEC L TORONTO, EXTENDING NLY FROM THE NLY LIMIT OF THE SAID BUILDINGS TO THE SLY LIMIT OF THE SAID ROW DESCRIBED IN THE SAID 3RDLY, 4THLY, 5THLY AND 6THLY. PROVIDED ALWAYS THAT THE RIGHTS THEREBY GRANTED SHALL BE EXERCISED IN SUCH MANNER AS NOT UNREASONABLY TO INTERFERE WITH THE REASONABLE THE AND PROPER USE OF THE SPACE AT THE REAR OF THE RESPECTIVE BUILDINGS AFORESAID BY THE OWNER AND/OR ANY TENANT OR OCCUPANT OF ANY OF THE SAID BUILDINGS RESPECTIVELY AND/OR BY PERSONS HAVING DEALINGS WITH SUCH OWNER AND/OR ANY SUCH TENANT OR OCCUPANT; TORONTO; SUBJECT TO A TEMPORARY EASEMENT AS SET OUT IN EXPROPRIATION PLAN AS IN AT4214429; CITY OF TORONTO

Address

350 EGLINTON AVE W  
TORONTO

**Chargor(s)**

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

Name MORGIS CORPORATION  
Address for Service 18 Doctors Lane, Suite 760, King City,  
ON., L7B 1G2

A person or persons with authority to bind the corporation has/have consented to the registration of this document.  
This document is not authorized under Power of Attorney by this party.

<b>Chargee(s)</b>	<b>Capacity</b>	<b>Share</b>
Name IMPERIO SA HOLDINGS	Tenants In Common	\$2,760,000.00 of \$4,500,000.00
Address for Service 8830 Jane Street, Vaughan ON., L4K 2M9		
Name CHEMIJ, RONALD	Joint Account, Right Of Survivorship	\$500,000.00 of \$4,500,000.00 with Mary Chemij
Address for Service 8830 Jane Street, Vaughan ON., L4K 2M9		
Name CHEMIJ, MARY	Joint Account, Right Of Survivorship	\$500,000.00 of \$4,500,000.00 with Ronald Chemij
Address for Service 8830 Jane Street, Vaughan ON., L4K 2M9		
Name CHEMIJ, TERRY	Joint Account, Right Of Survivorship	\$500,000.00 of \$4,500,000.00 with Luba Chemij
Address for Service 8830 Jane Street, Vaughan ON., L4K 2M9		
Name CHEMIJ, LUBA	Joint Account, Right Of Survivorship	\$500,000.00 of \$4,500,000.00 with Terry Chemij
Address for Service 8830 Jane Street, Vaughan ON., L4K 2M9		
Name IERFINO, DONALD	Tenants In Common	\$200,000.00 of \$4,500,000.00
Address for Service 8830 Jane Street, Vaughan ON., L4K 2M9		
Name TRILEND INC.	Tenants In Common	\$540,000.00 of \$4,500,000.00
Address for Service 8830 Jane Street, Vaughan ON., L4K 2M9		

**Statements**

Schedule: See Schedules

**Provisions**

Principal	\$4,500,000.00	Currency	CDN
Calculation Period	interest only, monthly		
Balance Due Date	2023/10/01		
Interest Rate	12.50% per annum		
Payments	\$46,875.00		
Interest Adjustment Date	2023 04 01		
Payment Date	1st day of each month		
First Payment Date	2023 05 01		
Last Payment Date	2023 10 01		
Standard Charge Terms			
Insurance Amount	Full insurable value		
Guarantor	Christopher Morgis		

**Signed By**

Stefania Nicole Mariani

1000-120 Adelaide St. W.  
Toronto  
M5H 3V1acting for  
Chargor(s)

Signed 2023 03 17

Tel 416-363-2211

Fax 416-363-0645

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

**Submitted By**

Schneider Ruggiero Spencer Milburn LLP

1000-120 Adelaide St. W.  
Toronto  
M5H 3V1

2023 03 17

Tel 416-363-2211

Fax 416-363-0645

**Fees/Taxes/Payment**

Statutory Registration Fee

\$69.00

Total Paid

\$69.00

**File Number**

Chargee Client File Number :

45056 GR/SM



## **Schedule A**

### **Administration Fees:**

The mortgagor shall pay to the Mortgagee an Administration Fee of \$500.00 for each occurrence of any of the following events.

- Late payment.
- Cheque dishonored for any reason.
- Failure to provide proof of payment of Realty taxes.
- Failure to provide proof of payment of Insurance coverage on an annual basis.
- Failure to provide post-dated cheques.
- Failure to notify mortgagee of registration on lien by the Condominium Corporation for common maintenance arrears.
- Failure to notify mortgagee of registration of lien with CRA arrears.
- Requests for any mortgage information statements.
- Dealing with any default insurance notices.

### **Late Payment**

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

### **Additionally**

There will be a \$2,000.00 (two thousand dollar) Administration fee payable to TriLend Inc. if any mortgages on the property fall into more than sixty (60) days arrears. Such administration fees will be added to the principal amount outstanding if the mortgage arrears are not paid within 5 days of demand of payment for the same. In the event of a further occurrence as set out herein, the penalty shall increase by a further sum of \$50.00 and this shall be on a cumulative basis.

There will be a \$2,000.00 (two thousand dollar) Administration fee payable to TriLend Inc. if insurance on the property is cancelled and not reinstated five (5) days prior to the cancellation date.

There will also be a \$2,000.00 (two thousand dollar) Administration fee payable to TriLend Inc. if property taxes fall into arrears greater than one (1) year and are not paid within thirty (30) days of the mortgagee's request to pay said arrears.





Upon renewal of any mortgage term a minimal renewal fee equal to the lender fee charged at time of original lending. If a signed Renewal is not received within thirty (30) days after maturity or if the mortgagee does not receive written notification within thirty (30) days after maturity that the mortgagor intends not to renew, then the mortgage is considered automatically renewed and the renewal fee is payable regardless of receiving a signed Renewal.

A \$500.00 fee will be payable for any mortgage statement for discharge purposes, not including the mortgagee's solicitor discharge fee.

### **Disposition of the Mortgage Lands**

Provided that if the mortgagor sells, transfers, conveys or otherwise disposes of the subject property, or any interest therein, then all amounts, whether principal interest or otherwise that may be owing hereunder, including administration fees and bonuses, shall be immediately due and payable at the sole option of the mortgagee.

### **Post Dated Cheques**

The mortgagor agrees to provide to TriLend Inc. a series of twelve (12) post-dated cheques on or before the closing date of the mortgage and further series of post-dated cheques on or before each anniversary date / renewal of the within mortgage. Failure to provide such cheques shall constitute a default under the mortgage at the sole option of the mortgagee.

### **Discharge**

Provided that when a discharge of this mortgage is required, then unless otherwise stated on the discharge statement, the Mortgagee's Solicitor will prepare the Discharge Statement for execution by the Mortgagee, the cost of which will be the mortgagor's expense.

### **Time of Payment**

Any payment that is received at the Mortgagee's office after 1:00 pm Eastern Standard Time on any date shall be deemed, for the purpose of calculation of interest, to have been made on the next business day.



## **Default of Encumbrances**

Default under any terms or covenants contained in any encumbrances registered in priority or subsequent to this Mortgage shall constitute default under the herein Mortgage at the sole option of TriLend.

## **Principal Residence**

In the event that the subject property is not used as the principal residence of the mortgagor, then all amounts, whether principal, interest or otherwise that may owed, hereunder, including Administration fees and bonuses, shall be immediately due and payable at the sole option of TriLend.

## **Encumbrances**

Provided further that by signing this document, you are agreeing that the Mortgagor(s) shall not give cause for prior registered charge mortgage of Land(s) registered on the property described herein to be transferred or assigned to a third party, and if such should occur, this mortgage shall deem to be immediately in default with all monies to become due and payable in full with all penalties and costs forthwith unless expressly approved in writing between the Mortgagor(s) and the Mortgagee(s).  
Provided further that by signing this document, the Mortgagor(s) also agree to keep the lands described herein free and clear of all encumbrances, Liens, Mortgages, Security Interests and other financing agreements of any kind subordinate to our interests in the property unless expressly approved in writing between the Mortgagor(s) and TriLend Inc.

## **Bankruptcy and Insolvency Act**

The Chargor/Guarantor represents and warrants that she/he is not an "undischarged bankrupt" as defined in the *Bankruptcy and Insolvency Act*. In the event that the Chargor/Guarantor is an "Undischarged Bankrupt", then all the amounts, whether principal, interest or otherwise that may be owing hereunder including administration fees and bonuses together with a one (1) month interest payment thereon shall be immediately due and payable at the sole option of the Charge.

## **Prepayment Provisions**

Provided that the Chargor, when not in default hereunder, shall have the privilege of prepaying all or any part of the principal sum hereby secured upon payment of three months interest by way of bonus.



### **Servicing Fee**

In the event that TriLend Inc. called upon to pay any payment in order to protect its security position, including but not limited to the payment of realty taxes, insurance premiums, condominium common expenses, principal, interest or costs under a prior mortgage, it is agreed that such payment shall bear interest at eighteen (18%) per cent per annum, calculated and compounded monthly and that there shall be a service charge of not less than \$300.00 for making such payment or payments.

### **Rental Assignments**

On all mortgages, where the subject property is non-owner occupied, an Assignment of Rents and Leases are to be provided. In the event the Lender or its agent invokes the Rent Assignment, a service charge in the sum of TWO HUNDRED DOLLARS (**\$200.00**) per each month, will be added to the mortgage and payable to Lender.

### **Additional Fees**

The Chargor/Mortgagor agrees that should TriLend Inc. issue either a Notice of sale or Statement of Claims, TriLend, at its option, shall be entitled to charge an additional fee equivalent to three (3) months interest. The chargor/ Mortgagor agree that should the mortgage not be renewed or discharged on the maturity date that TriLend, at its option shall be entitled to charge an additional fee equivalent to three (3) months interest.

### **Alterations**

The Chargor will not make or permit to be made, any structural alterations or additions to the land or to the building or structure thereon or change or permit to be changed the use of the premises without written consent of the Lender.

### **Severability of any Invalid Provisions**

In the event that any covenant term or provision contained in the charge is held to be invalid, illegal or unenforceable in whole or in part then, the validity, legality and enforceability of the remaining covenants, provisions and terms shall continue in full force and effect. All covenants, provisions and terms hereof are declared to be separate and distinct covenants, provisions or terms as the case may be.



### **Maintenance Fee**

TriLend shall be entitled to a fee of \$100.00 per day for administering the maintenance and security of any property in its possession.

## SCHEDULE TO THE ATTACHED CHARGE/MORTGAGE

### RECITALS

The Lender has agreed to make a loan in favour of the Borrower upon the terms and conditions more particularly contained herein.

The Borrower is the registered owner of the lands and premises described in the electronic Charge to which this schedule is attached.

This Charge is given by the Borrower to the Lender as continuing security for the repayment by the Borrower to the Lender of such loan and the performance by the Borrower of its obligations as more particularly described herein.

### ARTICLE 1 - DEFINITIONS

1.1 For the purposes of this Charge the following definitions will apply:

“Applicable Laws” means, at any time, in respect of any Person, property, transaction, event or other matter, as applicable, all then current laws, rules, statutes, regulations, treaties, orders, judgments and decrees and all official directives, rules, guidelines, orders, policies, decisions and other requirements of any Governmental Authority (whether or not having the force of law) (collectively, the “Law”) relating or applicable to such Person, property, transaction, event or other matter and shall also include any interpretation of the Law or any part of the Law by any Person having jurisdiction over it or charged with its administration or interpretation;

“Applicable Rate” means the interest rate set out in the electronic Charge to which this schedule is attached or, in the alternative, the interest rate set out in the Commitment;

“Bills” has the meaning ascribed thereto in Section 10.1(a);

“Borrower” means the party identified as “Chargor” set out in the electronic Charge to which this schedule is attached and its successors and assigns;

“Business Day” means a day on which the Lender is open for business but specifically excluding Saturdays, Sundays or statutory holidays pursuant to the laws of Canada or the Province of Ontario and “Business Days” means more than one Business Day;

“Charge” means this charge/mortgage of land and all instruments supplemental hereto or in amendment, renewal, extension, restatement, replacement or confirmation hereof;

“Charged Premises” means, collectively, the Lands and the Improvements;

“Commitment” means the letter of commitment between the Borrower and Trilend Inc. as the same has been or may be amended, restated, supplemented, renewed, extended or superseded from time to time;

“Environmental Approvals” has the meaning ascribed to it in Section 12.1 hereof;

“Environmental Laws” or “Environmental Law” has the meaning ascribed to them in Section 12.1 hereof;

“Event of Default” has the meaning ascribed thereto in Section 18.1 hereof;

“Event of Insolvency” means the occurrence of any one of the following events:

(a) If the Borrower, or the Guarantor(s), shall, other than as expressly permitted hereby:

- (i) be wound up, dissolved or liquidated, whether pursuant to the provisions of the laws of the Province of Ontario or the federal laws of Canada applicable therein, or any other law or otherwise, or becomes subject to the provisions of the *Winding-Up and Restructuring Act* (Canada), or has its existence terminated or has any resolution passed therefor; or
- (ii) makes a general assignment for the benefit of its creditors or files a proposal or a notice of intention to make a proposal under the *Bankruptcy and Insolvency Act* (Canada), shall otherwise acknowledge its insolvency or shall be declared or become bankrupt or insolvent; or
- (iii) proposes a compromise or arrangement or otherwise brings proceedings under or becomes subject to the provisions of the *Companies’ Creditors Arrangement Act* (Canada) or shall file any petition or answer seeking any re-organization, arrangement, composition, re-adjustment, liquidation, dissolution or any other relief for itself under, or in any way takes the benefit of, the *Bankruptcy and Insolvency Act* (Canada) or any other present or future law relative to bankruptcy, insolvency or other relief for debtors or for or against the benefit of creditors; or
- (iv) be unable, by reason of insolvency or similar circumstances, to pay its trade creditors generally, within one hundred and twenty (120) days of the rendering of trade accounts or admit its inability to pay its debts or perform its obligations as they become due; or

(b) If a court of competent jurisdiction shall enter an order, judgment or decree against the Borrower in respect of any re-organization, arrangement, composition, re-adjustment, liquidation, dissolution, winding-up, termination of existence, declaration of bankruptcy or insolvency, or similar relief under any present or future law relative to bankruptcy, insolvency or other relief for debtors or for or against the benefit of creditors, or the Borrower shall acquiesce in the entry of such order, judgment or decree, unless the Borrower is also proceeding forthwith to diligently and in good faith contest the same and, provided that none of the Charged Premises, the Charge or the Security, the value of the Charged Premises or the operation thereof, are adversely affected and there is no prejudice to the Lender in the Lender’s reasonable opinion, and such order, judgement or decree is vacated or permanently stayed within fifteen (15) days of its making; or

- (c) If any trustee in bankruptcy, receiver, receiver and manager, monitor or liquidator or any other officer with similar powers shall be appointed for the Charged Premises or any portion thereof, or for the Borrower or the Guarantor(s), or for all or any substantial part of its assets or its interest in the Charged Premises with the consent or acquiescence of the Borrower; or
- (d) If, other than as expressly permitted hereby, an encumbrancer or the holder of any lien or charge or any other creditor takes possession of the Charged Premises or the Borrower's interest in the Charged Premises, or any part thereof, or if a distress, execution, garnishment or any similar process is levied or enforced upon or against the same;

"Governmental Authority" means any federal, provincial, territorial or municipal government and any executive, judicial, regulatory or administrative functions of, or pertaining to, government (including, without limitation, all boards, commissions, agencies, departments and ministries);

"Guarantor(s)" means any Person from time to time guaranteeing the Indebtedness;

"Hazardous Substance" has the meaning ascribed to it in Section 12.1 hereof;

"Improvements" means the buildings, erections, structures, fixed machinery, fixed equipment, plant, and improvements now located on the Lands and all appurtenances pertaining thereto, together with all other buildings, structures, fixtures and improvements hereafter located from time to time in, on or under the Lands and all personal property, equipment and chattels now or hereafter affixed to the Lands or to such buildings, erections, structures, fixed machinery, fixed equipment, plant, and improvements owned by the Borrower;

"Indebtedness" means, collectively, the Principal Sum, any debts, liabilities, obligations, covenants and duties owing by the Borrower to the Lender of any kind or nature, present or future and arising under, pursuant to or in connection with this Charge, the Security or any other document delivered pursuant to or in connection herewith or therewith, whether or not evidenced by any note, guarantee or other instrument, whether or not for the payment of money, whether arising by reason of an extension of credit, loan, guarantee, indemnification, or in any other manner, whether direct or indirect (including those acquired by assignment), absolute or contingent, due or to become due, now existing or hereafter arising and however acquired and in all cases arising under, pursuant to or in connection with this Charge, the Security or any other document delivered pursuant to or in connection herewith or therewith. The term includes, without limitation, all interest, yield maintenance, charges, expenses, fees, including all processing and commitment fees and all legal fees and disbursements (in each case whether or not allowed), and any other sum chargeable to the Borrower under, pursuant to or in connection with this Charge, the Security or any other document delivered pursuant to or in connection herewith or therewith;

"Inspections" has the meaning ascribed to it in Section 12.1 hereof;

"Interest Adjustment Date" means the interest adjustment date set by the Lender for the purposes of setting a payment schedule;

"Lands" means the lands and premises described in the electronic Charge to which this schedule is attached, including all tenements, hereditaments and appurtenances belonging or in any way appertaining thereto, and the reversion or reversions, remainder and remainders, rents, issues and profits therefrom, and all the estate, right, title, interest, property claim and demand whatsoever of the Borrower of, in and to the same and of, in and to every part thereof;

"Lease Benefits" means the benefit of all covenants and obligations of tenants, licencees or occupants contained in any of the Leases, including, without limitation, all rights and benefits of any guarantees thereof, the right to demand, sue for, collect, recover and receive all Rents, to enforce the landlord's rights under any Lease and generally any collateral advantage or benefit to be derived from the Leases or any of them;

"Lease Rights" means, collectively, the Leases, the Rents and the Lease Benefits;

"Leases" means all present and future leases, subleases, licences, agreements to lease, agreements to sublease, options to lease or sublease, rights of renewal or other agreements by which the Borrower, or any predecessor or successor in title thereto, has granted or will grant the right to use or occupy all or part or parts of the Charged Premises, including all agreements collateral thereto, but which, for the purpose of this definition does not include the Property Lease, and "Lease" means any one of them;

"Lender" means the party identified as "Chargee" in the electronic Charge to which this schedule is attached, and its successors and assigns;

"Loan" means the loan extended or to be extended by the Lender to the Borrower in the principal amount set out in the electronic Charge to which this schedule is attached and secured by this Charge and other security given to the Lender by the Borrower and the Guarantor(s), if any;

"Major Tenant Leases" means any agreements to lease, offers to lease or leases, subleases or occupancy agreements in respect of premises situate on the Charged Premises and which are determined by the Lender in its discretion to be material to the Charged Premises and the extension and maintenance of the Loan;

"Maturity Date" means, subject to early maturity by reason of the occurrence of an Event of Default and the acceleration of repayment at the option of the Lender, the balance due date set out in the electronic Charge to which this schedule is attached;

"Permitted Encumbrances" means the items more particularly set out in Schedule 'A' hereto together with such other encumbrances, liens and interests affecting the Charged Premises which are acceptable to the Lender in its sole discretion. If no Schedule 'A' is attached hereto, there are no permitted encumbrances;

"Person" means any natural person, sole proprietorship, partnership, syndicate, trust, joint venture, Governmental Authority or any incorporated or unincorporated or entity or association of any nature;

"Principal" or "Principal Sum" means the principal amount of the Loan owing from time to time by the Borrower to the Lender;

"Rents" means all rents, issues and profits now due or to become due under or derived from the Leases;

“Security” means, collectively, all other or additional security, other than this Charge, given by the Borrower or others to the Lender as security for the Loan;

“Taxes” means for each year during the term of this Charge all real property taxes, business taxes, rates, duties, charges, assessments, impositions, taxes, levies and charges for local improvements or otherwise, imposed upon or assessed against the Charged Premises or any part or parts thereof by any Governmental Authority including, without limitation, school boards, and paid or payable by the Borrower or any tenant of the Charged Premises, but shall not include franchise, capital levy or transfer tax or any income, excess profits or revenue tax or any other tax or impost of a personal nature charged or levied upon the Borrower or any tenant of the Charged Premises. If the system of real property taxation or business shall be altered or varied and any new tax shall be levied or imposed on all or any portion of the Charged Premises or the revenues therefrom in substitution for, or in addition to, taxes presently levied or imposed, then any such new tax or levy shall be deemed to be and shall be included herein; and

“Term” means the term of this Charge and being a period which expires on the Maturity Date.

## **ARTICLE 2 - CHARGING PROVISIONS**

- 2.1 Now therefore witnesseth that the Borrower, being the registered owner of a freehold estate in fee simple in possession of the Lands, in consideration of the Loan advanced or to be advanced by the Lender to the Borrower or for its benefit, and as security for the repayment of all Indebtedness and the performance of the obligations of the Borrower hereunder, does hereby grant, mortgage, charge and create a security interest in, to and in favour of the Lender all of its estate, right, title and interest in and to the Charged Premises and covenants and agrees to and with the Lender as hereinafter provided.
- 2.2 The last day of any term reserved by any lease or sublease, verbal or written, or any agreement therefor, now held or hereafter acquired by the Borrower, as lessee, and forming part of the Charged Premises is hereby excepted out of the mortgage, charge, assignment and security interest hereby created or granted or any instrument in implementations hereof, and the same shall be deemed to be a charge by way of sublease. As further security for the payment of the Indebtedness, the Borrower agrees that it will stand possessed of the reversion of such last day of the term and shall hold it in trust for the Lender for the purpose of this Charge and to assign and dispose thereof, without cost or expense to the Lender, in such manner as the Lender shall by notice in writing, for such purpose, direct. Upon any sale, assignment, sublease or other disposition of such leasehold interest or any part thereof, the Lender, for the purpose of vesting the aforesaid one day residue of such term or renewal thereof in any purchaser, assignee, sublessee or other acquirer thereof, shall be entitled by deed or writing to appoint such party or parties as a new trustee or trustees of the aforesaid residue of any such term or renewal thereof in the place of the Borrower and to vest the same accordingly in the new trustee or trustees so appointed freed and discharged from any obligation respecting the same.

## **ARTICLE 3 - REPAYMENT AND INTEREST**

- 3.1 The Borrower covenants to pay to or to the order of the Lender at its offices as set out in Article 23 hereof or at such other address as the Lender may from time to time designate in writing, without set-off, compensation or deduction, and without deduction for bank service or any other charges, the Principal Sum together with all other Indebtedness with interest thereon at the Applicable Rate, as well after as before maturity and both before and after default, demand and judgment. Such interest at the Applicable Rate shall be computed from the date of advance to become due and be paid initially on the Interest Adjustment Date and thereafter to be paid in equal instalments of interest, commencing on the first payment date set out in the Commitment or in the electronic Charge to which this schedule is attached and continuing each month during the Term, to and including the last payment date set out in the Commitment or the electronic Charge to which this schedule is attached, each such instalment to be in the amount stipulated in the Commitment or in the electronic Charge to which this schedule is attached and the last instalment, in the amount of the then remaining balance of the Principal Sum, other Indebtedness and accrued interest thereon, to be paid on the Maturity Date.
- 3.2 The Borrower acknowledges and agrees that monthly instalments for interest described in Section 3.1 together with all payments for Taxes as set out in Section 10.1 hereof must pass through a single bank account on which the Borrower will have provided post-dated cheques (as required by the Lender) or have pre-authorized the Lender to withdraw the monthly payments under this Charge plus any Taxes payable in respect of the Charged Premises if not otherwise paid by the Borrower. In addition, the Borrower must maintain at all times in such account a minimum balance equal to the sum of the monthly payment of principal, interest and Taxes (as such Taxes become due).
- 3.3 It is hereby agreed that if default should occur in payment of any sum due at the time appointed for payment thereof as herein provided, compound interest at the Applicable Rate shall be payable on the sum in arrears from time to time, as well after as before maturity, and if interest as compounded is not paid within one (1) month from the time of default, a rest shall be made, and compound interest at the Applicable Rate shall be payable on the aggregate then due, as well after as before maturity, both before and after default, demand and judgement and so on from time to time and all such interest and compound interest shall be a charge on the Charged Premises.
- 3.4 All interest in arrears shall be treated (as to payment of interest thereon) as Principal and shall bear compound interest, as well after as before maturity, default and judgement as provided in Section 3.3 hereof.
- 3.5 The Borrower will pay interest, including interest on overdue interest, at the Applicable Rate on any arrears of instalments of interest, and any payment by the Borrower shall be applied by the Lender first on account of interest and then on account of principal.
- 3.6 All payments of principal and interest pursuant to Section 3.1 shall be made to and received by the Lender prior to 3:00 p.m. on the date due, failing which such payment shall be deemed received on the next succeeding Business Day provided that in such case, such extension of time shall be included for the purpose of computation for interest; provided further that in the event any payment is due on a day which is not a Business Day, it shall be payable prior to 3:00 p.m. on the next succeeding Business Day and provided such payment is received by such date and such time, then, save in respect of repayment of the Indebtedness at the Maturity Date where interest shall be charged for extensions to the next succeeding Business Day, interest shall not be charged for such extension.

#### **ARTICLE 4 - CRIMINAL RATE OF INTEREST**

- 4.1 Notwithstanding any other provisions of this Charge, in no event shall the aggregate "interest" (as defined in Section 347 of the Criminal Code, (Canada), as the same shall be amended, replaced or re-enacted from time to time) payable to the Lender under this Charge exceed the effective annual rate of interest on the "credit advances" (as defined in that section) under this Charge lawfully permitted under that section and, if any payment, collection or demand pursuant to this Charge in respect of "interest" (as defined in that section) is determined to be contrary to the provisions of that section, such payment, collection, or demand shall be deemed to have been made by mutual mistake of the Lender and the Borrower and the amount of such payment or collection in excess of that lawfully permitted shall be refunded by the Lender to the Borrower.

#### **ARTICLE 5 - INTEREST ACT (CANADA)**

- 5.1 For the purposes of this Charge, whenever interest is payable or stated not on the basis of a yearly rate, such rate of interest may be determined by multiplying the Applicable Rate by a fraction the numerator of which is the actual number of days in the calendar year in which the same is to be ascertained and the denominator of which is the number of days in the period for which such rate is determined to be payable.
- 5.2 All calculations of interest or fees under this Charge are to be made on the basis of the stated rates set out herein and not on any basis which gives effect to the principle of deemed re-investment.

#### **ARTICLE 6 - PREPAYMENT**

- 6.1 Subject to prepayment provisions provided for in the Commitment, if any, or early maturity by reason of the acceleration of the repayment of the Indebtedness at the option of the Lender upon the occurrence of an Event of Default, the Borrower shall not be entitled to prepay all or any portion of the Principal under this Charge prior to the Maturity Date.

#### **ARTICLE 7 - NO OBLIGATION TO ADVANCE**

- 7.1 The Borrower acknowledges and agrees that the Lender is not bound to make any advance of any of the Principal Sum or any unadvanced portion thereof by reason of the registration of this Charge in any place or registry office or the advance of any part of the said Principal Sum, it being acknowledged by the Borrower that any advance hereunder is subject, inter alia, to: (i) the representations and warranties contained herein being true and correct as of the date of any advance of the Loan; (ii) no default having occurred hereunder, under any of the Security or under the Commitment; and (iii) the conditions precedent contained in the Commitment having been satisfied.
- 7.2 In the event this Charge is registered and either no advance whatsoever is made hereunder by the Lender or the Borrower's ability to draw down funds is terminated by the Lender before any funds are advanced, the Lender will, at the expense of the Borrower and upon payment of all monies, costs, fees and disbursements then due to the Lender, promptly upon request by the Borrower execute and deliver to the Borrower, or any agent thereof, registrable discharges of this Charge and of the Security, for use in every registry office where they or notices thereof have been recorded or filed; provided that the Borrower acknowledges that this Section 7.2 shall be of no effect once any advance of the funds is made hereunder by the Lender.

#### **ARTICLE 8 - REPRESENTATIONS AND WARRANTIES**

- 8.1 The Borrower represents and warrants in favour of the Lender, acknowledging that the Lender is relying on such representations and warranties in extending the Loan:
- (a) The Borrower is a corporation duly organized, validly subsisting and in good standing under the laws of its incorporating jurisdiction and has all necessary corporate power and authority to enter into this Charge and the Security and to perform or cause to be performed its obligations contained herein and therein, to own and operate the Charged Premises and to carry on its business pertaining thereto as presently carried on;
- (b) There are no provisions in the articles or bylaws of the Borrower or any unanimous shareholders agreement of or with respect to the Borrower or to which the Borrower is a party which restrict, limit or regulate in any way the powers of the Borrower to borrow on credit or to issue, sell or pledge any of the property or assets now or hereafter owned by it to secure its debt obligations, save and except any provisions which have been complied with. No steps or proceedings have been taken or are pending to amend or supersede the articles or bylaws of the Borrower in a manner which would impair or limit the Borrower's ability to perform its obligations hereunder or under the Security;
- (c) The Borrower has taken all necessary corporate action to authorize the execution and delivery of this Charge and the Security, and performance of the provisions of each in accordance with its terms;
- (d) The authorization, creation, execution or delivery of this Charge or the Security or the Borrower's performance of its obligations hereunder or thereunder does not require any approval or consent of any Governmental Authority having jurisdiction nor will any such action be in conflict with or contravene any of the Borrower's articles, bylaws, unanimous shareholders agreement, if any, or resolutions of directors or shareholders, or the provisions of any indenture, instrument, agreement or undertaking to which the Borrower is a party or by which it or its properties or assets are bound, or result in the creation, imposition or crystallization of any hypothec, title retention, charge, pledge, lien, encumbrance or security interest of any kind upon any of its property or assets subject to the Charge or security interest created thereby or by the Security other than in accordance with the provisions of this Charge and the Security. This Charge and the Security when executed and delivered will constitute valid and legally binding obligations of the Borrower, enforceable against it in accordance with its terms;
- (e) There is not now pending or, to the best of the Borrower's knowledge or belief after due inquiry, threatened against the Borrower, any litigation, action, suit, investigation or other proceeding by or before any court, tribunal or other competent Governmental Authority which would materially adversely affect the present or prospective ability of the Borrower to perform its obligations under this Charge or the Security, as the case may be, or which calls into question the validity or enforceability of this Charge or the Security;



- (f) No Event of Insolvency has occurred or is threatened or pending;
  - (g) The Borrower is the registered owner of and has a good and marketable title in fee simple to the Lands, and, unless otherwise disclosed to the Lender in writing, is the legal and beneficial owner of the Charged Premises, free and clear of all security interests, charges, liens and other encumbrances whatsoever except for the Permitted Encumbrances, which Permitted Encumbrances are in good standing;
  - (h) The Borrower has the right to charge the Charged Premises to the Lender;
  - (i) The Borrower has not received any notice of or threat of a lien under the *Construction Lien Act* (Ontario), as amended, against the Charged Premises nor has any lien been registered against the Charged Premises in respect of labour, materials or services furnished with respect to any improvement thereon which has not been discharged;
  - (j) Unless expressly stipulated in the Commitment, the Charge is not being given with the intention to use the proceeds thereof to finance any alterations, additions or repairs to, or any construction, erection, demolition or installation on the Charged Premises or any structure thereon;
  - (k) Unless expressly stipulated in the Commitment, the Charge is not a building mortgage, within the meaning of the *Construction Lien Act* (Ontario), as amended, and the funds to be advanced by the Lender are not being used to repay a building mortgage;
  - (l) There has been no improvement or materials supplied on or in respect of the Charged Premises in respect of which a construction lien could arise and which has not been completed or abandoned within the forty-five (45) days immediately preceding the date hereof;
  - (m) Except as disclosed to the Lender in writing, the existing and proposed uses, the operation of the Charged Premises and the business conducted thereon comply and, to the best of the Borrower's knowledge and belief, have (including all prior uses) at all times complied with all Applicable Laws, including all Environmental Laws, and the Borrower is not in violation of, and does not violate, by virtue of the ownership, use, maintenance or operation of the Charged Premises or the conduct of any business related thereto, any Applicable Laws, including all Environmental Laws;
  - (n) The Charged Premises may be charged by the Borrower in compliance with the *Planning Act* (Ontario), and no severance of any adjoining lands owned by the Borrower is required;
  - (o) All financial statements and data delivered or presented to the Lender by the Borrower up to and including the date hereof are true and correct in all material respects as at the dates and for the periods indicated and have been prepared in accordance with Canadian generally accepted accounting principles and disclose to the Lender all financial information relevant to the Lender in respect of making the Loan and there is no information, financial or otherwise, which has not been disclosed to the Lender which would be material to the Lender in its decision to advance the Loan, and, without limiting the foregoing, neither the Guarantor(s) nor the Borrower has failed to disclose to the Lender any facts or information material to the making of the Loan;
  - (p) No Event of Default, or an event which with the giving of notice, lapse of time or otherwise, would constitute an Event of Default exists;
  - (q) Each Permitted Encumbrance is in good standing and all obligations and covenants required to be met or complied with thereunder on the part of the Borrower have been complied with and, in respect to any other party thereto to the best of the Borrower's knowledge and belief, have been met or complied with;
  - (r) All Leases entered into as of the date hereof are valid, subsisting and enforceable leases and are in good standing as of the date hereof without right of set-off or abatement;
  - (s) The Borrower is not bound by any indenture, agreement, lease or other instrument, nor is it subject to any trust agreement, charter, by-law, unanimous shareholders agreement or other corporate restriction or any of the Applicable Laws, which materially adversely affects its business operations in respect of the Charged Premises or the performance of its obligations under this Charge or the Security;
  - (t) The Borrower has complied with all Applicable Laws in respect of any residential unit located on the Charged Premises, including in respect of any conversion, demolition, rentals charged or filings or applications to be made and there are no outstanding orders, decisions or directives made or pending which are or would be adverse to the Borrower or the Charged Premises in respect of any residential unit located on the Charged Premises;
  - (u) The Borrower shall not, without the prior written consent of the Lender, execute or deliver any mortgage, charge, lien or other encumbrance of the Lands intended to rank subordinate to this Charge; and
  - (v) The Borrower is not and shall not be during the Term (without the prior written consent of the Lender), a farmer within the meaning of the *Farm Debt Mediation Act* (Canada).
- 8.2 The representations and warranties set out in this Article 8 shall speak as of the date made, survive the execution and delivery of this Charge and the making of any advance hereunder and continue to be true and accurate during the Term of this Charge, notwithstanding any investigations or examinations which may be made by the Lender or the Lender's solicitors and the Lender shall be deemed to have relied on such representations and warranties in making advances under the Loan.
- 8.3 The Borrower shall indemnify and save harmless the Lender from and against all losses, damages, claims and expenses directly or indirectly incurred or suffered by the Lender resulting from any omission, inaccuracy or misrepresentation of the Borrower herein relating to or concerning the Charged Premises and with respect to all losses, charges, claims and expenses directly or indirectly incurred or suffered by the Lender resulting from or arising in connection with environmental matters relating to, arising from, in connection with or concerning the Charged Premises, whether referred to or contemplated herein or hereby.

- 9.1 The Borrower covenants with the Lender that upon the occurrence of an Event of Default, the Lender shall have quiet possession of the Charged Premises, free from any encumbrances, save and except for the Permitted Encumbrances.
- 9.2 The Borrower shall not without the prior written consent of the Lender, which may be withheld in the sole discretion of the Lender permit or suffer to exist any charges, liens, security interests or other encumbrances against the Charged Premises, save and except for the Permitted Encumbrances; and the Borrower shall maintain the Permitted Encumbrances in good standing and provide notice to the Lender forthwith of any default under any of the Permitted Encumbrances.
- 9.3 The Borrower shall not initiate, permit or suffer to exist any Event of Insolvency, in respect of itself or, to the extent that the Loan, this Charge or the Security is affected by the occurrence of any such event, of any related person or corporation, including without limitation, any parent corporation of the Borrower. The Borrower covenants and agrees (i) to provide two Business Days' notice prior to the occurrence of an Event of Insolvency (an "Insolvency Notice"), and agrees that the receipt of an Insolvency Notice by the Lender shall constitute an immediate Event of Default if the Borrower or any Guarantor(s) is an applicant or takes the benefit of such statute or proceeding or if any of these proceedings otherwise affect the rights or entitlements of the Lender under the Loan, this Charge or the Security or the Lender's ability to enforce this Charge or the Security, and (ii) prior to the commencement of any such proceedings, to deliver to the Lender copies of all relevant filing materials, including, without limitation, copies of draft court orders, plans of compromise, proposals and notices of intention, it being intended by the Borrower that the Lender be entitled during the period after receipt of an Insolvency Notice to enforce this Charge and the Security for the purpose of, among other things, taking possession and control of the Charged Premises, in the Lender's sole discretion.
- 9.4 The Borrower shall not, without the prior written consent of the Lender, initiate, join in or consent to any change to or modification in any private restrictive covenant, municipal or other governmental law, rule or regulation, by-law, or any other public or private restrictions, limiting or defining the uses which may be made of the Charged Premises, or any part thereof and which could adversely affect the Charge, the Security, the day-to-day operations of the Charged Premises, the income derived therefrom or the value of the Charged Premises.
- 9.5 The Borrower shall comply in all respects with all covenants, deed restrictions, easements and Applicable Laws which pertain to the ownership, use or operation of the Charged Premises or the performance by the Borrower of its obligations under this Charge and shall ensure that all representations and warranties contained herein continue to be true and accurate at all times during the Term.
- 9.6 The Borrower shall permit the Lender, or cause to be made available to the Lender, access to all records, both written and electronic, pertaining to the Charged Premises and upon request shall make copies of such information for the Lender. For such purposes, the Lender shall have reasonable access to the Charged Premises or such other place as such records are kept upon reasonable prior written notice to the Borrower.
- 9.7 The Borrower shall fulfil on a timely basis any undertaking provided by it to the Lender at the time of the advance of the Loan.
- 9.8 The Borrower covenants to ensure that this Charge will remain a valid and enforceable mortgage of the Charged Premises with first priority subject only to the Permitted Encumbrances and the Borrower will fully and effectively maintain and keep the Security as valid and effective security during the currency hereof.
- 9.9 The Borrower shall promptly give written notice to the Lender of any litigation, proceeding or dispute affecting the Charged Premises if the result thereof might have a material adverse effect on the Charged Premises, the financial condition or operations of the Borrower or any Guarantor(s) or its ability to perform its obligations hereunder and shall, from time to time, furnish to the Lender all reasonable information requested by the Lender concerning the status of such litigation, proceeding or dispute and shall in all such cases diligently and in good faith proceed to defend, settle or otherwise deal with any such litigation, proceeding or dispute in a commercially reasonable manner.
- 9.10 The Borrower shall promptly give notice to the Lender upon becoming aware of and provide particulars in respect of:
- (a) An Event of Default or any event which with the passage of time or giving of notice would constitute an Event of Default;
  - (b) Any default under a Lease;
  - (c) Details of material renovations to the Charged Premises when the Borrower intends to or reasonably anticipates that it will renovate the Charged Premises;
  - (d) Any default under any Permitted Encumbrance;
  - (e) Any notice of expropriation, action or proceeding materially affecting the Charged Premises or the violation of any Applicable Law which may have a material adverse affect on the Charged Premises; and
  - (f) Any matter which may have a material adverse affect upon the Borrower or the Guarantor(s) or Charged Premises or the operations conducted thereon, or the security constituted by this Charge and the Security.
- 9.11 The Borrower covenants at all times:
- (a) to perform or cause to be performed all of the covenants and obligations on the part of lessor contained in the Leases (except the extent the same have been expressly waived by the other parties to such Leases and except in circumstances where the tenant is in default and the Borrower is acting prudently and in the best interests of the Charged Premises);
  - (b) to maintain or cause to be maintained the Lease Rights in good standing and not to do, permit to be done or omit to do anything which may impair the enforceability of the Lease Rights;

- (c) save for the deposits for the first and last month rentals, not to accept Rents more than one (1) month in advance of the dates when Rents fall due;
  - (d) not to enter into Leases which are not at arm's length unless the terms thereof are at least equal to current market terms;
  - (e) not to enter into Lease which do not constitute Major Tenant Leases (each of which must be approved by the Lender as hereafter provided) unless such leases are substantially on Lender pre-approved standard lease forms and not to enter into Major Tenant Leases without the Lender's approval as hereafter provided;
  - (f) not to or to permit termination, alteration or amendment or waiver of rights or remedies or otherwise take any action with respect to any of the Leases which in the aggregate would create a material reduction in Rents from those payable as of the date hereof, without the prior approval of the Lender;
  - (g) not to further assign, mortgage or pledge or permit the assignment, mortgaging or pledging of any Lease or the rents thereunder, save for assignments by tenants of their tenant's interest in Leases, to the extent permitted under such Leases; and
  - (h) to ensure in respect of all Leases now or hereafter entered into that (i) the tenant thereunder, at the option of the Lender, subordinates its lease to the security of this Charge and attorns to and becomes a tenant of the Lender or any purchaser from the Lender in the event of the exercise of a sale remedy by the Lender, for the unexpired residue of the term and upon the terms and conditions of said lease, provided the Lender will agree to enter into non-disturbance agreements on commercially reasonable terms with all such tenants; and (ii) at the request of the Lender, provide as further security specific assignments of Leases hereinafter entered into.
- 9.12 The Borrower shall not, without the prior written consent of the Lender, acting reasonably and promptly, enter into any agreement or document in respect of the Charged Premises (except for leases in accordance with the terms hereof and the Security) which is material to the ownership, value, operation, or use of the Charged Premises unless the same is in the ordinary course of business.
- 9.13 With respect to any Major Tenant Lease, the Borrower shall not and shall not permit without the prior written consent of the Lender:
- (a) cancel or modify any Major Tenant Lease, release the obligations of any lessee thereunder, accept a surrender of a Major Tenant Lease, accept any prepayment of Rents thereunder or consent to any sublet or assignment by the lessee under any Major Tenant lease (except where the provisions of such Major Tenant Lease require the landlord to do so); or
  - (b) enter into any Major Tenant Lease unless the terms, form and substance of such Major Lease is satisfactory to the Lender, acting reasonably; or
  - (c) to further assign, mortgage, pledge, hypothecate or otherwise deal with any Major Tenant Lease.
- 9.14 The Borrower shall do or cause to be done all things necessary to keep in full force and effect all rights, franchises, licences and qualifications necessary or incidental to perform or cause to be performed its obligations contained in this Charge and the Security and to carry on its business pertaining thereto as presently carried on.
- 9.15 The Borrower shall from time to time to pay or cause to be paid all amounts related to taxes, wages, workers compensation obligations, government royalties, and any other similar amounts relating to the business conducted on the Charged Premises if non-payment thereof may result in an encumbrance (other than a Permitted Encumbrance) against the Charged Premises or any of the assets secured in favour of the Lender by the Security.
- 9.16 The Borrower covenants, subject to the rights of reorganization herein contained, to continue as a corporation duly organized, validly subsisting and in good standing under the laws of its incorporating jurisdiction and maintain all necessary corporate power and authority to perform or cause to be performed its obligations contained herein and in the Security, to own and operate the Charged Premises and to carry on its business pertaining thereto as presently carried on.
- 9.17 The Borrower covenants that, unless in respect of a reorganization of the Borrower permitted under Paragraph 18.1(h) or with the consent of the Lender as provided therein, no steps or proceedings will be taken to amend or supersede the articles or bylaws of the Borrower and in any event no steps or proceedings, including any reorganization of the Borrower, will be taken in a manner which would impair or limit the Borrower's or its successor's ability to perform its obligations hereunder or under the Security.
- 9.18 The Borrower will not enter into any indenture, agreement, lease or other instrument, nor become subject to any trust agreement, charter, by-law, unanimous shareholders agreement or other corporate restriction, which materially adversely affects the Charged Premises.

#### **ARTICLE 10 - TAXES/LIENS**

- 10.1
- (a) The Borrower shall pay or cause to be paid, all Taxes together with such other amounts, the failure to pay which would give rise to a lien against the Charged Premises, as and when the same shall fall due and payable (collectively, the "Bills").
  - (b) With respect to Taxes at the option of the Lender, the Borrower shall pay to the Lender in equal monthly instalments on the first day of each month in each calendar year during the Term, commencing on the first day of the month next following the Interest Adjustment Date, one-twelfth (1/12) of the annual Taxes (or such amount as may be required in

order to pay the Taxes as they become due) as reasonably estimated by the Lender; said payments of Taxes shall be paid to the Lender in addition to the instalments of interest due and payable under this Charge, to be deposited upon receipt and held by the Lender in an interest-bearing account for the payment of Taxes, with interest to accrue thereon to the benefit of the Borrower and to be credited in reduction of the amount required to be paid to the Lender for Taxes. The Lender agrees that upon and subject to receipt of monies for Taxes it will remit such monies to the proper municipal offices in payment of Taxes as required from time to time; provided that if any Event of Default shall occur and be continuing, then the Lender, at its sole option, may apply all or any part of any funds held in such account to any amount due hereunder, whether principal, interest or otherwise. The Borrower shall also pay, or cause to be paid, to the Lender before the due date for the payment of Taxes (or next periodic instalment date therefor, as the case may be) any sums in addition to the aforesaid monthly instalments which may be required in order that out of such sums held in trust or escrow by the Lender and such additional sums, the Lender may pay the whole amount of Taxes assessed thereto, on the due date for payment thereof. Notwithstanding the foregoing provisions of this Paragraph 10.1(b), the Borrower acknowledges that the Lender is under no obligation to collect from the Borrower monthly instalments on account of Taxes. In addition, the Borrower acknowledges its obligation to pay all Taxes when due, whether or not the payment of all Taxes are the responsibilities of tenants and whether or not such tenants have remitted the same to the Borrower.

- (c) The Lender may, after written notice being given to the Borrower, pay all unpaid and due Taxes, and any amounts, the failure to pay which would give rise to a lien and any amounts so paid by the Lender shall become part of the Principal hereby secured and be a charge on the Charged Premises in favour of the Lender and shall be payable forthwith by the Borrower to the Lender with interest at the Applicable Rate until paid.
- (d) If the Charged Premises or any part thereof are sold or forfeited for nonpayment of Taxes while any sum remains unpaid hereunder, the Lender may acquire the title and rights of the purchaser at any sale, or the rights of any other person or corporation becoming entitled on or under any such forfeiture, or the Lender may pay, either in its own name or in the name of the Borrower and on the Borrower's behalf, any and all sums necessary to be paid to redeem such land so sold or forfeited, and to revest such lands in the Borrower, and the Borrower hereby nominates and appoints the Lender as agent to pay such monies on the Borrower's behalf and in the Borrower's name, and any monies so expended by the Lender shall become part of the Principal Sum hereby secured and be a charge on the Charged Premises in favour of the Lender and shall be payable forthwith by the Borrower to the Lender and until so paid shall bear interest at the Applicable Rate or in the alternative, the Lender may purchase the Charged Premises at any tax sale of the same.
- (e) Notwithstanding anything to the contrary herein contained, the Borrower shall have the right to contest or defend any actions brought to recover, or appeal any judgments recovered against it in respect of any Bills, or other like charges, or any construction or other liens levied or registered against the Charged Premises, by appropriate proceedings diligently conducted in good faith, provided that the Borrower shall have first deposited with the Lender, or otherwise provided to the reasonable satisfaction of the Lender, such security as the Lender acting reasonably may require including, without limitation, security for the payment of such Bills, charges or liens and any costs payable in connection therewith, and further provided that the Lender shall have determined, to its reasonable satisfaction, that any such contest, defence or appeal or any delay or nonpayment of such Bills, charges or liens shall not materially prejudice the prior charge or lien of this Charge or the title of the Borrower to the Charged Premises. Should the Lender at any time thereafter determine, in its reasonable discretion, that any such contest, defence or appeal or any delay or nonpayment of such Bills, charges or liens shall materially prejudice the prior charge or lien of this Charge or the title of the Borrower to the Charged Premises, the Lender may realize upon such security for payment as aforesaid and pay such Bills, charges or liens. Upon termination of such proceedings, the Borrower shall promptly pay or cause to be paid the amount of the Bills, charges or liens and any other costs, fees, interest and penalties as are properly payable upon determination of such proceedings and promptly cause any tax notifications, caveats, liens, certificates of or pertaining litigation or any other form of notice or encumbrance in respect thereof to be promptly discharged from the title to the Charged Premises at the sole expense of the Borrower whereupon all such security deposited or otherwise provided to the Lender and any proceeds from the realization thereof not paid on account of Bills as aforesaid, shall be returned and paid to the Borrower.
- (f) The Borrower agrees to and does hereby indemnify the Lender against all claims, demands, costs, damages and expenses which arise in respect of any default, late payment, omission, act or proceeding by the Borrower, under or in respect of this Section 10.1.
- (g) If the Lender comes into and for as long as it is in possession of the Charged Premises, the Lender, in its sole discretion, shall be entitled to and shall enjoy all the rights of the Borrower set out in Paragraph 10.1(d) hereof, to the exclusion of the Borrower.

#### ARTICLE 11 – INSURANCE

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

by the Insurance Bureau of Canada which shall be attached to the policy of insurance.

11.2 During any construction on the Charged Property, the Borrower shall maintain:

- (i) Builders' all-risk coverage for 100% of the construction cost with loss payable to the Lender by way of an Insurance Bureau of Canada ("IBC") approved mortgage clause. The policy must cover flood, earthquake, building by-laws, delayed opening, must allow for partial occupancy of the premises and provide for interim loss payments during reconstruction;
- (ii) Wrap-Up Liability coverage in an amount not less than \$10,000,000 per occurrence;
- (iii) Project performance and completion bonds and insurance, including coverage for labour and material bonds; and
- (iv) Professional Liability coverage in an amount not less than \$10,000,000.

#### ARTICLE 12 - ENVIRONMENTAL

12.1 The following capitalized terms shall have the following respective meanings:

"Environmental Approvals" means all applicable permits, licences, authorizations, consents, directions or approvals required by Governmental Authorities pursuant to the Environmental Laws with respect to the use, occupation, ownership or operation of the Charged Premises;

"Environmental Laws" means all applicable federal, provincial and municipal laws, by-laws, regulations, executive orders, judgments and protocols, relating in whole or in part, to the environment or its protection, and without restricting the generality of the foregoing, includes without limitation, those laws relating to the manufacturing, processing, use, handling, packaging, labelling, sale, storage, recycling, transportation, treatment, destruction, burial or disposal of Hazardous Substances, employee safety, and the emission, discharge, release, deposit, issuance, spraying, dumping, throwing, pouring, spilling, emptying, placing, leaking, seeping, exhausting or abandonment of Hazardous Substances into the atmosphere, air, surface water, ground water, land surface or subsurface strata and, in each such case, as such Environmental Laws may be amended or supplemented from time to time, and "Environmental Law" means any of them;

"Hazardous Substance" means any pollutant, contaminant, waste, hazardous waste, toxic substance or dangerous good which is defined or identified in or the object of any Environmental Law, the presence of which in the environment is in contravention of any Environmental Law; and

"Inspections" means all inspections, evaluations or tests conducted by the Lender or any agent or consultant thereof for the purpose of determining the environmental condition of the Charged Premises, as the Lender may deem appropriate, acting reasonably.

12.2 The Borrower represents and warrants (which representations and warranties shall continue throughout the Term of the Loan) that:

- (a) The condition and use of the Charged Premises is and, to the best of the Borrower's knowledge, any prior use of the same was, in compliance in all material respects with all applicable Environmental Laws;
- (b) The Charged Premises is not subject to any judicial or administrative proceedings alleging violation of any Environmental Laws and there are no outstanding orders or proceedings against the Charged Premises from a Governmental Authority responsible for protecting the environment alleging the violation of any Environmental Laws;
- (c) To the knowledge of the Borrower, the Charged Premises is not the subject of any investigation by Governmental Authorities having jurisdiction evaluating whether any remedial action is needed to respond to a contravention of any Environmental Laws; and
- (d) There is no contingent liability of which the Borrower has knowledge or reasonably should have knowledge in connection with the contravention of any Environmental Laws.

12.3 The Borrower covenants with the Lender:

- (a) If not already provided, to provide to the Lender within ninety (90) days of the execution of this Charge, an environmental audit with respect to the Lands, and if an event shall have occurred after the date of this Charge, which the Lender, acting reasonably, believes may have resulted or may result in material adverse change in the environmental condition of the Charged Premises or any part thereof, to provide such further environmental audits as the Lender may require;
- (b) To provide notice within fifteen (15) days of either having learned of any enactment or promulgation of any Environmental Laws which may result in any material adverse change in the condition, financial or otherwise, of the Charged Premises;
- (c) To defend, indemnify and hold harmless the Lender, its directors, officers, employees, agents and their respective successors and assigns, against any and all loss, cost, expense, claim, liability or alleged liability arising out of any environmental damage occasioned to the Charged Premises contravention of any Environmental Laws;
- (d) To, at all times and at its own expense, conduct its business and maintain the Charged Premises in compliance with all Environmental Laws and Environmental Approvals including causing all tenants of the Charged Premises to comply with the same;

- (e) If the Borrower:
  - (i) receives notice from any Governmental Authority having jurisdiction that violation of any Environmental Law or Environmental Approval has been committed by the Borrower or any tenant with respect to the Charged Premises;
  - (ii) receives notice that any remedial order or other proceeding has been filed against the Borrower or any tenant alleging in respect of the Charged Premises violations of any Environmental Law or requiring the Borrower to take any action in connection with the release of a Hazardous Substance into the environment; or
  - (iii) receives any notice from a Governmental Authority having jurisdiction in respect of the Charged Premises that the Borrower or any tenant may be liable or responsible for costs associated with a nuisance or a response to, or clean up of, a release of a Hazardous Substance into the environment or any damages caused thereby;

to provide to the Lender a copy of such notice within ten (10) days of the Borrower's receipt thereof, and thereafter shall keep the Lender informed in a timely manner of any developments in such matters, and shall provide to the Lender such other information in respect thereto as may be reasonably requested by the Lender from time to time and shall proceed to deal with the same diligently and in good faith in order to bring the Charged Premises into compliance to the extent necessary to comply with Environmental Laws;
- (f) Unless in existence on the Charged Premises on the date of this Charge, not to use, discharge, transport or install in or upon the Charged Premises any material or equipment containing PCBs or permit any tenant of the Charged Premises to do so and, to the extent in existence on the Charged Premises as of the date of this Charge, to maintain the same in compliance with all Environmental Laws;
- (g) To maintain, and to require all occupants of the Charged Premises to maintain in good leak-proof condition all above-ground and underground storage tanks and drums on the Charged Premises;
- (h) Not to install asbestos or permit asbestos to be installed in the Charged Premises. With respect to any asbestos present in the Charged Premises on the date of this Charge, the Borrower shall, at its expense, promptly comply with the requirements of Environmental Laws and Governmental Authorities respecting the use, removal and disposal of asbestos; and
- (i) To obtain or cause its solicitors to obtain copies of all relevant environmental studies or assessments of the Charged Premises which the Borrower or its solicitors or agents have commissioned or which are in the possession or control of the Borrower, as of the date of this Charge and, to the extent any such assessments or studies are required by the Lender from time to time, to promptly provide same to the Lender upon request and hereby authorizes and directs its solicitors, agents and consultants to promptly release same to the Lender.

12.4 Having due regard to the rights of any tenant of the Borrower, the Lender and its employees and agents shall have the right, and are hereby granted permission by the Borrower, to enter the Charged Premises from time to time, and to have access to the Borrowers' relevant documents and records, in order to conduct Inspections, to determine compliance with Environmental Laws as the Lender, acting reasonably, may deem appropriate. Inspections shall be:

- (a) at such times and to such extent as may be reasonable in the circumstances on prior notice to the Borrower if the Lender has reasonable grounds for believing that:
  - (i) there are, contrary to Environmental Laws or Environmental Approvals, Hazardous Substances in or upon the Charged Premises which have not been disclosed to and approved by the Lender and appropriate Government Authorities; or
  - (ii) the Borrower is in breach of any environmental representations in this Charge or its covenants in this Article; or
  - (iii) the Borrower is not in compliance with any Environmental Laws or material Environmental Approvals; and
- (b) at any time without prior notice upon the occurrence of an Event of Default which is continuing.

If the Borrower is found not to be in compliance with the Environmental Laws or Environmental Approvals and such failure to comply becomes an Event of Default that is continuing, the Lender may, at its option (but without any obligation to do so) take such actions as are required, acting reasonably, to bring the Charged Premises into compliance, and the costs thereof shall immediately become due and payable to the Lender by the Borrower and shall be secured by the Security.

12.5 The Lender shall not, by virtue of being the chargee under this Charge or the enforcement of its rights contained herein for purposes of the Environmental Laws, be or be deemed to be the owner of, any of the Charged Premises, or to have management, charge, control, occupation or possession of any of the Charged Premises or the businesses of the Borrower, or of any Hazardous Substances located on, upon or within any of the Charged Premises.

12.6 The Borrower hereby covenants and agrees to be responsible for, and to indemnify and hold harmless the Lender and each of its officers, directors, employees, shareholders, all unitholders of any pooled funds under its management and agents and their respective successors and assigns (in this Section, collectively referred to as the "Indemnified Parties") from and against all claims, demands, liabilities, losses, costs, damages and expenses (including, without limitation, reasonable legal fees and all costs incurred in the investigation, pursuing of any claim, or in any proceeding with respect to, defense and settlement of any item or matter hereinafter set out) that the Indemnified Parties may incur or suffer, directly or indirectly as a result of or in connection with:

- (a) Any inaccuracy in or breach of the Borrower's representations and warranties relating to the environmental matters contained herein;

- (b) The presence of any Hazardous Substance on, upon or within the Charged Premises, or the escape, seepage, leakage, spillage, discharge, emission, release, disposal or transportation away from the Charged Premises of any Hazardous Substance, whether or not there is compliance with all applicable Environmental Laws and Environmental Approvals;
- (c) The imposition of any remedial order affecting the Lands, or any non-compliance with Environmental Laws or Environmental Approvals pertaining to the Charged Premises by any person, including the Borrower, the Lender or any person acting on behalf of the Lender; and
- (d) Any diminution in the value or any loss on the disposition of the Charged Premises arising directly or indirectly as a result of the presence on the Lands of any Hazardous Substance, or as a result of the imposition of any remedial order or the breach by any person of any Environmental Law or Environmental Approval.

This indemnity shall survive the satisfaction and release of this Charge and the Security and the payment and satisfaction of all indebtedness hereunder. The benefit of this indemnity may be assigned by the Lender to any successor or assign of the Lender and the Borrower hereby consents to any such assignment.

#### **ARTICLE 13 - ASSIGNMENT OF RENTS AND LEASES**

- 13.1 As further security for the payment of all monies owing and the performance of all obligations to be performed hereunder, the Borrower does, as and by way of security, hereby sell, assign, transfer and set over unto to the Lender all of the Borrower's right, title and interest, both at law and equity, in and to the Lease Rights, to hold and receive the same unto the Borrower with full power and authority to demand, collect, sue for, recover and receive and give receipts for Rents and enforce payments of the same and enforce performance of the obligations of tenants under the Leases, provided, however, that, subject to the terms of this Charge, the Borrower shall have the full right, so long as no Event of Default has occurred and is continuing, to continue to collect Rents, to take or cause to take all actions as it deems necessary with respect to the Lease Rights, acting as a reasonable lessor.
- 13.2 It is expressly acknowledged and agreed by the Borrower that nothing contained in this Charge shall oblige the Lender to assume or perform any obligation of the Borrower to any third party in respect of or arising out of the assigned Lease Rights. The Lender may, however, after the occurrence of an Event of Default and while such Event of Default continues, at its option, assume or perform any such obligation as the Lender considers necessary or desirable to obtain the benefit of the Lease Rights, free of any set-off, reduction or abatement, and any money expended by the Lender in this regard shall form part of or be deemed to form part of the indebtedness secured by this Charge and shall bear interest at the Applicable Rate.

#### **ARTICLE 14 - MANAGEMENT AND REPAIR**

- 14.1 The Borrower shall cause the Charged Premises at all times to be professionally maintained, managed and operated and fully and continuously operational during customary business hours, including all uses ancillary or incidental to its operations, at all times, by competent managers and staff of proper background and training, in a first class manner consistent with the management and operation of other properties which are of size, location, use, class, age and type comparable to the Charged Premises, and the Borrower shall obtain the Lender's prior written approval of any manager and any management contract with any manager which may be entered into by the Borrower for the management of the Charged Premises. In addition to any other rights hereunder of the Lender, the Lender shall have the right, acting reasonably, to replace the manager at the expense of the Borrower in the event the management standards are not maintained as required hereunder and the situation is not remedied within thirty (30) days after written notice from the Lender. The Lender acknowledges and approves, as of the date hereof, of the Borrower or a company controlled by the Borrower acting as manager of the Charged Premises provided that the Charged Premises are managed and maintained in accordance with the provisions hereof.
- 14.2 The Borrower shall promptly repair, maintain, restore, replace, rebuild, keep, make good, finish, add to and put in order, or cause to be so done, the Charged Premises, so that the same shall, at all times, be in good condition and repair and to pay or cause to be paid when due all claims for labour performed and materials furnished therefor. The Borrower shall not commit or suffer any waste of the Charged Premises nor take any action that might invalidate or give cause for cancellation of any insurance maintained in respect of the Charged Premises. No building or other property now or hereafter charged by this Charge shall be removed, or demolished or nor shall the structure of any building be materially altered, redeveloped, retrofitted or renovated, without the prior written consent of the Lender, except that the Borrower shall have the right, without such consent, to remove and dispose of, free from the lien or charge of this Charge, such fixed equipment as from time to time may become worn out or obsolete, provided that either (a) simultaneously with or prior to such removal, and if necessary for the operation of the Charged Premises such equipment shall be replaced with other equipment of a quality comparable to that of the replaced equipment and free from any lien, title retention agreement, conditional sale contract, security agreement or other encumbrance, and by such removal and replacement the Borrower shall be deemed to have subjected such fixed equipment to the lien or charge of this Charge, or, (b) any net cash proceeds received from such disposition shall, at the option of the Lender, be paid over promptly to the Lender to be applied in a manner determined by Lender in its sole discretion toward the payment of any amounts owing hereunder or secured hereby. The Borrower shall notify the Lender promptly of any material damage to or defects in any of the Improvements, and thereafter forthwith shall make or cause to be made such repairs thereto as are required to correct any such damage or defects and return the Charged Premises to a state of condition and repair equivalent to the state of condition and repair required by the provisions of this Charge.
- 14.3 The Borrower shall comply with, or cause to be complied with, all statutes including without limitation the provisions of the *Construction Lien Act* (Ontario), ordinances and requirements of any Governmental Authority having jurisdiction with respect to the Charged Premises; the Borrower shall complete and pay for, within a reasonable time, any structure at any time in the process of construction on the Charged Premises.
- 14.4 The Borrower shall permit the Lender or its authorized agents at all reasonable times to enter upon the Charged Premises and inspect same, and if such inspection reveals that any repairs or like actions are necessary, the Lender may give notice to the Borrower requiring the Borrower to repair, rebuild or reinstate the same, or take such other like action within a reasonable time. Any failure by the Borrower to comply with such notice shall constitute an Event of Default hereunder and the Lender may repair, rebuild or reinstate the Charged Premises at the cost of the Borrower and charge all sums of money determined by the

Lender to be properly paid therefor and interest thereon at the Applicable Rate until paid.

#### ARTICLE 15 - INCREASED COSTS

15.1 In the event that as a result of any application of or any change in or enactment of any applicable law, regulation, treaty or official directive after the date hereof (whether or not having the force of law), or in the interpretation of application thereof by any court or by any governmental or other authority or entity charged with the administration thereof which now or hereafter:

- (a) Subjects the Lender to any tax or changes the basis of taxation, or increases any existing tax, on payments of principal, interest or other amounts payable by the Borrower to the Lender under this Charge (except for taxes on the overall net income of the Lender or capital of the Lender imposed by the Government of Canada or any political subdivision thereof or by the jurisdiction in which the principal or lending office of the Lender is located); or
- (b) Imposes, modifies or deems applicable any special requirements against assets held by, or deposits in or for the account of or any other acquisition of funds by the Lender or imposes on the Lender a requirement to maintain or allocate capital or additional capital in relation to the Loan; or
- (c) Imposes on the Lender any other condition with respect to this Charge; or
- (d) Renders any portion of this Charge illegal or unenforceable;

and the result of any of the foregoing is to increase the cost to the Lender, or reduce the amount of principal, interest or other amount received or receivable by the Lender hereunder or its effective return hereunder in respect of making or maintaining the Loan hereunder or to reduce the payments receivable by the Lender in respect of the Loan by an amount which the Lender deems to be material, the Lender shall promptly give written notice thereof to the Borrower setting out in reasonable detail the facts giving rise to and a summary calculation of such increased costs or reduced payments, and the Borrower shall forthwith pay to the Lender upon receipt of such notice that amount which will compensate the Lender for such additional cost or reduction in income (herein referred to as "Additional Compensation"). Upon the Lender having determined that it is entitled to Additional Compensation in accordance with the provisions of this Section, the Lender shall promptly so notify the Borrower. The Borrower shall forthwith pay to the Lender upon receipt of such notice such Additional Compensation calculated on the date of demand. The Lender shall be entitled to be paid such Additional Compensation from time to time to the extent that the provisions of this Section are then applicable notwithstanding that the Lender has previously been paid any Additional Compensation. The Lender shall endeavour to limit the incidence of any such Additional Compensation, including seeking recovery for the account of the Borrower, by appealing any assessment at the expense of the Borrower upon the Borrower's request.

15.2 All payments made by the Borrower to the Lender will be made free and clear of all present and future taxes, withholdings or deductions of whatever nature. If these taxes, withholdings or deductions are required by Applicable Law and are made, the Borrower shall, as a separate and independent obligation, pay to the Lender all additional amounts as shall fully indemnify the Lender from any such taxes, withholding or deduction. Provided, however, that the Borrower shall have no obligation to pay any withholding or like tax which may be exigible, incurred or required as a result of the Lender being a non-resident of Canada for the purposes of the *Income Tax Act* (Canada).

15.3 If the result of any law, regulation, treaty or official directive or request or any change in or any introduction thereof or change in the interpretation or application thereof or compliance by the Lender with the same (including, without limitation, those relating to taxation, reserve requirements, capital adequacy or other banking or monetary controls) is such that it is or will become (other than as a result of some positive action of the Lender, including any participation or syndication hereof by the Lender) unlawful for the Lender to make, fund or allow to remain outstanding all or part of the Loan, or to carry out all or any of its other obligations under this Charge and/or the Security or receive interest or any fee at the Applicable Rate, then in such case:

- (a) The Lender may give written notice to the Borrower of such law, regulation, treaty or official directive or request (whether or not having the force of law) or such change in or any introduction thereof or change in the interpretation or application thereof or compliance by the Lender with the same (including, without limitation, those relating to taxation, reserve requirements, capital adequacy or other banking or monetary controls) which such notice shall certify that such law, regulation, treaty, official directive or request is generally applicable to all other borrowers from the Lender with any accommodation similar to that herein provided; and
- (b) The Borrower shall prepay the Indebtedness on such date and to such extent as the Lender shall certify to be necessary to comply with the relevant law or change described above;

provided, however, that should the Loan become unlawful, the Lender, without prejudice to its rights to require repayment and without any obligation on its part, will consider other means of funding the Loan which would not be unlawful, would allow the Lender to carry out its obligations in respect of the Loan and would enable the Lender to receive interest at the Applicable Rate, provided always, notwithstanding the foregoing, the Lender is not obligated to provide alternate funding.

#### ARTICLE 16 - OBTAINING AND MAINTAINING SECURITY

16.1 Regardless of whether such sums are advanced or incurred with the knowledge, consent, concurrence or acquiescence of the Borrower or otherwise and in addition to any other amounts provided for herein or otherwise permitted by Applicable Law to be secured hereby, except as herein otherwise provided, the following are to be secured hereby and shall be a charge on the Charged Premises, together with the interest thereon at the Applicable Rate, and all such monies shall be repayable to the Lender, on demand, except as herein otherwise provided:

- (a) All reasonable and properly chargeable solicitor's, inspector's, valuator's, consultant's, architect's, engineer's, surveyor's and appraiser's fees and out-of-pocket expenses:
  - (i) for drawing and registering this Charge and the Security and financing statements in connection therewith, and attending to advances hereunder;



- (ii) for examining the Charged Premises and the title thereto up the date hereof;
  - (iii) for making and maintaining this Charge as a registered charge on the Charged Premises and maintaining the Security (including the registration and filing of renewals);
  - (iv) for the preparation of this Charge, the Security and any related documents and in exercising or enforcing or attempting to enforce or advising the Lender in respect of defaults hereunder or in pursuit of any right, power, remedy or purpose hereunder or subsisting at law;
  - (v) reasonable allowance for the time, work and expenses of the Lender or of any agent of the Lender in connection therewith; and
- (b) All reasonable sums which the Lender may from time to time advance, expend, incur or suffer hereunder:
- (i) for insurance premiums, Bills, Taxes, rates, or in or toward payment of prior liens, charges, encumbrances or claims charged or to be charged against the Charged Premises;
  - (ii) in maintaining, repairing, restoring or completing construction of the Charged Premise;
  - (iii) in inspecting, leasing, managing or improving the Charged Premises as permitted hereunder, including the price or value of any goods of any sort or description supplied to be used on the Charged Premises as permitted hereunder; and
- (c) Without limiting the generality of any of the foregoing, the then current reasonable fee of the Lender and/or its solicitor for the following matters:
- (i) executing any cessation or discharge of this Charge, notwithstanding that said cessation or discharge may have been prepared by the Borrower;
  - (ii) entering into an agreement to amend the interest rate or any other provision in the Charge;
  - (iii) handling any dishonored cheque;
  - (iv) preparing an amortization schedule showing the principal and interest components of payments due under this Charge;
  - (v) the cost of completing a Phase I & II Environmental Audit and such other environmental audits as the Lender may require in its discretion;
  - (vi) such other administrative matters as the Lender may perform with regards to the Charge or with regards to any collateral security, as permitted by the Commitment;
  - (vii) the fee charged by the Lender's insurance consultant to review the Borrower's policy of insurance for the subject lands including business interruption insurance if required by the Lender; and
  - (viii) the execution and delivery of any consents, postponements, acknowledgments or any other documents that may be required from the Lender, whether from the Borrower and/or any governmental authorities and/or public/private utilities.

- 16.2 If any action or proceeding be commenced (except an action to foreclose this Charge or to collect the money that is secured hereby) in which the Lender becomes a party or participant by reason of being the holder of this Charge or the indebtedness secured hereby, all sums paid by the Lender for the expense of so becoming a party or participating (including all reasonable and properly chargeable legal costs) shall, on written notice, be paid by the Borrower, together with interest thereon at the Applicable Rate from the dates of payment of such sums by the Lender, and shall be a lien and charge on the Charged Premises, prior to any right or title to, interest in, or claim upon the Charged Premises subordinate to the lien and charge of this Charge, and shall be deemed to be secured by this Charge, and that in any action or proceeding to foreclose this Charge, or to recover or collect the indebtedness secured hereby, provisions of law respecting the recovery of costs, disbursements and allowances shall prevail unaffected by this covenant.

#### **ARTICLE 17 - CONDEMNATION AWARDS**

- 17.1 The Borrower shall notify the Lender promptly upon it being aware of any and all awards or payments ("Condemnation Award(s)") including interest thereon, and the right to receive the same (save for any portion of any such Condemnation Award paid for remedial purposes and which is actually used for such purpose) which may be made with respect to the Charged Premises, or any part thereof, as a result of:
- (a) Any condemnation, eminent domain, compulsory acquisition, expropriation or like procedures ("Condemnation"), partial or complete, including any sidewalk or lane; or
  - (b) The imposition, and enforcement, of any restriction, regulation or condition to meet any building or development guideline for development or restriction of or by any municipality or other competent authority; or
  - (c) Any other material injury to or decrease in the value of the Charged Premises by any lawful regulation or any governmental authority having jurisdiction;

(any matter referred to in (a), (b) or (c) above being hereinafter called an "Incident of Expropriation") to the extent of all amounts which may be secured by this Charge at the date of receipt of any such Condemnation Award by the Borrower.

Notwithstanding the occurrence of any Incident of Expropriation, the Borrower shall continue to pay interest at the Applicable Rate on the Principal Sum. The Borrower does hereby change, assign, set over as transfer to the Lender, as security for the repayment of all Indebtedness.

- 17.2 Any Condemnation Award received by the Lender shall be held by the Lender as part of the security for the Loan subject to application as provided in this Article 17. Pending such application, such amounts received shall be held and invested by the Lender, acting reasonably. If at any time an Event of Default has occurred and is continuing, the Lender may, at its option, apply such amounts in reduction of the amounts owing hereunder.
- 17.3 Notwithstanding the provisions of Sections 17.1 and 17.2, in the event that any Incident of Expropriation shall occur which, in the reasonable opinion of the Lender, would materially and adversely affect the security of the Charge or any other Security after the application of any Condemnation Award pursuant to Section 17.1 hereof, the Lender may, at its option, declare such Incident of Expropriation to be an Event of Default and be entitled to exercise any and all rights and remedies available to it hereunder at law or in equity.

#### ARTICLE 18 - EVENTS OF DEFAULT

- 18.1 The whole of the Principal Sum together with interest thereon at the Applicable Rate, interest on overdue interest and any amounts payable pursuant to Article 6, and all other amounts secured hereby shall, at the option of the Lender, subject to Section 18.2 hereof, become due and payable and all powers conferred on the Lender herein and hereby shall become exercisable, in like manner to all intents and purposes as if the time herein mentioned for payment of such Principal monies had fully come and expired, if specifically provided for in this Charge, or if any of the following events shall occur (the occurrence of any such event together with the expiry of the applicable cure period, if any, and any other occurrence specifically provided for herein as an Event of Default being collectively referred to as an "Event of Default"):
- (a) Upon default in payment of any regularly schedule instalment of interest beyond the date such payment is due and payable; or
  - (b) Upon default in payment of the Indebtedness due and owing on the Maturity Date; or
  - (c) Upon default in payment of any Indebtedness (other than an instalment of interest and upon maturity) due hereunder within five (5) Business Days after written notice thereof is provided by the Lender; or
  - (d) Save as otherwise provided for in subparagraphs (a), (b) and (c) hereof or otherwise specifically provided herein, upon any default in the performance of any covenant or obligation of the Borrower hereunder within fifteen (15) days after written notice thereof is provided by the Lender, provided that if such default is curable and the nature of such default is such that the exercise of reasonable diligence of more than fifteen (15) days is required to cure such default, and if such default in the Lender's reasonable discretion does not jeopardize or adversely effect the security interest of the Lender hereunder or adversely affect the Borrower or its ability to perform its obligations hereunder or under the Security or adversely affect the Charged Premises, the Lender will not, for a further sixty (60) days so long as no other Event of Default has occurred, enforce its remedies in respect of such default while and so long as during such time the Borrower is actively continuing to diligently and in good faith cure such default; or
  - (e) If at any time during the Term there is a breach of any representation or warranty contained herein or at any time during the Term if any representation or warranty contained herein is no longer true or accurate or becomes untrue or inaccurate for any reason and provided the same can be rectified, and the same is not rectified within thirty (30) days after written notice thereof is provided by the Lender; or
  - (f) Upon the assignment by the Borrower to any other party of the whole or a part of the rents, income or profits arising from the Charged Premises, without the written consent of the Lender; or
  - (g) The occurrence of an Event of Insolvency; or
  - (h) If without the prior written consent of the Lender, in its sole and absolute discretion:
    - (i) the Borrower transfers, sells, conveys, or otherwise disposes of all or any part of the Charged Premises, or any interest therein (other than by way of Leases), whether legal or beneficial or enters into any transaction or series of transactions where all or any part of the Charged Premises becomes the property of another person, whether through reorganization, amalgamation, merger, consolidation or otherwise, or if there is any change in the legal or beneficial interest, in whole or in part, of the Charged Premises; or
  - (i) If, without the prior written consent of the Lender, in its sole and absolute discretion:
    - (i) there is any change in the Borrower's corporate control or change in the Borrower's effective control existing as of the date of this Charge; or
    - (ii) the Borrower creates, permits or suffers to exist any mortgage, pledge, charge, loan, assignment, hypothecation, security interest or other encumbrance attaching the Charged Premises other than this Charge, the Security and the Permitted Encumbrances; or
  - (j) Upon default by or non-compliance of the Borrower or any Guarantor(s), or any others bound by or acknowledging to be bound by the terms of this Charge, with respect to any of the provisions of the Security or the Permitted Encumbrances; or
  - (k) If the Charged Premises are abandoned; or
  - (l) Failure by the Borrower to fulfil, complete or comply with any undertakings delivered by the Borrower to Lender in connection with the Loan in accordance with the terms of such undertakings; or

- (m) Upon any breach, default, non-observance occurring or being alleged, charged or claimed against the Borrower as lessor under any lease or as sublessor under any sublease of the Charged Premises and the Borrower is not diligently proceeding to rectify any such breach, default, non-observance or non-performance or defend any allegations, charges or claims of the same; or
- (n) If this Charge, or any of the Security, shall fail to constitute a legal, valid, binding and enforceable first charge, first assignment or first security interest, each enforceable in accordance with its terms, subject only to Permitted Encumbrances; or
- (o) If in the reasonable opinion of the Lender there occurs an event which has a material adverse effect on the financial condition or operation of the Borrower, the Charged Premises, this Charge, the Security or the ability of the Borrower to pay the Indebtedness or to perform its obligations hereunder or under the Security and which cannot be rectified by the Borrower within a reasonable period of time.

18.2 Save as otherwise specifically provided, an Event of Default hereunder or under any Security shall not have occurred or be deemed to have occurred until the expiration of any applicable notice period, if any, called for in this Charge or in such Security within which the Borrower may remedy such default. In any event, if in the opinion of the Lender, an event has occurred which with the passing of time, the giving of notice or otherwise would constitute an Event of Default and as a result of which the Charged Premises or the property assets and undertaking subject to the Security is materially at risk, the Lender may take such action or exercise such remedies as may be appropriate without notice to the Borrower or the expiry of any cure period.

#### ARTICLE 19 - REMEDIES

19.1 If an Event of Default has occurred hereunder and is continuing (or if the Lender exercises its rights pursuant to Section 18.2 hereof before the occurrence of an Event of Default), then at any time thereafter, but subject always to the waiver thereof by the Lender, the Lender may:

- (a) Declare the Indebtedness to be immediately due and payable and proceed to exercise any and all rights hereunder or under the Security or any other rights available to it under any other document or instrument or at law or in equity including without limitation, the drawdown of any letter of credit held by the Lender;
- (b) Commence legal action to enforce payment of the Indebtedness or performance of the obligations by the Borrower to the Lender;
- (c) At the expense of the Borrower, when and to such extent as the Lender deems advisable, observe and perform or cause to be observed and performed any covenant, agreement, proviso or stipulation contained herein or in the Security, and the reasonable cost thereof with interest thereon at the Applicable Rate until paid, shall immediately become due from the Borrower to the Lender after demand by the Lender upon the Borrower therefor;
- (d) Pay or discharge any mortgage, encumbrance, lien, adverse claim or charge that may exist or be threatened against the Charged Premises; in any such case, the amounts so paid together with costs, charges and expenses incurred in connection therewith shall be added to the Principal outstanding and shall bear interest at the Applicable Rate;
- (e) Send or employ any inspector or agent to inspect and report upon the value, state and condition of the Charged Premises and may employ a lawyer to examine and report upon the title to the same;
- (f) Immediately take possession of all of the Charged Premises or any part or parts thereof by action or otherwise, with power, among other things, to exclude the Borrower, to enforce the Borrower's rights, to preserve and maintain the Charged Premises, to repair, alter or extend the Charged Premises, to lease the Charged Premises, to complete construction and development of the Charged Premises, to operate and manage the Charged Premises and to collect or receive rents, income and profits of all kinds (including taking proceedings in the name of the Borrower for that purpose) and pay therefrom all reasonable expenses and charges of maintaining, preserving, protecting and operating the Charged Premises (payment of which may be necessary to preserve or protect the Charged Premises), and to enjoy and exercise all powers necessary to the performance of all functions made necessary or advisable by possession, including without limitation, power to advance its own moneys and enter into contracts and undertake obligations for the foregoing purposes upon the security hereof, and all sums advanced or expended shall be added to the Principal outstanding and shall bear interest at the Applicable Rate;
- (g) On default of payment for at least fifteen (15) days may, on at least thirty-five (35) days' notice, sell and dispose in the Charged Premises with or without entering into possession of the same and with notice to such persons and in such manner and form and within such terms as provided under Part III of the *Mortgages Act* (Ontario), as amended; and all remedies available may be resorted to and all rights, powers and privileges granted or conferred upon the Lender under and by virtue of any statute or by this Charge may be exercised and no want of notice or publication or any other defect, impropriety or irregularity shall invalidate any sale made or purporting to be made in the Charged Premises; and the Lender may sell, transfer and convey any part of the Charged Premises on such terms, including on credit for all or part of the consideration, (provided the Borrower shall not be accountable for any default in respect of the credit), secured by contract or agreement for sale, or charge, or otherwise, as shall appear to the Lender most advantageous and for such prices as can reasonably be obtained therefor in the circumstances; and in the event of sale on credit or part cash and part credit, whether by way of contract for sale or by conveyance or transfer, charge, or otherwise, the Lender is not to be accountable for or charged with any monies until the same shall be actually received in cash or received by a take-back charge; and sales may be made from time to time of parts of the Charged Premises to satisfy interest and leaving the Principal or part thereof to run with interest at the Applicable Rate; and the Lender may make any stipulations as to title or evidences or commencement of title or otherwise as the Lender shall deem proper and may buy or rescind or vary any contract for sale; and on any sale or resale, the Lender shall not be answerable for loss occasioned thereby; and for any of such purposes the Lender may make and execute all arrangements and assurances that the Lender shall deem advisable or necessary;

- (h) With respect to the Leases:
- (i) to demand, collect and receive the Rents or any part thereof and to give acquittances therefor, and to take from time to time, in the name of the Borrower, any proceeding which may be, in the opinion of the Lender or its counsel, expedient for the purpose of collecting the Rents or for securing the payment thereof or for enforcing any of the Borrower's rights under the Leases;
  - (ii) to compound, compromise or submit to arbitration any dispute which has arisen or may arise in respect to any amount of Rent and any settlement arrived at shall be binding upon the Borrower;
  - (iii) to enter upon the Lands by its officers, agents or employees for the purpose of collecting the Rents; (iv) to receive, enjoy or otherwise avail itself of the Lease Rights; and
  - (v) on behalf of the Borrower to alter, modify, amend or change the terms of Leases; to terminate Leases, to enter into new Leases; to give consents, concessions or waivers of any rights or provisions of Leases; to accept surrenders of Leases; to give consents to assignment of or subletting under Leases;
- (i) With or without taking possession of all or any part of the Charged Premises, sell, lease or otherwise dispose of the whole or any part of the Charged Premises, as agent for the Borrower and not the Lender, and in exercising the foregoing power, the Lender may, in its absolute discretion:
- (i) sell, lease or otherwise dispose of the whole or any part of the Charged Premises by public auction, public tender with notice, or by private contract (in the name of or on behalf of the Borrower) or otherwise, with such notice, advertisement or other formality as is required by law;
  - (ii) make and deliver to the purchaser good and sufficient deeds, assurances and conveyances of the Charged Premises and give receipts for the purchase money, and any such sale once effected shall be a perpetual bar, both at law and in equity, to the Borrower and all those claiming an interest in the Charged Premises by, from, through or under the Borrower making any claim against the purchaser of the Charged Premises;
  - (iii) grant, rescind, vary or complete any contract for sale, lease or options to purchase or lease, or rights of first refusal to purchase or lease the whole or any part of the Charged Premises, for cash or for credit, with or without security being given therefor, and on terms as shall appear to be most advantageous to the Lender (including a term that a commission be payable to the Lender or a related corporation in respect thereof) and if a sale is on credit, the Lender shall not be accountable for any moneys until actually received;
  - (iv) make any stipulation as to title or conveyance or commencement of title;
  - (v) re-sell or re-lease the Charged Premises or any part thereof without being answerable for any loss occasioned thereby; and
  - (vi) make any arrangements or compromises which the Lender shall think expedient in the interest of the Lender and to assent to any modification of this Charge, and to exchange any part or parts of the Charged Premises for any other property suitable for the purposes of the Lender on such terms as the Lender considers expedient, either with or without payment of money for equality or exchange or otherwise;
- (j) Take proceedings in any court of competent jurisdiction for sale or foreclosure of all or any part of the Charged Premises;
- (k) To borrow or raise money on the security of the Charged Premises or any part thereof in priority to this Charge or otherwise, for the purpose of the maintenance, preservation or protection of the Charged Premises or any part thereof or for carrying on all or any part of the business of the Borrower relating to the Charged Premises;
- (l) Take proceedings in any court of competent jurisdiction for the appointment of a receiver (which term as used in this Charge includes a manager and a receiver and manager, and hereafter, the "Receiver") of all or any part of the Charged Premises;
- (m) By instrument in writing appoint, with or without taking possession, any person to be a Receiver of the Charged Premises or of any part thereof and may remove any Receiver so appointed and appoint another in his stead, with all fees and costs related thereto being the Borrower's obligations; and the following shall apply in respect of any such Receiver so appointed:
- (i) the Lender may from time to time fix the remuneration of the Receiver who shall be entitled to deduct that same out of the revenue from the Charged Premises or the proceeds thereof;
  - (ii) the Receiver shall, to the fullest extent permitted by law, be deemed the agent or attorney of the Borrower for all purposes and the Lender shall not be in any way responsible for any actions other than as caused by gross negligence, willful misconduct or fraud, of any Receiver, and the Borrower hereby agrees to indemnify and save harmless the Lender from and against any and all claims, demands, actions, costs, damages, expenses or payments which the Lender may hereafter suffer, incur or be required to pay as a result, in whole or in part, of any action taken by the Receiver or any failure of the Receiver to do any act or thing other than as are caused by gross negligence, willful misconduct or fraud;
  - (iii) the appointment of the Receiver by the Lender shall not incur or create any liability on the part of the Lender to the Receiver in any respect and such appointment or anything which may be done by the Receiver or the removal of the Receiver or the termination of any such Receivership shall not have the effect of constituting the Lender a mortgagee in possession in respect of the Lands or any part thereof;

- (iv) the Receiver may exercise or pursue any other remedy or proceeding which the Lender is entitled as the holder of the Charge authorized or permitted hereby or by law or in equity in order to enforce the security constituted by this Charge;
- (v) and for the purposes above, the Borrower hereby irrevocably empowers the Receiver so appointed as its attorney to execute deeds, transfers, leases, contracts, agreements or other documents on its behalf and in its place (and the same shall bind the Borrower and have the same effect as if such deeds were executed by the Borrower) and to affix the Borrower's seal, if necessary, or a duplicate thereof to any of the same. On its own account or through a Receiver and whether alone or in conjunction with the exercise of all or any other remedies contemplated hereby, shall have the right, at any time, to notify and direct any account debtor to make all payments whatsoever to the Lender and the Lender shall have the right, at any time, to hold all amounts received from any account debtor and any proceeds as part of the Secured Property; any payments received by the Borrower from and after the security hereby constituted becomes enforceable, shall be held by the Borrower in trust for the Lender in the same medium in which received, shall not be commingled with any assets of the Borrower and shall, at the request of the Lender, be turned over to the Lender not later than the next Business Day following the day of their receipt; and
- (vi) save as to claims for accounting under paragraph (o) below, the Borrower hereby releases and discharges the Lender and the Receiver from every claim of every nature, whether resulting in damages or not, which may arise or be caused to the Borrower by reason or as a result of anything done by the Lender or any successor or assign claiming through or under the Lender or the Receiver under the provisions of this paragraph unless such claim be the direct result of dishonesty or gross neglect;
- (n) The Lender may at any time and from time to time terminate any receivership by notice in writing to the Borrower and to the Receiver;
- (o) The Receiver shall account for all monies received in respect of the Charged Premises or any part thereof, and shall pay, out of such monies received, subject to the further direction of the Lender in its discretion, the following in the order specified:
  - (i) the Receiver's remuneration;
  - (ii) all payments reasonably made or incurred by the Receiver in connection with its receivership;
  - (iii) all payments of interest, Principal and other money which may, from time to time, be or become charged upon the Charged Premises in priority to this Charge, and all Bills, Taxes, insurance premiums and every other proper expenditure reasonably made or incurred by the Receiver in respect to the Charged Premises or any part thereof; and
  - (iv) all payments to the Lender of all interest due or falling due hereunder and the balance to be applied upon Principal due and payable and secured hereby;

and thereafter any surplus remaining in the hands of the Receiver after payments made as aforesaid shall be accountable to the Borrower or other persons entitled thereto; and
- (p) On its own account or through a Receiver and whether alone or in conjunction with the exercise of all or any other remedies contemplated hereby, shall have the right, at any time, to notify and direct any account debtor to make all payments whatsoever to the Lender and the Lender shall have the right, at any time, to hold all amounts received from any account debtor and any proceeds thereof as security for the Indebtedness; any payments received by the Borrower from and after the security hereby constituted becomes enforceable, shall be held by the Borrower in trust for the Lender in the same medium in which received, shall not be commingled with any assets of the Borrower and shall, at the request of the Lender, be turned over to the Lender not later than the next Business Day following the day of their receipt.

#### **ARTICLE 20 - DEFAULT UNDER SECURITY, PARAMOUNTCY DISCHARGE AND RENEWAL**

- 20.1 Payments of principal and interest made under and pursuant to the terms of the Security shall constitute payment hereunder and vice versa and default in the payment of principal and interest under the Security shall constitute default hereunder and vice versa. Default in compliance with any of the conditions, covenants, undertakings, provisions and stipulations contained in the Security shall entitle the Lender to exercise all or any of the rights or remedies provided herein and the occurrence of an Event of Default hereunder or in compliance with any of the conditions, covenants, undertakings, provisions and stipulations contained herein shall entitle the Lender to exercise all or any of the rights or remedies provided in the Security. The occurrence of an Event of Default hereunder shall constitute an Event of Default under the Security and vice versa.
- 20.2 The cancellation of or any other dealing with any Security (other than foreclosure thereof) shall not release or affect this Charge, and the taking of this Charge, or the cancellation of or any other dealing with, or proceeding under (other than foreclosure hereunder), this Charge, shall not release or affect any Security:
  - (a) The Lender may at any time and from time to time release any part or parts of the Charged Premises or any other Security or any surety for payment of all or any part of the monies hereby secured or may release the Borrower or any other person from any covenant or other liability to pay the Principal Sum and interest and all other monies secured hereby, or any part thereof, either with or without any consideration therefor, and without being accountable for the value thereof or for any monies except those actually received by the Lender, and without thereby releasing any other part of the Charged Premises, or any other Security or covenants herein contained, it being especially agreed that notwithstanding any such release, the Charged Premises, the Security and the covenants remaining unreleased shall stand charged with the whole of the monies hereby secured;
  - (b) In the event that the monies advanced hereunder are applied to payment of any charge or encumbrance, the Lender

shall be subrogated to all the rights of and stand in the position of and be entitled to all the equities of the party or parties so paid whether such charge or encumbrance has or has not been discharged; and the decision of the Lender as to the validity or amount of any advance or disbursement made under this Charge or of any claims so paid, shall be final and binding on the Borrower; and

- (c) The Lender shall not be charged with any monies receivable or collectible out of the Charged Premises or otherwise, except those actually received by or on behalf of the Lender and all revenue of the Charged Premises received or collected by the Lender from any source other than payment by the Borrower may, at the option of the Lender, be retained in a separate account to be used in, maintaining, insuring or improving the Charged Premises to the extent required for such purpose, in the opinion of the Lender, acting reasonably, or in payment of Taxes or other liens, charges or encumbrances against the Charged Premises, or applied in reduction of the amounts owing hereunder.
- 20.3 Subject to Section 6.1 hereof, upon payment of all amounts secured by this Charge, the Borrower shall be entitled to receive and the Lender shall provide a discharge of this Charge and the Security within a reasonable period of time after the request therefor. The Lender shall have a reasonable time after such payment within which to prepare and execute such discharge and all reasonable legal and other expenses for the preparation, execution and registration of such discharge and/or documents, as the case may be, shall be borne by the Borrower.
- 20.4 All payments made pursuant to Section 20.3 shall be made to and received by the Lender prior to 1:00 p.m. on the date due or the next succeeding Business Day in the event the date due is not a Business Day; provided such extension of time shall be included for the purposes of computation of interest.

#### **ARTICLE 21 - NO MERGER OR WAIVER OF LENDER'S RIGHTS**

- 21.1 It is further understood and agreed that this Charge and the Security shall stand as a continuing security for repayment of the Loan, including, all advances made thereunder together with all interest, damages, costs, charges and expenses which may become due and payable to the Lender in respect of or in connection with the Loan or any portion thereof, notwithstanding any fluctuation or change in the amount, nature or form of the Loan or in the obligations now or hereafter representing the Loan or any portion thereof or in the names of the obligors or any of them.
- 21.2 The rights of the Lender arising under this Charge shall be separate, distinct and cumulative and, except as expressly provided herein, none of them shall be in exclusion of the other and no act of the Lender shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision, anything herein or otherwise to the contrary notwithstanding.
- 21.3 The giving and taking of this Charge shall in no way merge, waive, prejudice, suspend or affect any of the rights or remedies of the Lender under any Security which may be given or which may have been or may hereafter be given in respect of the Principal Sum hereof, interest and other monies secured by this Charge, or any part thereof, or under the Security and all rights and remedies which the Lender now has or may hereafter have against any one or more persons, are hereby preserved.
- 21.4 The taking of a judgment or judgments under any of the covenants or obligations herein or under any Security shall not operate as a merger of the covenants of the Borrower or affect the Lender's right to interest at the Applicable Rate on any monies due or owing to the Lender during the continuance of this Charge, under any of the covenants herein contained or on any judgment to be recovered thereon.
- 21.5 The covenant of the Borrower to pay interest shall not merge in any judgment in respect of any covenant or obligation of the Borrower under this Charge or any Security and such judgment shall bear interest at the Applicable Rate until such judgment and all interest thereon have been paid in full.
- 21.6 Any waiver by the Lender of any default by the Borrower or any omission on the Lender's part in respect of any default by the Borrower shall not extend to or be taken in any manner whatsoever to affect any subsequent default by the Borrower or the rights resulting therefrom.
- 21.7 No extension of time given by the Lender to the Borrower or anyone claiming under the Borrower, shall in any way affect or prejudice the rights of the Lender against the Borrower or any person liable for payment of the monies hereby secured.

#### **ARTICLE 22 - FINANCIAL DATA**

- 22.1 The Borrower shall provide or cause to be provided promptly to the Lender full and complete information about the financial condition and operations of the Charged Premises, including a comprehensive rent roll of all space in the Charged Premises, about the financial condition of the Borrower and any Guarantor(s) and such other information which the Lender may reasonably require from time to time, and the Lender shall have the right to examine the books and records of the Borrower relating to the Charged Premises at reasonable times and upon reasonable prior notice.
- 22.2 Without limiting the foregoing, the Borrower covenants and agrees to provide or cause to be provided to the Lender audited financial statements together with operating statements pertaining to the Charged Premises and such other financial information the Lender may reasonably require, (a) in the case of audited financial statements, within ninety (90) days of the end of each fiscal year of the Borrower (or such other time as may reasonably be required by the Lender), and (b) with respect to operating statements for the Charged Premises, within thirty (30) days of the end of each quarter of each calendar year. The audited financial statements are to be prepared by a nationally recognized firm of chartered accountants and shall include a balance sheet, and a detailed statement of income and expenditures and supporting notes and schedules. The operating statements shall contain a certificate by a senior officer of the Borrower as to the contents and preparation thereof, and shall include detailed statements of income, expenditures results of operation and such other matters relating to the operation of the Charged Premises as the Lender may reasonably require. In the event applicable, the Borrower shall provide the Lender with copies of all proxy statements, reports and information circulars that the Borrower makes available to its shareholders and copies of all regular and periodic reports which the Borrower may file with any securities commission or any other Governmental Authority.
- 22.3 The Borrower shall provide or cause to be provided to the Lender, or as the Lender may direct, a comprehensive list of all

current tenants and rentals of space in the Charged Premises during the Term, which list shall disclose, without limitation, the name of each tenant, the duration of its term, renewal options, if any, and the term thereof, the rental being paid, the last date on which rental was paid and whether such tenancy is in good standing. Such list shall contain an endorsement by an officer of the Borrower as to being complete and accurate.

- 22.4 All statements, reports and other documents required to be provided hereunder shall be prepared in a manner acceptable to the Lender, in its reasonable discretion.

#### ARTICLE 23 - NOTICE

- 23.1 Unless otherwise provided herein, any demand, notice or communication given or required to be given to a party hereunder shall be in writing and shall be personally delivered or given by transmittal by telecopy or facsimile transmission addressed to the respective parties at its address or telecopy or facsimile number set forth below or to such other address or telecopy or facsimile number as such party may designate by notice in writing to the other party hereto:

- (a) If to the Borrower, at the address for service set out in the electronic Charge to which this schedule is attached; and
- (b) If to the Lender, at the address for service set out in the electronic Charge to which this schedule is attached.

Any demand, notice or communication made by or given by personal delivery shall be conclusively deemed to have been made or given on the day of actual delivery thereof, and, if made or given by telecopy or by facsimile, on the first day other than a Saturday, Sunday or a statutory holiday in Ontario, on which Schedule I banks are open for commercial business in Toronto, Ontario, following the transmittal thereof.

#### ARTICLE 24 - GENERAL

- 24.1 If any provision of this Charge or the application thereof to any circumstances shall be held to be invalid or unenforceable, it shall be deemed severed herefrom and the remaining provisions of this Charge, or the application thereof to other circumstances, shall not be affected thereby and shall be held valid and enforceable to the full extent permitted by law. In particular, and without limiting the generality of the foregoing, to the extent any and all amounts due pursuant to Article 6 hereof may be deemed to be in excess of what is permissible by law, any such excess shall be deemed not to be due under this Charge.
- 24.2 Wherever used in this Charge, unless the context clearly indicates a contrary intent as unless or otherwise specifically provided herein, the word "Borrower" shall mean "Borrower and/or subsequent owner or owners of the Charged Premises", the word "Lender" shall mean "Lender or any subsequent holder or holders of this Charge".
- 24.3 The descriptive headings of the several subparagraphs or paragraphs or sections or articles of this Charge are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.
- 24.4 Wherever the singular number or masculine gender is used in this Charge, the same shall be construed as including the plural and feminine or a body corporate, respectively, and vice versa, where the fact or context so requires; and the successors and assigns of any party executing this Charge are bound by the covenants, agreements stipulations and provisos herein contained. The covenants, agreements stipulations and provisos herein stated shall, except as otherwise limited hereby, be in addition to those granted or implied by statutory law.
- 24.5 This Charge shall be construed and enforceable under and in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein, and the Borrower hereby irrevocably attorns to the non-exclusive jurisdiction of the courts sitting at Toronto, Ontario.
- 24.6 The Borrower shall at all times, do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered all such further acts, deeds, transfers, assignments, security agreements and assurances as the Lender may reasonably require in order to give effect to the provisions hereof and for the better granting, transferring, assigning, charging, setting over, assuring, confirming or perfecting the Charge and the priority accorded to them by law or under this Charge.
- 24.7 If any of the forms of words contained herein are also contained in Column 1 of Schedule "B" of the Short Forms of Mortgages Act (Ontario) and distinguished by a number therein, this Charge shall be deemed to include and shall have the same effect as if it contained the form of words in Column 2 of Schedule "B" of the said Act distinguished by the same number, and this Charge shall be interpreted as if the *Short Forms of Mortgages Act* (Ontario) were still in full force and effect. The implied covenants deemed to be included in a charge under Subsection 7(1) of the *Land Registration Reform Act* (Ontario) shall be and are hereby expressly excluded from the terms of this Charge.
- 24.8 This Charge shall, whether or not it secures a current or running account, be a general and continuing security to the Lender for payment of the indebtedness in an amount not exceeding the amount secured by this Charge and performance of the Borrower's other obligations under the Charge notwithstanding any fluctuation or change in the amount, nature or form of the indebtedness or in the accounts relating thereto or in the bills of exchange, promissory notes and/or other obligations now or later held by the Lender representing all or any part of the indebtedness outstanding at any particular time; and the Charge will not be deemed to have been redeemed or become void as a result of any such event or circumstance.
- 24.9 This Charge is given as collateral security to the Commitment.
- 24.10 In the event of conflict between the Commitment and the terms of this Charge, the provisions of the Commitment shall prevail; provided that any provision herein contained that is not contained in the Commitment and vice versa shall not in and of itself be considered to be inconsistent or in conflict.

#### ARTICLE 25 – CONDOMINIUM PROVISIONS

- 25.1 The Borrower covenants and agrees that in the event that the security for the within Charge shall be or shall become a condominium unit(s) the following provisions shall apply.

- (i) the Borrower does hereby assign to the Lender all of its rights to vote or consent in the affairs of the Condominium Corporation having jurisdiction over the subject lands and the Lender, may at its option, exercise the right of an owner of a condominium unit to vote or consent in the affairs of the Condominium Corporation in the place and stead of such owner, without in any way consulting the owner as to the manner in which the vote shall be exercised or not exercised, and without incurring any liability to the owner or anyone else because of the manner in which such vote or right to consent in the affairs of the Condominium Corporation was exercised.
- (ii) the Borrower shall pay promptly, when due, any common expenses, assessments, instalments or payments due to the Condominium Corporation.
- (iii) the Borrower shall observe and perform the covenants and provisions required to be observed and performed under or pursuant to the provisions of the *Condominium Act* (Ontario), all amendments thereto, and any legislation passed in substitution thereof, and the declaration and by-laws of the Condominium Corporation and any amendments thereto.
- (iv) Where the Borrower defaults in the Borrower's obligation to contribute to the common expenses assessed or levied by the Condominium Corporation, or any authorized agent on its behalf, or any assessment, instalment of payment due to the Condominium Corporation, upon breach of any of the foregoing covenants or provisions in this paragraph contained, regardless of any other action or proceeding taken, or to be taken by the Condominium Corporation, the Lender, at its option and without notice to the Borrower, may deem such default to be a default under the terms of this Charge and proceed to exercise its rights therein and the Lender shall be entitled at its option to pay all common expense amounts as they come due and these amounts so paid together with legal fees shall form part of the Indebtedness.

#### ARTICLE 26 – CONSTRUCTION LOAN PROVISIONS

In the event that any of the monies advanced or to be advanced under this Charge are intended to finance any improvement to the Charged Premises, the parties hereto covenant and agree that the following conditions shall apply:

- 26.1 All construction on the Charged Premises shall be carried out by reputable contractors having experience which is commensurate to nature and size of the project to be constructed, which contractors must be prior approved by the Lender in writing, such approval not to be unreasonably withheld.
- 26.2 The construction of the building and structures located on the Charged Premises have been commenced and shall be continued in a good and workmanlike manner, with all due diligence and in accordance with the plans and specifications delivered to the Lender and to the satisfaction of all governmental and regulatory authorities having jurisdiction.
- 26.3 Provided that should construction of the project on the Charged Premises cease for any reason whatsoever (strikes, material shortages and weather conditions beyond the control of the Borrower excepted), for a period of ten (10) consecutive days (Saturdays, Sundays and Statutory holidays excepted), then, at the option of the Lender, this Charge shall immediately become due and payable. In the event that construction does cease, then the Lender shall have the right, at its sole option, to assume complete control of the construction of the said project in such manner and on such terms as it deems advisable. The cost of completion of the said project by the Lender and all expenses incidental thereto shall be added to the principal amount of this Charge, together with a management fee of fifteen percent (15%) of the costs of the construction completed by the Lender. All costs and expenses, as well as the management fee of fifteen percent (15%) added to the principal amount of this Charge shall bear interest at the rate as herein provided for and shall form part of the principal sum herein and the Lender shall have the same rights and remedies to collection of principal and interest hereunder or at law.
- 26.4 At all times there shall be sufficient funds unadvanced under this Charge and retained by the Lender to complete the construction and/or renovation of the project on the Charged Premises and as may be necessary to retain the Lender's priority with respect to any deficiency in the holdbacks required to be retained by the Borrower under the *Construction Lien Act* (Ontario).
- 26.5 This Charge will be advanced in stages as construction upon the Charged Premises proceeds or as the conditions as enumerated by the Commitment are complied with.
- 26.6 All advances which are made from time to time hereunder shall be based on certificates of a duly qualified architect, engineer, quantity surveyor, cost consultant or other consultant(s) retained for the purpose of reviewing and advising the Lender with respect to the said project and the progress thereof, whose fees and costs shall be for the account of the Borrower regardless of by whom such person has been retained. All such certificates shall without limitation certify the value of the work completed and the estimated costs of any uncompleted work and such certificates shall further certify that such completed construction and/or renovation to the date of such certificate shall be in accordance with the approved plans and specifications for the said construction and further, in accordance with the building permits issued for such construction and in accordance with all municipal and other governmental requirements of all authorities having jurisdiction pertaining to such construction and that there shall be no outstanding work orders or other requirements pertaining to construction on the Charged Premises. Such certificates with respect to any values shall not include materials on the site which are not incorporated into the building.
- 26.7 The Borrower shall pay to the Lender on each occasion when an inspection of the Charged Premises is required to confirm construction costs to date and compliance with conditions for further advances, an inspection fee in such reasonable amount as the Lender may charge from time to time for each such inspection and the Lender's solicitors shall be paid their reasonable fees and disbursements for each sub-search and work done prior to each such advance and all such monies shall be deemed to be secured hereunder and the Lender shall be entitled to all rights and remedies with respect to collection of same in the same manner as it would have with respect to collection of principal and interest hereunder or at law.
- 26.8 The Borrower agrees to indemnify and hold the Lender harmless from any and all claims, demands, sums of money, debts, covenants, bonds, accounts, actions, causes of action, rights, obligations and liability of every kind whatsoever which arise out of claims against the property under the *Construction Lien Act* (Ontario) and that any liens for work and/or supplies that are registered against the Borrower's interest in the property will be promptly discharged within seven (7) days from the date of



registration of the lien. The Lender may, but is not required to, deal with the lien claimant and pay the lien claim into court pursuant to the provision of the *Construction Lien Act* (Ontario) for the purpose of vacating the lien from title to the property. The Borrower agrees to be liable for all costs, claims, amounts and fees including, without limitation, all legal fees (on a solicitor and his client basis) incurred by the Lender arising from or in connection with the Borrower or the Lender obtaining and registering either a release of the lien or an order vacating the lien.

#### **ARTICLE 27 - ASSIGNMENT AND SALE**

- 27.1 The Loan and all other amounts secured hereby, this Charge, the Security and all documents ancillary or collateral thereto may, in the Lender's sole discretion and without the consent of the Borrower, in whole or in part, be participated, sold, securitized, syndicated or assigned by the Lender from time to time to one or more Persons.
- 27.2 The Lender may disclose to participants, transferees or assignees or to potential participants, transferees or assignees or others in connection with any sale, assignment, participation, securitization, transfer or syndication, such information concerning the Borrower or the Charged Premises as the Lender may consider to be appropriate in connection therewith.
- 27.3 No grant, assignment or transfer pursuant to this Article 27 shall constitute a repayment by the Borrower to the Lender of the Loan or any other amounts owing hereunder and included in such assignment or transfer and the Borrower acknowledges that all obligations under this Charge and the Security with respect to such assignment or transfer will continue and not constitute new obligations.
- 27.4 The Borrower agrees to be bound by and do all things necessary or appropriate to assist and give effect to any transfer, participation, securitization, sale, syndication or assignment, but shall incur no increased liabilities as a result thereof.

# TAB V

This is **Exhibit “V”** referred to  
in the Affidavit of Donald Ierfino  
sworn before me, the 19th day of April, 2024.



---

A Commissioner etc.

Sara Mosadeq  
LSO No.: 67864K

**Properties**

PIN	21169 - 0182 LT	Interest/Estate	Fee Simple
Description	<p>PCL 1-3-A SEC M256; PT LT 1 BLK A PL M256 TORONTO COMM AT A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED BY BY-LAW # 11494 OF THE CORPORATION OF THE CITY OF TORONTO AT THE INTERSECTION WITH THE ELY LIMIT OF THE SAID LT 1. THENCE WLY ALONG THE SAID NLY LIMIT OF EGLINTON AV 34 FT 6 1/2 INCHES MORE OR LESS TO THE INTERSECTION WITH THE PRODUCTION SLY OF THE CENTRE LINE OF THE PARTY WALL BTN THE BUILDINGS ERECTED ON THESE LANDS AND ON LAND LYING WLY AND ADJACENT THERETO. THENCE NLY ALONG THE SAID PRODUCTION TO AND ALONG THE SAID CENTRE LINE OF WALL AND ITS PRODUCTION NLY IN ALL 96 FT. THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV 34 FT 6 1/2 INCHES TO THE INTERSECTION WITH THE SAID ELY LIMIT OF LT 1. THENCE SLY ALONG THE SAID ELY LIMIT OF LT 1, 96 FT TO THE FRONT OF COMMENCEMENT; T/W A ROW OVER PARTS OF LOTS 1 AND 2 IN BLK A ON PL M256; COMM AT A POINT IN THE ELY LIMIT OF LT 1 DISTANT 96 FT MEASURED NLY THEREON FROM THE SAID NLY LIMIT OF EGLINTON AV AS WIDENED. THENCE WLY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV AS WIDENED 125 FT. THENCE NLY PARALLEL TO THE SAID ELY LIMIT OF LT 1, 12 FT. THENCE ELY PARALLEL TO THE NLY LIMIT OF EGLINTON AV 125 FT TO ITS INTERSECTION WITH THE SAID ELY LIMIT OF LT 1. THENCE SLY ALONG THE SAID ELY LIMIT OF LT 1, 12 FT TO THE POC. PROVIDED THAT THE PROJECTIONS INCLUDING THE PROJECTIONS OF THE SECOND STORY OF THE BUILDING SITUATE ON THE LANDS DESCRIBED IN PCL 3021 SEC K TORONTO EXISTING AT THIS DATE JULY 5, 1943 T/W THE FIRE ESCAPE ERECTED IN CONNECTION HERewith OVER THE SAID ROW OR ANY PT THEREOF SHALL BE DEEMED NOT TO BE AN ENCROACHMENT UPON THE SAID ROW; T/W A ROW OVER THAT PT OF LT 125 ON PL M512; COMM AT A POINT IN THE ELY LIMIT OF LT 125 DISTANT 96 FT MEASURED NLY THEREON FROM THE SE ANGLE OF SAID LT. THENCE WLY PARALLEL TO THE SLY LIMIT OF SAID LT 22 FT 4 INCHES MORE OR LESS TO A POINT 77 FT 8 INCHES MEASURED ELY FROM THE WLY LIMIT OF LT 124 ON SAID PL. THENCE NLY IN A STRAIGHT LINE 14 FT MORE OR LESS TO A POINT IN THE NLY LIMIT OF THE SAID LT 125 DISTANT 77 FT 8 INCHES MEASURED ELY THEREON FROM THE NW ANGLE OF LT 124. THENCE ELY ALONG THE NLY LIMIT OF LT 125, 22 FT 4 INCHES MORE OR LESS TO THE NE ANGLE THEREOF. THENCE SLY ALONG THE ELY LIMIT OF LT 125 A DISTANCE OF 14 FT MORE OR LESS TO THE POB; T/W A ROW OVER THE WLY 4 FT 6 INCHES OF LT 90 AND THE ELY 5 FT 6 INCHES OF LT 91 ON PL M512; T/W A ROW OVER PARTS OF LOTS 1 AND 2 ON PL M380; COMM AT A POINT IN THE WLY LIMIT OF LT 1 DISTANT 96 FT NLY THEREON FROM EGLINTON AV AS WIDENED BY BY-LAW # 11494. THENCE NLY ALONG THE SAID WLY LIMIT OF LT 1, 18 FT MORE OR LESS TO THE N WLY ANGLE THEREOF. THENCE ELY ALONG THE NLY LIMIT OF LT 1, 48 FT 5 1/4 INCHES MORE OR LESS TO A POINT 1 FT 6 3/4 INCHES WLY THEREON FROM THE NE ANGLE OF SAID LT 1. THENCE SLY ALONG A LINE WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2 AT A POINT THEREIN DISTANT 5 FT ELY FROM THE SW ANGLE OF LT 2 A DISTANCE OF 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM THE POC. THENCE WLY ALONG THE SAID MENTIONED LINE 49 FT 4 3/4 INCHES MORE OR LESS TO THE POC; T/W A ROW OVER PARTS OF LOTS 1 AND 2 ON PL M380; COMM AT A POINT IN THE NLY LIMIT OF LT 1 DISTANT 1 FT 6 3/4 INCHES WLY THEREON FROM THE N ELY ANGLE OF LT 1. THENCE SLY ALONG A LINE WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2 AT A POINT THEREON 5 FT ELY FROM THE SW ANGLE OF LT 2 AT A DISTANCE OF 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM A POINT IN THE W LIMIT OF LT 1 DISTANT 96 FT NLY FROM THE N LIMIT OF EGLINTON AV AS WIDENED. THENCE N ELY IN A STRAIGHT LINE 19 FT 6 INCHES TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF LT 2 AND DISTANT 16 FT 1/2 AN INCH MEASURED ELY THEREON FROM THE N WLY ANGLE THEREOF TO A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED, DISTANT 25 FT MEASURED ELY THEREON FROM ITS INTERSECTION WITH THE WLY LIMIT OF LT 2, THE SAID POINT BEING DISTANT 10 FT 6 INCHES MORE OR LESS MEASURED SLY ON THE SAID LINE FROM THE SAID NLY LIMIT OF LT 2. THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF LT 2, 22 FT 3 1/2 INCHES MORE OR LESS TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED DISTANT 78 FT 10 INCHES MEASURED WLY FROM THE SE ANGLE OF LT 3 ON SAID PL TO A POINT IN THE N LIMIT OF SAID LT 2 DISTANT 80 FT 6 3/4 INCHES MEASURED WLY THEREON FROM THE NE ANGLE OF LT 3. THENCE NLY ALONG THE SAID LAST MENTIONED LINE 10 FT 6 INCHES MORE OR LESS TO THE NLY LIMIT OF LT 2. THENCE WLY ALONG THE NLY LIMIT OF SAID LT 2 AND 1, 39 FT 7 1/2 INCHES MORE OR LESS TO THE POC; CITY OF TORONTO</p>		
Address	366 EGLINTON AVENUE WEST TORONTO		

**Chargor(s)**

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

Name

1000193772 ONTARIO LTD.

**Chargor(s)**

Address for Service 18 Doctors Lane, Suite 760, King City,  
ON., L7B 1A8

A person or persons with authority to bind the corporation has/have consented to the registration of this document.

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

<b>Chargee(s)</b>	<b>Capacity</b>	<b>Share</b>
Name IMPERIO SA HOLDINGS	Tenants In Common	\$2,760,000.00 of \$4,500,000.00
Address for Service 8830 Jane Street, Vaughan ON., L4K 2M9		
Name CHEMIJ, RONALD	Joint Account, Right Of Survivorship	\$500,000.00 of \$4,500,000.00 with Mary Chemij
Address for Service 8830 Jane Street, Vaughan ON., L4K 2M9		
Name CHEMIJ, MARY	Joint Account, Right Of Survivorship	\$500,000.00 of \$4,500,000.00 with Ronald Chemij
Address for Service 8830 Jane Street, Vaughan ON., L4K 2M9		
Name CHEMIJ, TERRY	Joint Account, Right Of Survivorship	\$500,000.00 of \$4,500,000.00 with Luba Chemij
Address for Service 8830 Jane Street, Vaughan ON., L4K 2M9		
Name CHEMIJ, LUBA	Joint Account, Right Of Survivorship	\$500,000.00 of \$4,500,000.00 with Terry Chemij
Address for Service 8830 Jane Street, Vaughan ON., L4K 2M9		
Name IERFINO, DONALD	Tenants In Common	\$200,000.00 of \$4,500,000.00
Address for Service 8830 Jane Street, Vaughan ON., L4K 2M9		
Name TRILEND INC.	Tenants In Common	\$540,000.00 of \$4,500,000.00
Address for Service 8830 Jane Street, Vaughan ON., L4K 2M9		

**Statements**

Schedule: See Schedules

**Provisions**

Principal	\$4,500,000.00	Currency	CDN
Calculation Period	interest only, monthly		
Balance Due Date	2023/10/01		
Interest Rate	12.50% per annum		
Payments	\$46,875.00		
Interest Adjustment Date	2023 04 01		
Payment Date	1st day of each month		
First Payment Date	2023 05 01		
Last Payment Date	2023 10 01		
Standard Charge Terms			
Insurance Amount	Full insurable value		
Guarantor	Christopher Morgis		

**Signed By**

Stefania Nicole Mariani

1000-120 Adelaide St. W.  
Toronto  
M5H 3V1acting for  
Chargor(s)

Signed 2023 03 17

Tel 416-363-2211

Fax 416-363-0645

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

**Submitted By**

Schneider Ruggiero Spencer Milburn LLP

1000-120 Adelaide St. W.  
Toronto  
M5H 3V1

2023 03 17

Tel 416-363-2211

Fax 416-363-0645

**Fees/Taxes/Payment**

Statutory Registration Fee

\$69.00

Total Paid

\$69.00

**File Number**

Chargee Client File Number :

45056 GR/SM



## **Schedule A**

### **Administration Fees:**

The mortgagor shall pay to the Mortgagee an Administration Fee of \$500.00 for each occurrence of any of the following events.

- Late payment.
- Cheque dishonored for any reason.
- Failure to provide proof of payment of Realty taxes.
- Failure to provide proof of payment of Insurance coverage on an annual basis.
- Failure to provide post-dated cheques.
- Failure to notify mortgagee of registration on lien by the Condominium Corporation for common maintenance arrears.
- Failure to notify mortgagee of registration of lien with CRA arrears.
- Requests for any mortgage information statements.
- Dealing with any default insurance notices.

### **Late Payment**

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

### **Additionally**

There will be a \$2,000.00 (two thousand dollar) Administration fee payable to TriLend Inc. if any mortgages on the property fall into more than sixty (60) days arrears. Such administration fees will be added to the principal amount outstanding if the mortgage arrears are not paid within 5 days of demand of payment for the same. In the event of a further occurrence as set out herein, the penalty shall increase by a further sum of \$50.00 and this shall be on a cumulative basis.

There will be a \$2,000.00 (two thousand dollar) Administration fee payable to TriLend Inc. if insurance on the property is cancelled and not reinstated five (5) days prior to the cancellation date.

There will also be a \$2,000.00 (two thousand dollar) Administration fee payable to TriLend Inc. if property taxes fall into arrears greater than one (1) year and are not paid within thirty (30) days of the mortgagee's request to pay said arrears.

#### **TriLend Inc.**

8830 Jane St., Vaughan, ON L4K 2M9

(905) 851-5565 Funds@trilend.com

FSCO Broker #12788 FSCO Administrator # 12832

**CONFIDENTIAL 2019**



Upon renewal of any mortgage term a minimal renewal fee equal to the lender fee charged at time of original lending. If a signed Renewal is not received within thirty (30) days after maturity or if the mortgagee does not receive written notification within thirty (30) days after maturity that the mortgagor intends not to renew, then the mortgage is considered automatically renewed and the renewal fee is payable regardless of receiving a signed Renewal.

A \$500.00 fee will be payable for any mortgage statement for discharge purposes, not including the mortgagee's solicitor discharge fee.

### **Disposition of the Mortgage Lands**

Provided that if the mortgagor sells, transfers, conveys or otherwise disposes of the subject property, or any interest therein, then all amounts, whether principal interest or otherwise that may be owing hereunder, including administration fees and bonuses, shall be immediately due and payable at the sole option of the mortgagee.

### **Post Dated Cheques**

The mortgagor agrees to provide to TriLend Inc. a series of twelve (12) post-dated cheques on or before the closing date of the mortgage and further series of post-dated cheques on or before each anniversary date / renewal of the within mortgage. Failure to provide such cheques shall constitute a default under the mortgage at the sole option of the mortgagee.

### **Discharge**

Provided that when a discharge of this mortgage is required, then unless otherwise stated on the discharge statement, the Mortgagee's Solicitor will prepare the Discharge Statement for execution by the Mortgagee, the cost of which will be the mortgagor's expense.

### **Time of Payment**

Any payment that is received at the Mortgagee's office after 1:00 pm Eastern Standard Time on any date shall be deemed, for the purpose of calculation of interest, to have been made on the next business day.





## **Default of Encumbrances**

Default under any terms or covenants contained in any encumbrances registered in priority or subsequent to this Mortgage shall constitute default under the herein Mortgage at the sole option of TriLend.

## **Principal Residence**

In the event that the subject property is not used as the principal residence of the mortgagor, then all amounts, whether principal, interest or otherwise that may owed, hereunder, including Administration fees and bonuses, shall be immediately due and payable at the sole option of TriLend.

## **Encumbrances**

Provided further that by signing this document, you are agreeing that the Mortgagor(s) shall not give cause for prior registered charge mortgage of Land(s) registered on the property described herein to be transferred or assigned to a third party, and if such should occur, this mortgage shall deem to be immediately in default with all monies to become due and payable in full with all penalties and costs forthwith unless expressly approved in writing between the Mortgagor(s) and the Mortgagee(s).  
Provided further that by signing this document, the Mortgagor(s) also agree to keep the lands described herein free and clear of all encumbrances, Liens, Mortgages, Security Interests and other financing agreements of any kind subordinate to our interests in the property unless expressly approved in writing between the Mortgagor(s) and TriLend Inc.

## **Bankruptcy and Insolvency Act**

The Chargor/Guarantor represents and warrants that she/he is not an "undischarged bankrupt" as defined in the *Bankruptcy and Insolvency Act*. In the event that the Chargor/Guarantor is an "Undischarged Bankrupt", then all the amounts, whether principal, interest or otherwise that may be owing hereunder including administration fees and bonuses together with a one (1) month interest payment thereon shall be immediately due and payable at the sole option of the Charge.

## **Prepayment Provisions**

Provided that the Chargor,, when not in default hereunder, shall have the privilege of prepaying all or any part of the principal sum hereby secured upon payment of three months interest by way of bonus.



### **Servicing Fee**

In the event that TriLend Inc. called upon to pay any payment in order to protect its security position, including but not limited to the payment of realty taxes, insurance premiums, condominium common expenses, principal, interest or costs under a prior mortgage, it is agreed that such payment shall bear interest at eighteen (18%) per cent per annum, calculated and compounded monthly and that there shall be a service charge of not less than \$300.00 for making such payment or payments.

### **Rental Assignments**

On all mortgages, where the subject property is non-owner occupied, an Assignment of Rents and Leases are to be provided. In the event the Lender or its agent invokes the Rent Assignment, a service charge in the sum of TWO HUNDRED DOLLARS (**\$200.00**) per each month, will be added to the mortgage and payable to Lender.

### **Additional Fees**

The Chargor/Mortgagor agrees that should TriLend Inc. issue either a Notice of sale or Statement of Claims, TriLend, at its option, shall be entitled to charge an additional fee equivalent to three (3) months interest. The chargor/ Mortgagor agree that should the mortgage not be renewed or discharged on the maturity date that TriLend, at its option shall be entitled to charge an additional fee equivalent to three (3) months interest.

### **Alterations**

The Chargor will not make or permit to be made, any structural alterations or additions to the land or to the building or structure thereon or change or permit to be changed the use of the premises without written consent of the Lender.

### **Severability of any Invalid Provisions**

In the event that any covenant term or provision contained in the charge is held to be invalid, illegal or unenforceable in whole or in part then, the validity, legality and enforceability of the remaining covenants, provisions and terms shall continue in full force and effect. All covenants, provisions and terms hereof are declared to be separate and distinct covenants, provisions or terms as the case may be.



### **Maintenance Fee**

TriLend shall be entitled to a fee of \$100.00 per day for administering the maintenance and security of any property in its possession.

## SCHEDULE TO THE ATTACHED CHARGE/MORTGAGE

### RECITALS

The Lender has agreed to make a loan in favour of the Borrower upon the terms and conditions more particularly contained herein.

The Borrower is the registered owner of the lands and premises described in the electronic Charge to which this schedule is attached.

This Charge is given by the Borrower to the Lender as continuing security for the repayment by the Borrower to the Lender of such loan and the performance by the Borrower of its obligations as more particularly described herein.

### ARTICLE 1 - DEFINITIONS

1.1 For the purposes of this Charge the following definitions will apply:

“Applicable Laws” means, at any time, in respect of any Person, property, transaction, event or other matter, as applicable, all then current laws, rules, statutes, regulations, treaties, orders, judgments and decrees and all official directives, rules, guidelines, orders, policies, decisions and other requirements of any Governmental Authority (whether or not having the force of law) (collectively, the “Law”) relating or applicable to such Person, property, transaction, event or other matter and shall also include any interpretation of the Law or any part of the Law by any Person having jurisdiction over it or charged with its administration or interpretation;

“Applicable Rate” means the interest rate set out in the electronic Charge to which this schedule is attached or, in the alternative, the interest rate set out in the Commitment;

“Bills” has the meaning ascribed thereto in Section 10.1(a);

“Borrower” means the party identified as “Chargor” set out in the electronic Charge to which this schedule is attached and its successors and assigns;

“Business Day” means a day on which the Lender is open for business but specifically excluding Saturdays, Sundays or statutory holidays pursuant to the laws of Canada or the Province of Ontario and “Business Days” means more than one Business Day;

“Charge” means this charge/mortgage of land and all instruments supplemental hereto or in amendment, renewal, extension, restatement, replacement or confirmation hereof;

“Charged Premises” means, collectively, the Lands and the Improvements;

“Commitment” means the letter of commitment between the Borrower and Trilend Inc. as the same has been or may be amended, restated, supplemented, renewed, extended or superseded from time to time;

“Environmental Approvals” has the meaning ascribed to it in Section 12.1 hereof;

“Environmental Laws” or “Environmental Law” has the meaning ascribed to them in Section 12.1 hereof;

“Event of Default” has the meaning ascribed thereto in Section 18.1 hereof;

“Event of Insolvency” means the occurrence of any one of the following events:

(a) If the Borrower, or the Guarantor(s), shall, other than as expressly permitted hereby:

- (i) be wound up, dissolved or liquidated, whether pursuant to the provisions of the laws of the Province of Ontario or the federal laws of Canada applicable therein, or any other law or otherwise, or becomes subject to the provisions of the *Winding-Up and Restructuring Act* (Canada), or has its existence terminated or has any resolution passed therefor; or
- (ii) makes a general assignment for the benefit of its creditors or files a proposal or a notice of intention to make a proposal under the *Bankruptcy and Insolvency Act* (Canada), shall otherwise acknowledge its insolvency or shall be declared or become bankrupt or insolvent; or
- (iii) proposes a compromise or arrangement or otherwise brings proceedings under or becomes subject to the provisions of the *Companies’ Creditors Arrangement Act* (Canada) or shall file any petition or answer seeking any re-organization, arrangement, composition, re-adjustment, liquidation, dissolution or any other relief for itself under, or in any way takes the benefit of, the *Bankruptcy and Insolvency Act* (Canada) or any other present or future law relative to bankruptcy, insolvency or other relief for debtors or for or against the benefit of creditors; or
- (iv) be unable, by reason of insolvency or similar circumstances, to pay its trade creditors generally, within one hundred and twenty (120) days of the rendering of trade accounts or admit its inability to pay its debts or perform its obligations as they become due; or

(b) If a court of competent jurisdiction shall enter an order, judgment or decree against the Borrower in respect of any re-organization, arrangement, composition, re-adjustment, liquidation, dissolution, winding-up, termination of existence, declaration of bankruptcy or insolvency, or similar relief under any present or future law relative to bankruptcy, insolvency or other relief for debtors or for or against the benefit of creditors, or the Borrower shall acquiesce in the entry of such order, judgment or decree, unless the Borrower is also proceeding forthwith to diligently and in good faith contest the same and, provided that none of the Charged Premises, the Charge or the Security, the value of the Charged Premises or the operation thereof, are adversely affected and there is no prejudice to the Lender in the Lender’s reasonable opinion, and such order, judgement or decree is vacated or permanently stayed within fifteen (15) days of its making; or

- (c) If any trustee in bankruptcy, receiver, receiver and manager, monitor or liquidator or any other officer with similar powers shall be appointed for the Charged Premises or any portion thereof, or for the Borrower or the Guarantor(s), or for all or any substantial part of its assets or its interest in the Charged Premises with the consent or acquiescence of the Borrower; or
- (d) If, other than as expressly permitted hereby, an encumbrancer or the holder of any lien or charge or any other creditor takes possession of the Charged Premises or the Borrower's interest in the Charged Premises, or any part thereof, or if a distress, execution, garnishment or any similar process is levied or enforced upon or against the same;

"Governmental Authority" means any federal, provincial, territorial or municipal government and any executive, judicial, regulatory or administrative functions of, or pertaining to, government (including, without limitation, all boards, commissions, agencies, departments and ministries);

"Guarantor(s)" means any Person from time to time guaranteeing the Indebtedness;

"Hazardous Substance" has the meaning ascribed to it in Section 12.1 hereof;

"Improvements" means the buildings, erections, structures, fixed machinery, fixed equipment, plant, and improvements now located on the Lands and all appurtenances pertaining thereto, together with all other buildings, structures, fixtures and improvements hereafter located from time to time in, on or under the Lands and all personal property, equipment and chattels now or hereafter affixed to the Lands or to such buildings, erections, structures, fixed machinery, fixed equipment, plant, and improvements owned by the Borrower;

"Indebtedness" means, collectively, the Principal Sum, any debts, liabilities, obligations, covenants and duties owing by the Borrower to the Lender of any kind or nature, present or future and arising under, pursuant to or in connection with this Charge, the Security or any other document delivered pursuant to or in connection herewith or therewith, whether or not evidenced by any note, guarantee or other instrument, whether or not for the payment of money, whether arising by reason of an extension of credit, loan, guarantee, indemnification, or in any other manner, whether direct or indirect (including those acquired by assignment), absolute or contingent, due or to become due, now existing or hereafter arising and however acquired and in all cases arising under, pursuant to or in connection with this Charge, the Security or any other document delivered pursuant to or in connection herewith or therewith. The term includes, without limitation, all interest, yield maintenance, charges, expenses, fees, including all processing and commitment fees and all legal fees and disbursements (in each case whether or not allowed), and any other sum chargeable to the Borrower under, pursuant to or in connection with this Charge, the Security or any other document delivered pursuant to or in connection herewith or therewith;

"Inspections" has the meaning ascribed to it in Section 12.1 hereof;

"Interest Adjustment Date" means the interest adjustment date set by the Lender for the purposes of setting a payment schedule;

"Lands" means the lands and premises described in the electronic Charge to which this schedule is attached, including all tenements, hereditaments and appurtenances belonging or in any way appertaining thereto, and the reversion or reversions, remainder and remainders, rents, issues and profits therefrom, and all the estate, right, title, interest, property claim and demand whatsoever of the Borrower of, in and to the same and of, in and to every part thereof;

"Lease Benefits" means the benefit of all covenants and obligations of tenants, licencees or occupants contained in any of the Leases, including, without limitation, all rights and benefits of any guarantees thereof, the right to demand, sue for, collect, recover and receive all Rents, to enforce the landlord's rights under any Lease and generally any collateral advantage or benefit to be derived from the Leases or any of them;

"Lease Rights" means, collectively, the Leases, the Rents and the Lease Benefits;

"Leases" means all present and future leases, subleases, licences, agreements to lease, agreements to sublease, options to lease or sublease, rights of renewal or other agreements by which the Borrower, or any predecessor or successor in title thereto, has granted or will grant the right to use or occupy all or part or parts of the Charged Premises, including all agreements collateral thereto, but which, for the purpose of this definition does not include the Property Lease, and "Lease" means any one of them;

"Lender" means the party identified as "Chargee" in the electronic Charge to which this schedule is attached, and its successors and assigns;

"Loan" means the loan extended or to be extended by the Lender to the Borrower in the principal amount set out in the electronic Charge to which this schedule is attached and secured by this Charge and other security given to the Lender by the Borrower and the Guarantor(s), if any;

"Major Tenant Leases" means any agreements to lease, offers to lease or leases, subleases or occupancy agreements in respect of premises situate on the Charged Premises and which are determined by the Lender in its discretion to be material to the Charged Premises and the extension and maintenance of the Loan;

"Maturity Date" means, subject to early maturity by reason of the occurrence of an Event of Default and the acceleration of repayment at the option of the Lender, the balance due date set out in the electronic Charge to which this schedule is attached;

"Permitted Encumbrances" means the items more particularly set out in Schedule 'A' hereto together with such other encumbrances, liens and interests affecting the Charged Premises which are acceptable to the Lender in its sole discretion. If no Schedule 'A' is attached hereto, there are no permitted encumbrances;

"Person" means any natural person, sole proprietorship, partnership, syndicate, trust, joint venture, Governmental Authority or any incorporated or unincorporated or entity or association of any nature;

"Principal" or "Principal Sum" means the principal amount of the Loan owing from time to time by the Borrower to the Lender;

"Rents" means all rents, issues and profits now due or to become due under or derived from the Leases;

“Security” means, collectively, all other or additional security, other than this Charge, given by the Borrower or others to the Lender as security for the Loan;

“Taxes” means for each year during the term of this Charge all real property taxes, business taxes, rates, duties, charges, assessments, impositions, taxes, levies and charges for local improvements or otherwise, imposed upon or assessed against the Charged Premises or any part or parts thereof by any Governmental Authority including, without limitation, school boards, and paid or payable by the Borrower or any tenant of the Charged Premises, but shall not include franchise, capital levy or transfer tax or any income, excess profits or revenue tax or any other tax or impost of a personal nature charged or levied upon the Borrower or any tenant of the Charged Premises. If the system of real property taxation or business shall be altered or varied and any new tax shall be levied or imposed on all or any portion of the Charged Premises or the revenues therefrom in substitution for, or in addition to, taxes presently levied or imposed, then any such new tax or levy shall be deemed to be and shall be included herein; and

“Term” means the term of this Charge and being a period which expires on the Maturity Date.

## **ARTICLE 2 - CHARGING PROVISIONS**

- 2.1 Now therefore witnesseth that the Borrower, being the registered owner of a freehold estate in fee simple in possession of the Lands, in consideration of the Loan advanced or to be advanced by the Lender to the Borrower or for its benefit, and as security for the repayment of all Indebtedness and the performance of the obligations of the Borrower hereunder, does hereby grant, mortgage, charge and create a security interest in, to and in favour of the Lender all of its estate, right, title and interest in and to the Charged Premises and covenants and agrees to and with the Lender as hereinafter provided.
- 2.2 The last day of any term reserved by any lease or sublease, verbal or written, or any agreement therefor, now held or hereafter acquired by the Borrower, as lessee, and forming part of the Charged Premises is hereby excepted out of the mortgage, charge, assignment and security interest hereby created or granted or any instrument in implementations hereof, and the same shall be deemed to be a charge by way of sublease. As further security for the payment of the Indebtedness, the Borrower agrees that it will stand possessed of the reversion of such last day of the term and shall hold it in trust for the Lender for the purpose of this Charge and to assign and dispose thereof, without cost or expense to the Lender, in such manner as the Lender shall by notice in writing, for such purpose, direct. Upon any sale, assignment, sublease or other disposition of such leasehold interest or any part thereof, the Lender, for the purpose of vesting the aforesaid one day residue of such term or renewal thereof in any purchaser, assignee, sublessee or other acquirer thereof, shall be entitled by deed or writing to appoint such party or parties as a new trustee or trustees of the aforesaid residue of any such term or renewal thereof in the place of the Borrower and to vest the same accordingly in the new trustee or trustees so appointed freed and discharged from any obligation respecting the same.

## **ARTICLE 3 - REPAYMENT AND INTEREST**

- 3.1 The Borrower covenants to pay to or to the order of the Lender at its offices as set out in Article 23 hereof or at such other address as the Lender may from time to time designate in writing, without set-off, compensation or deduction, and without deduction for bank service or any other charges, the Principal Sum together with all other Indebtedness with interest thereon at the Applicable Rate, as well after as before maturity and both before and after default, demand and judgment. Such interest at the Applicable Rate shall be computed from the date of advance to become due and be paid initially on the Interest Adjustment Date and thereafter to be paid in equal instalments of interest, commencing on the first payment date set out in the Commitment or in the electronic Charge to which this schedule is attached and continuing each month during the Term, to and including the last payment date set out in the Commitment or the electronic Charge to which this schedule is attached, each such instalment to be in the amount stipulated in the Commitment or in the electronic Charge to which this schedule is attached and the last instalment, in the amount of the then remaining balance of the Principal Sum, other Indebtedness and accrued interest thereon, to be paid on the Maturity Date.
- 3.2 The Borrower acknowledges and agrees that monthly instalments for interest described in Section 3.1 together with all payments for Taxes as set out in Section 10.1 hereof must pass through a single bank account on which the Borrower will have provided post-dated cheques (as required by the Lender) or have pre-authorized the Lender to withdraw the monthly payments under this Charge plus any Taxes payable in respect of the Charged Premises if not otherwise paid by the Borrower. In addition, the Borrower must maintain at all times in such account a minimum balance equal to the sum of the monthly payment of principal, interest and Taxes (as such Taxes become due).
- 3.3 It is hereby agreed that if default should occur in payment of any sum due at the time appointed for payment thereof as herein provided, compound interest at the Applicable Rate shall be payable on the sum in arrears from time to time, as well after as before maturity, and if interest as compounded is not paid within one (1) month from the time of default, a rest shall be made, and compound interest at the Applicable Rate shall be payable on the aggregate then due, as well after as before maturity, both before and after default, demand and judgement and so on from time to time and all such interest and compound interest shall be a charge on the Charged Premises.
- 3.4 All interest in arrears shall be treated (as to payment of interest thereon) as Principal and shall bear compound interest, as well after as before maturity, default and judgement as provided in Section 3.3 hereof.
- 3.5 The Borrower will pay interest, including interest on overdue interest, at the Applicable Rate on any arrears of instalments of interest, and any payment by the Borrower shall be applied by the Lender first on account of interest and then on account of principal.
- 3.6 All payments of principal and interest pursuant to Section 3.1 shall be made to and received by the Lender prior to 3:00 p.m. on the date due, failing which such payment shall be deemed received on the next succeeding Business Day provided that in such case, such extension of time shall be included for the purpose of computation for interest; provided further that in the event any payment is due on a day which is not a Business Day, it shall be payable prior to 3:00 p.m. on the next succeeding Business Day and provided such payment is received by such date and such time, then, save in respect of repayment of the Indebtedness at the Maturity Date where interest shall be charged for extensions to the next succeeding Business Day, interest shall not be charged for such extension.

#### **ARTICLE 4 - CRIMINAL RATE OF INTEREST**

- 4.1 Notwithstanding any other provisions of this Charge, in no event shall the aggregate "interest" (as defined in Section 347 of the Criminal Code, (Canada), as the same shall be amended, replaced or re-enacted from time to time) payable to the Lender under this Charge exceed the effective annual rate of interest on the "credit advances" (as defined in that section) under this Charge lawfully permitted under that section and, if any payment, collection or demand pursuant to this Charge in respect of "interest" (as defined in that section) is determined to be contrary to the provisions of that section, such payment, collection, or demand shall be deemed to have been made by mutual mistake of the Lender and the Borrower and the amount of such payment or collection in excess of that lawfully permitted shall be refunded by the Lender to the Borrower.

#### **ARTICLE 5 - INTEREST ACT (CANADA)**

- 5.1 For the purposes of this Charge, whenever interest is payable or stated not on the basis of a yearly rate, such rate of interest may be determined by multiplying the Applicable Rate by a fraction the numerator of which is the actual number of days in the calendar year in which the same is to be ascertained and the denominator of which is the number of days in the period for which such rate is determined to be payable.
- 5.2 All calculations of interest or fees under this Charge are to be made on the basis of the stated rates set out herein and not on any basis which gives effect to the principle of deemed re-investment.

#### **ARTICLE 6 - PREPAYMENT**

- 6.1 Subject to prepayment provisions provided for in the Commitment, if any, or early maturity by reason of the acceleration of the repayment of the Indebtedness at the option of the Lender upon the occurrence of an Event of Default, the Borrower shall not be entitled to prepay all or any portion of the Principal under this Charge prior to the Maturity Date.

#### **ARTICLE 7 - NO OBLIGATION TO ADVANCE**

- 7.1 The Borrower acknowledges and agrees that the Lender is not bound to make any advance of any of the Principal Sum or any unadvanced portion thereof by reason of the registration of this Charge in any place or registry office or the advance of any part of the said Principal Sum, it being acknowledged by the Borrower that any advance hereunder is subject, inter alia, to: (i) the representations and warranties contained herein being true and correct as of the date of any advance of the Loan; (ii) no default having occurred hereunder, under any of the Security or under the Commitment; and (iii) the conditions precedent contained in the Commitment having been satisfied.
- 7.2 In the event this Charge is registered and either no advance whatsoever is made hereunder by the Lender or the Borrower's ability to draw down funds is terminated by the Lender before any funds are advanced, the Lender will, at the expense of the Borrower and upon payment of all monies, costs, fees and disbursements then due to the Lender, promptly upon request by the Borrower execute and deliver to the Borrower, or any agent thereof, registrable discharges of this Charge and of the Security, for use in every registry office where they or notices thereof have been recorded or filed; provided that the Borrower acknowledges that this Section 7.2 shall be of no effect once any advance of the funds is made hereunder by the Lender.

#### **ARTICLE 8 - REPRESENTATIONS AND WARRANTIES**

- 8.1 The Borrower represents and warrants in favour of the Lender, acknowledging that the Lender is relying on such representations and warranties in extending the Loan:
- (a) The Borrower is a corporation duly organized, validly subsisting and in good standing under the laws of its incorporating jurisdiction and has all necessary corporate power and authority to enter into this Charge and the Security and to perform or cause to be performed its obligations contained herein and therein, to own and operate the Charged Premises and to carry on its business pertaining thereto as presently carried on;
  - (b) There are no provisions in the articles or bylaws of the Borrower or any unanimous shareholders agreement of or with respect to the Borrower or to which the Borrower is a party which restrict, limit or regulate in any way the powers of the Borrower to borrow on credit or to issue, sell or pledge any of the property or assets now or hereafter owned by it to secure its debt obligations, save and except any provisions which have been complied with. No steps or proceedings have been taken or are pending to amend or supersede the articles or bylaws of the Borrower in a manner which would impair or limit the Borrower's ability to perform its obligations hereunder or under the Security;
  - (c) The Borrower has taken all necessary corporate action to authorize the execution and delivery of this Charge and the Security, and performance of the provisions of each in accordance with its terms;
  - (d) The authorization, creation, execution or delivery of this Charge or the Security or the Borrower's performance of its obligations hereunder or thereunder does not require any approval or consent of any Governmental Authority having jurisdiction nor will any such action be in conflict with or contravene any of the Borrower's articles, bylaws, unanimous shareholders agreement, if any, or resolutions of directors or shareholders, or the provisions of any indenture, instrument, agreement or undertaking to which the Borrower is a party or by which it or its properties or assets are bound, or result in the creation, imposition or crystallization of any hypothec, title retention, charge, pledge, lien, encumbrance or security interest of any kind upon any of its property or assets subject to the Charge or security interest created thereby or by the Security other than in accordance with the provisions of this Charge and the Security. This Charge and the Security when executed and delivered will constitute valid and legally binding obligations of the Borrower, enforceable against it in accordance with its terms;
  - (e) There is not now pending or, to the best of the Borrower's knowledge or belief after due inquiry, threatened against the Borrower, any litigation, action, suit, investigation or other proceeding by or before any court, tribunal or other competent Governmental Authority which would materially adversely affect the present or prospective ability of the Borrower to perform its obligations under this Charge or the Security, as the case may be, or which calls into question the validity or enforceability of this Charge or the Security;

- (f) No Event of Insolvency has occurred or is threatened or pending;
  - (g) The Borrower is the registered owner of and has a good and marketable title in fee simple to the Lands, and, unless otherwise disclosed to the Lender in writing, is the legal and beneficial owner of the Charged Premises, free and clear of all security interests, charges, liens and other encumbrances whatsoever except for the Permitted Encumbrances, which Permitted Encumbrances are in good standing;
  - (h) The Borrower has the right to charge the Charged Premises to the Lender;
  - (i) The Borrower has not received any notice of or threat of a lien under the *Construction Lien Act* (Ontario), as amended, against the Charged Premises nor has any lien been registered against the Charged Premises in respect of labour, materials or services furnished with respect to any improvement thereon which has not been discharged;
  - (j) Unless expressly stipulated in the Commitment, the Charge is not being given with the intention to use the proceeds thereof to finance any alterations, additions or repairs to, or any construction, erection, demolition or installation on the Charged Premises or any structure thereon;
  - (k) Unless expressly stipulated in the Commitment, the Charge is not a building mortgage, within the meaning of the *Construction Lien Act* (Ontario), as amended, and the funds to be advanced by the Lender are not being used to repay a building mortgage;
  - (l) There has been no improvement or materials supplied on or in respect of the Charged Premises in respect of which a construction lien could arise and which has not been completed or abandoned within the forty-five (45) days immediately preceding the date hereof;
  - (m) Except as disclosed to the Lender in writing, the existing and proposed uses, the operation of the Charged Premises and the business conducted thereon comply and, to the best of the Borrower's knowledge and belief, have (including all prior uses) at all times complied with all Applicable Laws, including all Environmental Laws, and the Borrower is not in violation of, and does not violate, by virtue of the ownership, use, maintenance or operation of the Charged Premises or the conduct of any business related thereto, any Applicable Laws, including all Environmental Laws;
  - (n) The Charged Premises may be charged by the Borrower in compliance with the *Planning Act* (Ontario), and no severance of any adjoining lands owned by the Borrower is required;
  - (o) All financial statements and data delivered or presented to the Lender by the Borrower up to and including the date hereof are true and correct in all material respects as at the dates and for the periods indicated and have been prepared in accordance with Canadian generally accepted accounting principles and disclose to the Lender all financial information relevant to the Lender in respect of making the Loan and there is no information, financial or otherwise, which has not been disclosed to the Lender which would be material to the Lender in its decision to advance the Loan, and, without limiting the foregoing, neither the Guarantor(s) nor the Borrower has failed to disclose to the Lender any facts or information material to the making of the Loan;
  - (p) No Event of Default, or an event which with the giving of notice, lapse of time or otherwise, would constitute an Event of Default exists;
  - (q) Each Permitted Encumbrance is in good standing and all obligations and covenants required to be met or complied with thereunder on the part of the Borrower have been complied with and, in respect to any other party thereto to the best of the Borrower's knowledge and belief, have been met or complied with;
  - (r) All Leases entered into as of the date hereof are valid, subsisting and enforceable leases and are in good standing as of the date hereof without right of set-off or abatement;
  - (s) The Borrower is not bound by any indenture, agreement, lease or other instrument, nor is it subject to any trust agreement, charter, by-law, unanimous shareholders agreement or other corporate restriction or any of the Applicable Laws, which materially adversely affects its business operations in respect of the Charged Premises or the performance of its obligations under this Charge or the Security;
  - (t) The Borrower has complied with all Applicable Laws in respect of any residential unit located on the Charged Premises, including in respect of any conversion, demolition, rentals charged or filings or applications to be made and there are no outstanding orders, decisions or directives made or pending which are or would be adverse to the Borrower or the Charged Premises in respect of any residential unit located on the Charged Premises;
  - (u) The Borrower shall not, without the prior written consent of the Lender, execute or deliver any mortgage, charge, lien or other encumbrance of the Lands intended to rank subordinate to this Charge; and
  - (v) The Borrower is not and shall not be during the Term (without the prior written consent of the Lender), a farmer within the meaning of the *Farm Debt Mediation Act* (Canada).
- 8.2 The representations and warranties set out in this Article 8 shall speak as of the date made, survive the execution and delivery of this Charge and the making of any advance hereunder and continue to be true and accurate during the Term of this Charge, notwithstanding any investigations or examinations which may be made by the Lender or the Lender's solicitors and the Lender shall be deemed to have relied on such representations and warranties in making advances under the Loan.
- 8.3 The Borrower shall indemnify and save harmless the Lender from and against all losses, damages, claims and expenses directly or indirectly incurred or suffered by the Lender resulting from any omission, inaccuracy or misrepresentation of the Borrower herein relating to or concerning the Charged Premises and with respect to all losses, charges, claims and expenses directly or indirectly incurred or suffered by the Lender resulting from or arising in connection with environmental matters relating to, arising from, in connection with or concerning the Charged Premises, whether referred to or contemplated herein or hereby.



- 9.1 The Borrower covenants with the Lender that upon the occurrence of an Event of Default, the Lender shall have quiet possession of the Charged Premises, free from any encumbrances, save and except for the Permitted Encumbrances.
- 9.2 The Borrower shall not without the prior written consent of the Lender, which may be withheld in the sole discretion of the Lender permit or suffer to exist any charges, liens, security interests or other encumbrances against the Charged Premises, save and except for the Permitted Encumbrances; and the Borrower shall maintain the Permitted Encumbrances in good standing and provide notice to the Lender forthwith of any default under any of the Permitted Encumbrances.
- 9.3 The Borrower shall not initiate, permit or suffer to exist any Event of Insolvency, in respect of itself or, to the extent that the Loan, this Charge or the Security is affected by the occurrence of any such event, of any related person or corporation, including without limitation, any parent corporation of the Borrower. The Borrower covenants and agrees (i) to provide two Business Days' notice prior to the occurrence of an Event of Insolvency (an "Insolvency Notice"), and agrees that the receipt of an Insolvency Notice by the Lender shall constitute an immediate Event of Default if the Borrower or any Guarantor(s) is an applicant or takes the benefit of such statute or proceeding or if any of these proceedings otherwise affect the rights or entitlements of the Lender under the Loan, this Charge or the Security or the Lender's ability to enforce this Charge or the Security, and (ii) prior to the commencement of any such proceedings, to deliver to the Lender copies of all relevant filing materials, including, without limitation, copies of draft court orders, plans of compromise, proposals and notices of intention, it being intended by the Borrower that the Lender be entitled during the period after receipt of an Insolvency Notice to enforce this Charge and the Security for the purpose of, among other things, taking possession and control of the Charged Premises, in the Lender's sole discretion.
- 9.4 The Borrower shall not, without the prior written consent of the Lender, initiate, join in or consent to any change to or modification in any private restrictive covenant, municipal or other governmental law, rule or regulation, by-law, or any other public or private restrictions, limiting or defining the uses which may be made of the Charged Premises, or any part thereof and which could adversely affect the Charge, the Security, the day- to-day operations of the Charged Premises, the income derived therefrom or the value of the Charged Premises.
- 9.5 The Borrower shall comply in all respects with all covenants, deed restrictions, easements and Applicable Laws which pertain to the ownership, use or operation of the Charged Premises or the performance by the Borrower of its obligations under this Charge and shall ensure that all representations and warranties contained herein continue to be true and accurate at all times during the Term.
- 9.6 The Borrower shall permit the Lender, or cause to be made available to the Lender, access to all records, both written and electronic, pertaining to the Charged Premises and upon request shall make copies of such information for the Lender. For such purposes, the Lender shall have reasonable access to the Charged Premises or such other place as such records are kept upon reasonable prior written notice to the Borrower.
- 9.7 The Borrower shall fulfil on a timely basis any undertaking provided by it to the Lender at the time of the advance of the Loan.
- 9.8 The Borrower covenants to ensure that this Charge will remain a valid and enforceable mortgage of the Charged Premises with first priority subject only to the Permitted Encumbrances and the Borrower will fully and effectively maintain and keep the Security as valid and effective security during the currency hereof.
- 9.9 The Borrower shall promptly give written notice to the Lender of any litigation, proceeding or dispute affecting the Charged Premises if the result thereof might have a material adverse effect on the Charged Premises, the financial condition or operations of the Borrower or any Guarantor(s) or its ability to perform its obligations hereunder and shall, from time to time, furnish to the Lender all reasonable information requested by the Lender concerning the status of such litigation, proceeding or dispute and shall in all such cases diligently and in good faith proceed to defend, settle or otherwise deal with any such litigation, proceeding or dispute in a commercially reasonable manner.
- 9.10 The Borrower shall promptly give notice to the Lender upon becoming aware of and provide particulars in respect of:
- (a) An Event of Default or any event which with the passage of time or giving of notice would constitute an Event of Default;
  - (b) Any default under a Lease;
  - (c) Details of material renovations to the Charged Premises when the Borrower intends to or reasonably anticipates that it will renovate the Charged Premises;
  - (d) Any default under any Permitted Encumbrance;
  - (e) Any notice of expropriation, action or proceeding materially affecting the Charged Premises or the violation of any Applicable Law which may have a material adverse affect on the Charged Premises; and
  - (f) Any matter which may have a material adverse affect upon the Borrower or the Guarantor(s) or Charged Premises or the operations conducted thereon, or the security constituted by this Charge and the Security.
- 9.11 The Borrower covenants at all times:
- (a) to perform or cause to be performed all of the covenants and obligations on the part of lessor contained in the Leases (except the extent the same have been expressly waived by the other parties to such Leases and except in circumstances where the tenant is in default and the Borrower is acting prudently and in the best interests of the Charged Premises);
  - (b) to maintain or cause to be maintained the Lease Rights in good standing and not to do, permit to be done or omit to do anything which may impair the enforceability of the Lease Rights;

- (c) save for the deposits for the first and last month rentals, not to accept Rents more than one (1) month in advance of the dates when Rents fall due;
  - (d) not to enter into Leases which are not at arm's length unless the terms thereof are at least equal to current market terms;
  - (e) not to enter into Lease which do not constitute Major Tenant Leases (each of which must be approved by the Lender as hereafter provided) unless such leases are substantially on Lender pre-approved standard lease forms and not to enter into Major Tenant Leases without the Lender's approval as hereafter provided;
  - (f) not to or to permit termination, alteration or amendment or waiver of rights or remedies or otherwise take any action with respect to any of the Leases which in the aggregate would create a material reduction in Rents from those payable as of the date hereof, without the prior approval of the Lender;
  - (g) not to further assign, mortgage or pledge or permit the assignment, mortgaging or pledging of any Lease or the rents thereunder, save for assignments by tenants of their tenant's interest in Leases, to the extent permitted under such Leases; and
  - (h) to ensure in respect of all Leases now or hereafter entered into that (i) the tenant thereunder, at the option of the Lender, subordinates its lease to the security of this Charge and attorns to and becomes a tenant of the Lender or any purchaser from the Lender in the event of the exercise of a sale remedy by the Lender, for the unexpired residue of the term and upon the terms and conditions of said lease, provided the Lender will agree to enter into non-disturbance agreements on commercially reasonable terms with all such tenants; and (ii) at the request of the Lender, provide as further security specific assignments of Leases hereinafter entered into.
- 9.12 The Borrower shall not, without the prior written consent of the Lender, acting reasonably and promptly, enter into any agreement or document in respect of the Charged Premises (except for leases in accordance with the terms hereof and the Security) which is material to the ownership, value, operation, or use of the Charged Premises unless the same is in the ordinary course of business.
- 9.13 With respect to any Major Tenant Lease, the Borrower shall not and shall not permit without the prior written consent of the Lender:
- (a) cancel or modify any Major Tenant Lease, release the obligations of any lessee thereunder, accept a surrender of a Major Tenant Lease, accept any prepayment of Rents thereunder or consent to any sublet or assignment by the lessee under any Major Tenant lease (except where the provisions of such Major Tenant Lease require the landlord to do so); or
  - (b) enter into any Major Tenant Lease unless the terms, form and substance of such Major Lease is satisfactory to the Lender, acting reasonably; or
  - (c) to further assign, mortgage, pledge, hypothecate or otherwise deal with any Major Tenant Lease.
- 9.14 The Borrower shall do or cause to be done all things necessary to keep in full force and effect all rights, franchises, licences and qualifications necessary or incidental to perform or cause to be performed its obligations contained in this Charge and the Security and to carry on its business pertaining thereto as presently carried on.
- 9.15 The Borrower shall from time to time to pay or cause to be paid all amounts related to taxes, wages, workers compensation obligations, government royalties, and any other similar amounts relating to the business conducted on the Charged Premises if non-payment thereof may result in an encumbrance (other than a Permitted Encumbrance) against the Charged Premises or any of the assets secured in favour of the Lender by the Security.
- 9.16 The Borrower covenants, subject to the rights of reorganization herein contained, to continue as a corporation duly organized, validly subsisting and in good standing under the laws of its incorporating jurisdiction and maintain all necessary corporate power and authority to perform or cause to be performed its obligations contained herein and in the Security, to own and operate the Charged Premises and to carry on its business pertaining thereto as presently carried on.
- 9.17 The Borrower covenants that, unless in respect of a reorganization of the Borrower permitted under Paragraph 18.1(h) or with the consent of the Lender as provided therein, no steps or proceedings will be taken to amend or supersede the articles or bylaws of the Borrower and in any event no steps or proceedings, including any reorganization of the Borrower, will be taken in a manner which would impair or limit the Borrower's or its successor's ability to perform its obligations hereunder or under the Security.
- 9.18 The Borrower will not enter into any indenture, agreement, lease or other instrument, nor become subject to any trust agreement, charter, by-law, unanimous shareholders agreement or other corporate restriction, which materially adversely affects the Charged Premises.

#### ARTICLE 10 - TAXES/LIENS

- 10.1
- (a) The Borrower shall pay or cause to be paid, all Taxes together with such other amounts, the failure to pay which would give rise to a lien against the Charged Premises, as and when the same shall fall due and payable (collectively, the "Bills").
  - (b) With respect to Taxes at the option of the Lender, the Borrower shall pay to the Lender in equal monthly instalments on the first day of each month in each calendar year during the Term, commencing on the first day of the month next following the Interest Adjustment Date, one-twelfth (1/12) of the annual Taxes (or such amount as may be required in

order to pay the Taxes as they become due) as reasonably estimated by the Lender; said payments of Taxes shall be paid to the Lender in addition to the instalments of interest due and payable under this Charge, to be deposited upon receipt and held by the Lender in an interest-bearing account for the payment of Taxes, with interest to accrue thereon to the benefit of the Borrower and to be credited in reduction of the amount required to be paid to the Lender for Taxes. The Lender agrees that upon and subject to receipt of monies for Taxes it will remit such monies to the proper municipal offices in payment of Taxes as required from time to time; provided that if any Event of Default shall occur and be continuing, then the Lender, at its sole option, may apply all or any part of any funds held in such account to any amount due hereunder, whether principal, interest or otherwise. The Borrower shall also pay, or cause to be paid, to the Lender before the due date for the payment of Taxes (or next periodic instalment date therefor, as the case may be) any sums in addition to the aforesaid monthly instalments which may be required in order that out of such sums held in trust or escrow by the Lender and such additional sums, the Lender may pay the whole amount of Taxes assessed thereto, on the due date for payment thereof. Notwithstanding the foregoing provisions of this Paragraph 10.1(b), the Borrower acknowledges that the Lender is under no obligation to collect from the Borrower monthly instalments on account of Taxes. In addition, the Borrower acknowledges its obligation to pay all Taxes when due, whether or not the payment of all Taxes are the responsibilities of tenants and whether or not such tenants have remitted the same to the Borrower.

- (c) The Lender may, after written notice being given to the Borrower, pay all unpaid and due Taxes, and any amounts, the failure to pay which would give rise to a lien and any amounts so paid by the Lender shall become part of the Principal hereby secured and be a charge on the Charged Premises in favour of the Lender and shall be payable forthwith by the Borrower to the Lender with interest at the Applicable Rate until paid.
- (d) If the Charged Premises or any part thereof are sold or forfeited for nonpayment of Taxes while any sum remains unpaid hereunder, the Lender may acquire the title and rights of the purchaser at any sale, or the rights of any other person or corporation becoming entitled on or under any such forfeiture, or the Lender may pay, either in its own name or in the name of the Borrower and on the Borrower's behalf, any and all sums necessary to be paid to redeem such land so sold or forfeited, and to revest such lands in the Borrower, and the Borrower hereby nominates and appoints the Lender as agent to pay such monies on the Borrower's behalf and in the Borrower's name, and any monies so expended by the Lender shall become part of the Principal Sum hereby secured and be a charge on the Charged Premises in favour of the Lender and shall be payable forthwith by the Borrower to the Lender and until so paid shall bear interest at the Applicable Rate or in the alternative, the Lender may purchase the Charged Premises at any tax sale of the same.
- (e) Notwithstanding anything to the contrary herein contained, the Borrower shall have the right to contest or defend any actions brought to recover, or appeal any judgments recovered against it in respect of any Bills, or other like charges, or any construction or other liens levied or registered against the Charged Premises, by appropriate proceedings diligently conducted in good faith, provided that the Borrower shall have first deposited with the Lender, or otherwise provided to the reasonable satisfaction of the Lender, such security as the Lender acting reasonably may require including, without limitation, security for the payment of such Bills, charges or liens and any costs payable in connection therewith, and further provided that the Lender shall have determined, to its reasonable satisfaction, that any such contest, defence or appeal or any delay or nonpayment of such Bills, charges or liens shall not materially prejudice the prior charge or lien of this Charge or the title of the Borrower to the Charged Premises. Should the Lender at any time thereafter determine, in its reasonable discretion, that any such contest, defence or appeal or any delay or nonpayment of such Bills, charges or liens shall materially prejudice the prior charge or lien of this Charge or the title of the Borrower to the Charged Premises, the Lender may realize upon such security for payment as aforesaid and pay such Bills, charges or liens. Upon termination of such proceedings, the Borrower shall promptly pay or cause to be paid the amount of the Bills, charges or liens and any other costs, fees, interest and penalties as are properly payable upon determination of such proceedings and promptly cause any tax notifications, caveats, liens, certificates of or pertaining litigation or any other form of notice or encumbrance in respect thereof to be promptly discharged from the title to the Charged Premises at the sole expense of the Borrower whereupon all such security deposited or otherwise provided to the Lender and any proceeds from the realization thereof not paid on account of Bills as aforesaid, shall be returned and paid to the Borrower.
- (f) The Borrower agrees to and does hereby indemnify the Lender against all claims, demands, costs, damages and expenses which arise in respect of any default, late payment, omission, act or proceeding by the Borrower, under or in respect of this Section 10.1.
- (g) If the Lender comes into and for as long as it is in possession of the Charged Premises, the Lender, in its sole discretion, shall be entitled to and shall enjoy all the rights of the Borrower set out in Paragraph 10.1(d) hereof, to the exclusion of the Borrower.

#### ARTICLE 11 – INSURANCE

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

by the Insurance Bureau of Canada which shall be attached to the policy of insurance.

11.2 During any construction on the Charged Property, the Borrower shall maintain:

- (i) Builders' all-risk coverage for 100% of the construction cost with loss payable to the Lender by way of an Insurance Bureau of Canada ("IBC") approved mortgage clause. The policy must cover flood, earthquake, building by-laws, delayed opening, must allow for partial occupancy of the premises and provide for interim loss payments during reconstruction;
- (ii) Wrap-Up Liability coverage in an amount not less than \$10,000,000 per occurrence;
- (iii) Project performance and completion bonds and insurance, including coverage for labour and material bonds; and
- (iv) Professional Liability coverage in an amount not less than \$10,000,000.

#### ARTICLE 12 - ENVIRONMENTAL

12.1 The following capitalized terms shall have the following respective meanings:

"Environmental Approvals" means all applicable permits, licences, authorizations, consents, directions or approvals required by Governmental Authorities pursuant to the Environmental Laws with respect to the use, occupation, ownership or operation of the Charged Premises;

"Environmental Laws" means all applicable federal, provincial and municipal laws, by-laws, regulations, executive orders, judgments and protocols, relating in whole or in part, to the environment or its protection, and without restricting the generality of the foregoing, includes without limitation, those laws relating to the manufacturing, processing, use, handling, packaging, labelling, sale, storage, recycling, transportation, treatment, destruction, burial or disposal of Hazardous Substances, employee safety, and the emission, discharge, release, deposit, issuance, spraying, dumping, throwing, pouring, spilling, emptying, placing, leaking, seeping, exhausting or abandonment of Hazardous Substances into the atmosphere, air, surface water, ground water, land surface or subsurface strata and, in each such case, as such Environmental Laws may be amended or supplemented from time to time, and "Environmental Law" means any of them;

"Hazardous Substance" means any pollutant, contaminant, waste, hazardous waste, toxic substance or dangerous good which is defined or identified in or the object of any Environmental Law, the presence of which in the environment is in contravention of any Environmental Law; and

"Inspections" means all inspections, evaluations or tests conducted by the Lender or any agent or consultant thereof for the purpose of determining the environmental condition of the Charged Premises, as the Lender may deem appropriate, acting reasonably.

12.2 The Borrower represents and warrants (which representations and warranties shall continue throughout the Term of the Loan) that:

- (a) The condition and use of the Charged Premises is and, to the best of the Borrower's knowledge, any prior use of the same was, in compliance in all material respects with all applicable Environmental Laws;
- (b) The Charged Premises is not subject to any judicial or administrative proceedings alleging violation of any Environmental Laws and there are no outstanding orders or proceedings against the Charged Premises from a Governmental Authority responsible for protecting the environment alleging the violation of any Environmental Laws;
- (c) To the knowledge of the Borrower, the Charged Premises is not the subject of any investigation by Governmental Authorities having jurisdiction evaluating whether any remedial action is needed to respond to a contravention of any Environmental Laws; and
- (d) There is no contingent liability of which the Borrower has knowledge or reasonably should have knowledge in connection with the contravention of any Environmental Laws.

12.3 The Borrower covenants with the Lender:

- (a) If not already provided, to provide to the Lender within ninety (90) days of the execution of this Charge, an environmental audit with respect to the Lands, and if an event shall have occurred after the date of this Charge, which the Lender, acting reasonably, believes may have resulted or may result in material adverse change in the environmental condition of the Charged Premises or any part thereof, to provide such further environmental audits as the Lender may require;
- (b) To provide notice within fifteen (15) days of either having learned of any enactment or promulgation of any Environmental Laws which may result in any material adverse change in the condition, financial or otherwise, of the Charged Premises;
- (c) To defend, indemnify and hold harmless the Lender, its directors, officers, employees, agents and their respective successors and assigns, against any and all loss, cost, expense, claim, liability or alleged liability arising out of any environmental damage occasioned to the Charged Premises contravention of any Environmental Laws;
- (d) To, at all times and at its own expense, conduct its business and maintain the Charged Premises in compliance with all Environmental Laws and Environmental Approvals including causing all tenants of the Charged Premises to comply with the same;

- (c) If the Borrower:
- (i) receives notice from any Governmental Authority having jurisdiction that violation of any Environmental Law or Environmental Approval has been committed by the Borrower or any tenant with respect to the Charged Premises;
  - (ii) receives notice that any remedial order or other proceeding has been filed against the Borrower or any tenant alleging in respect of the Charged Premises violations of any Environmental Law or requiring the Borrower to take any action in connection with the release of a Hazardous Substance into the environment; or
  - (iii) receives any notice from a Governmental Authority having jurisdiction in respect of the Charged Premises that the Borrower or any tenant may be liable or responsible for costs associated with a nuisance or a response to, or clean up of, a release of a Hazardous Substance into the environment or any damages caused thereby;

to provide to the Lender a copy of such notice within ten (10) days of the Borrower's receipt thereof, and thereafter shall keep the Lender informed in a timely manner of any developments in such matters, and shall provide to the Lender such other information in respect thereto as may be reasonably requested by the Lender from time to time and shall proceed to deal with the same diligently and in good faith in order to bring the Charged Premises into compliance to the extent necessary to comply with Environmental Laws;

- (f) Unless in existence on the Charged Premises on the date of this Charge, not to use, discharge, transport or install in or upon the Charged Premises any material or equipment containing PCBs or permit any tenant of the Charged Premises to do so and, to the extent in existence on the Charged Premises as of the date of this Charge, to maintain the same in compliance with all Environmental Laws;
- (g) To maintain, and to require all occupants of the Charged Premises to maintain in good leak-proof condition all above-ground and underground storage tanks and drums on the Charged Premises;
- (h) Not to install asbestos or permit asbestos to be installed in the Charged Premises. With respect to any asbestos present in the Charged Premises on the date of this Charge, the Borrower shall, at its expense, promptly comply with the requirements of Environmental Laws and Governmental Authorities respecting the use, removal and disposal of asbestos; and
- (i) To obtain or cause its solicitors to obtain copies of all relevant environmental studies or assessments of the Charged Premises which the Borrower or its solicitors or agents have commissioned or which are in the possession or control of the Borrower, as of the date of this Charge and, to the extent any such assessments or studies are required by the Lender from time to time, to promptly provide same to the Lender upon request and hereby authorizes and directs its solicitors, agents and consultants to promptly release same to the Lender.

12.4 Having due regard to the rights of any tenant of the Borrower, the Lender and its employees and agents shall have the right, and are hereby granted permission by the Borrower, to enter the Charged Premises from time to time, and to have access to the Borrowers' relevant documents and records, in order to conduct Inspections, to determine compliance with Environmental Laws as the Lender, acting reasonably, may deem appropriate. Inspections shall be:

- (a) at such times and to such extent as may be reasonable in the circumstances on prior notice to the Borrower if the Lender has reasonable grounds for believing that:
  - (i) there are, contrary to Environmental Laws or Environmental Approvals, Hazardous Substances in or upon the Charged Premises which have not been disclosed to and approved by the Lender and appropriate Government Authorities; or
  - (ii) the Borrower is in breach of any environmental representations in this Charge or its covenants in this Article; or
  - (iii) the Borrower is not in compliance with any Environmental Laws or material Environmental Approvals; and
- (b) at any time without prior notice upon the occurrence of an Event of Default which is continuing.

If the Borrower is found not to be in compliance with the Environmental Laws or Environmental Approvals and such failure to comply becomes an Event of Default that is continuing, the Lender may, at its option (but without any obligation to do so) take such actions as are required, acting reasonably, to bring the Charged Premises into compliance, and the costs thereof shall immediately become due and payable to the Lender by the Borrower and shall be secured by the Security.

12.5 The Lender shall not, by virtue of being the chargee under this Charge or the enforcement of its rights contained herein for purposes of the Environmental Laws, be or be deemed to be the owner of, any of the Charged Premises, or to have management, charge, control, occupation or possession of any of the Charged Premises or the businesses of the Borrower, or of any Hazardous Substances located on, upon or within any of the Charged Premises.

12.6 The Borrower hereby covenants and agrees to be responsible for, and to indemnify and hold harmless the Lender and each of its officers, directors, employees, shareholders, all unitholders of any pooled funds under its management and agents and their respective successors and assigns (in this Section, collectively referred to as the "Indemnified Parties") from and against all claims, demands, liabilities, losses, costs, damages and expenses (including, without limitation, reasonable legal fees and all costs incurred in the investigation, pursuing of any claim, or in any proceeding with respect to, defense and settlement of any item or matter hereinafter set out) that the Indemnified Parties may incur or suffer, directly or indirectly as a result of or in connection with:

- (a) Any inaccuracy in or breach of the Borrower's representations and warranties relating to the environmental matters contained herein;

- (b) The presence of any Hazardous Substance on, upon or within the Charged Premises, or the escape, seepage, leakage, spillage, discharge, emission, release, disposal or transportation away from the Charged Premises of any Hazardous Substance, whether or not there is compliance with all applicable Environmental Laws and Environmental Approvals;
- (c) The imposition of any remedial order affecting the Lands, or any non-compliance with Environmental Laws or Environmental Approvals pertaining to the Charged Premises by any person, including the Borrower, the Lender or any person acting on behalf of the Lender; and
- (d) Any diminution in the value or any loss on the disposition of the Charged Premises arising directly or indirectly as a result of the presence on the Lands of any Hazardous Substance, or as a result of the imposition of any remedial order or the breach by any person of any Environmental Law or Environmental Approval.

This indemnity shall survive the satisfaction and release of this Charge and the Security and the payment and satisfaction of all indebtedness hereunder. The benefit of this indemnity may be assigned by the Lender to any successor or assign of the Lender and the Borrower hereby consents to any such assignment.

#### **ARTICLE 13 - ASSIGNMENT OF RENTS AND LEASES**

- 13.1 As further security for the payment of all monies owing and the performance of all obligations to be performed hereunder, the Borrower does, as and by way of security, hereby sell, assign, transfer and set over unto to the Lender all of the Borrower's right, title and interest, both at law and equity, in and to the Lease Rights, to hold and receive the same unto the Borrower with full power and authority to demand, collect, sue for, recover and receive and give receipts for Rents and enforce payments of the same and enforce performance of the obligations of tenants under the Leases, provided, however, that, subject to the terms of this Charge, the Borrower shall have the full right, so long as no Event of Default has occurred and is continuing, to continue to collect Rents, to take or cause to take all actions as it deems necessary with respect to the Lease Rights, acting as a reasonable lessor.
- 13.2 It is expressly acknowledged and agreed by the Borrower that nothing contained in this Charge shall oblige the Lender to assume or perform any obligation of the Borrower to any third party in respect of or arising out of the assigned Lease Rights. The Lender may, however, after the occurrence of an Event of Default and while such Event of Default continues, at its option, assume or perform any such obligation as the Lender considers necessary or desirable to obtain the benefit of the Lease Rights, free of any set-off, reduction or abatement, and any money expended by the Lender in this regard shall form part of or be deemed to form part of the indebtedness secured by this Charge and shall bear interest at the Applicable Rate.

#### **ARTICLE 14 - MANAGEMENT AND REPAIR**

- 14.1 The Borrower shall cause the Charged Premises at all times to be professionally maintained, managed and operated and fully and continuously operational during customary business hours, including all uses ancillary or incidental to its operations, at all times, by competent managers and staff of proper background and training, in a first class manner consistent with the management and operation of other properties which are of size, location, use, class, age and type comparable to the Charged Premises, and the Borrower shall obtain the Lender's prior written approval of any manager and any management contract with any manager which may be entered into by the Borrower for the management of the Charged Premises. In addition to any other rights hereunder of the Lender, the Lender shall have the right, acting reasonably, to replace the manager at the expense of the Borrower in the event the management standards are not maintained as required hereunder and the situation is not remedied within thirty (30) days after written notice from the Lender. The Lender acknowledges and approves, as of the date hereof, of the Borrower or a company controlled by the Borrower acting as manager of the Charged Premises provided that the Charged Premises are managed and maintained in accordance with the provisions hereof.
- 14.2 The Borrower shall promptly repair, maintain, restore, replace, rebuild, keep, make good, finish, add to and put in order, or cause to be so done, the Charged Premises, so that the same shall, at all times, be in good condition and repair and to pay or cause to be paid when due all claims for labour performed and materials furnished therefor. The Borrower shall not commit or suffer any waste of the Charged Premises nor take any action that might invalidate or give cause for cancellation of any insurance maintained in respect of the Charged Premises. No building or other property now or hereafter charged by this Charge shall be removed, or demolished or nor shall the structure of any building be materially altered, redeveloped, retrofitted or renovated, without the prior written consent of the Lender, except that the Borrower shall have the right, without such consent, to remove and dispose of, free from the lien or charge of this Charge, such fixed equipment as from time to time may become worn out or obsolete, provided that either (a) simultaneously with or prior to such removal, and if necessary for the operation of the Charged Premises such equipment shall be replaced with other equipment of a quality comparable to that of the replaced equipment and free from any lien, title retention agreement, conditional sale contract, security agreement or other encumbrance, and by such removal and replacement the Borrower shall be deemed to have subjected such fixed equipment to the lien or charge of this Charge, or, (b) any net cash proceeds received from such disposition shall, at the option of the Lender, be paid over promptly to the Lender to be applied in a manner determined by Lender in its sole discretion toward the payment of any amounts owing hereunder or secured hereby. The Borrower shall notify the Lender promptly of any material damage to or defects in any of the Improvements, and thereafter forthwith shall make or cause to be made such repairs thereto as are required to correct any such damage or defects and return the Charged Premises to a state of condition and repair equivalent to the state of condition and repair required by the provisions of this Charge.
- 14.3 The Borrower shall comply with, or cause to be complied with, all statutes including without limitation the provisions of the *Construction Lien Act* (Ontario), ordinances and requirements of any Governmental Authority having jurisdiction with respect to the Charged Premises; the Borrower shall complete and pay for, within a reasonable time, any structure at any time in the process of construction on the Charged Premises.
- 14.4 The Borrower shall permit the Lender or its authorized agents at all reasonable times to enter upon the Charged Premises and inspect same, and if such inspection reveals that any repairs or like actions are necessary, the Lender may give notice to the Borrower requiring the Borrower to repair, rebuild or reinstate the same, or take such other like action within a reasonable time. Any failure by the Borrower to comply with such notice shall constitute an Event of Default hereunder and the Lender may repair, rebuild or reinstate the Charged Premises at the cost of the Borrower and charge all sums of money determined by the

Lender to be properly paid therefor and interest thereon at the Applicable Rate until paid.

#### ARTICLE 15 - INCREASED COSTS

15.1 In the event that as a result of any application of or any change in or enactment of any applicable law, regulation, treaty or official directive after the date hereof (whether or not having the force of law), or in the interpretation of application thereof by any court or by any governmental or other authority or entity charged with the administration thereof which now or hereafter:

- (a) ~~Subjects the Lender to any tax or changes the basis of taxation, or increases any existing tax, on payments of principal, interest or other amounts payable by the Borrower to the Lender under this Charge (except for taxes on the overall net income of the Lender or capital of the Lender imposed by the Government of Canada or any political subdivision thereof or by the jurisdiction in which the principal or lending office of the Lender is located); or~~
- (b) ~~Imposes, modifies or deems applicable any special requirements against assets held by, or deposits in or for the account of or any other acquisition of funds by the Lender or imposes on the Lender a requirement to maintain or allocate capital or additional capital in relation to the Loan; or~~
- (c) ~~Imposes on the Lender any other condition with respect to this Charge; or~~
- (d) ~~Renders any portion of this Charge illegal or unenforceable;~~

~~and the result of any of the foregoing is to increase the cost to the Lender, or reduce the amount of principal, interest or other amount received or receivable by the Lender hereunder or its effective return hereunder in respect of making or maintaining the Loan hereunder or to reduce the payments receivable by the Lender in respect of the Loan by an amount which the Lender deems to be material, the Lender shall promptly give written notice thereof to the Borrower setting out in reasonable detail the facts giving rise to and a summary calculation of such increased costs or reduced payments, and the Borrower shall forthwith pay to the Lender upon receipt of such notice that amount which will compensate the Lender for such additional cost or reduction in income (herein referred to as "Additional Compensation"). Upon the Lender having determined that it is entitled to Additional Compensation in accordance with the provisions of this Section, the Lender shall promptly so notify the Borrower. The Borrower shall forthwith pay to the Lender upon receipt of such notice such Additional Compensation calculated on the date of demand. The Lender shall be entitled to be paid such Additional Compensation from time to time to the extent that the provisions of this Section are then applicable notwithstanding that the Lender has previously been paid any Additional Compensation. The Lender shall endeavour to limit the incidence of any such Additional Compensation, including seeking recovery for the account of the Borrower, by appealing any assessment at the expense of the Borrower upon the Borrower's request.~~

15.2 All payments made by the Borrower to the Lender will be made free and clear of all present and future taxes, withholdings or deductions of whatever nature. If these taxes, withholdings or deductions are required by Applicable Law and are made, the Borrower shall, as a separate and independent obligation, pay to the Lender all additional amounts as shall fully indemnify the Lender from any such taxes, withholding or deduction. Provided, however, that the Borrower shall have no obligation to pay any withholding or like tax which may be exigible, incurred or required as a result of the Lender being a non-resident of Canada for the purposes of the *Income Tax Act* (Canada).

15.3 If the result of any law, regulation, treaty or official directive or request or any change in or any introduction thereof or change in the interpretation or application thereof or compliance by the Lender with the same (including, without limitation, those relating to taxation, reserve requirements, capital adequacy or other banking or monetary controls) is such that it is or will become (other than as a result of some positive action of the Lender, including any participation or syndication hereof by the Lender) unlawful for the Lender to make, fund or allow to remain outstanding all or part of the Loan, or to carry out all or any of its other obligations under this Charge and/or the Security or receive interest or any fee at the Applicable Rate, then in such case:

- (a) ~~The Lender may give written notice to the Borrower of such law, regulation, treaty or official directive or request (whether or not having the force of law) or such change in or any introduction thereof or change in the interpretation or application thereof or compliance by the Lender with the same (including, without limitation, those relating to taxation, reserve requirements, capital adequacy or other banking or monetary controls) which such notice shall certify that such law, regulation, treaty, official directive or request is generally applicable to all other borrowers from the Lender with any accommodation similar to that herein provided; and~~
- (b) ~~The Borrower shall prepay the Indebtedness on such date and to such extent as the Lender shall certify to be necessary to comply with the relevant law or change described above;~~

~~provided, however, that should the Loan become unlawful, the Lender, without prejudice to its rights to require repayment and without any obligation on its part, will consider other means of funding the Loan which would not be unlawful, would allow the Lender to carry out its obligations in respect of the Loan and would enable the Lender to receive interest at the Applicable Rate, provided always, notwithstanding the foregoing, the Lender is not obligated to provide alternate funding.~~

#### ARTICLE 16 - OBTAINING AND MAINTAINING SECURITY

16.1 Regardless of whether such sums are advanced or incurred with the knowledge, consent, concurrence or acquiescence of the Borrower or otherwise and in addition to any other amounts provided for herein or otherwise permitted by Applicable Law to be secured hereby, except as herein otherwise provided, the following are to be secured hereby and shall be a charge on the Charged Premises, together with the interest thereon at the Applicable Rate, and all such monies shall be repayable to the Lender, on demand, except as herein otherwise provided:

- (a) All reasonable and properly chargeable solicitor's, inspector's, valuator's, consultant's, architect's, engineer's, surveyor's and appraiser's fees and out-of-pocket expenses:
  - (i) for drawing and registering this Charge and the Security and financing statements in connection therewith, and attending to advances hereunder;

- (ii) for examining the Charged Premises and the title thereto up to the date hereof;
  - (iii) for making and maintaining this Charge as a registered charge on the Charged Premises and maintaining the Security (including the registration and filing of renewals);
  - (iv) for the preparation of this Charge, the Security and any related documents and in exercising or enforcing or attempting to enforce or advising the Lender in respect of defaults hereunder or in pursuit of any right, power, remedy or purpose hereunder or subsisting at law;
  - (v) reasonable allowance for the time, work and expenses of the Lender or of any agent of the Lender in connection therewith; and
- (b) All reasonable sums which the Lender may from time to time advance, expend, incur or suffer hereunder:
- (i) for insurance premiums, Bills, Taxes, rates, or in or toward payment of prior liens, charges, encumbrances or claims charged or to be charged against the Charged Premises;
  - (ii) in maintaining, repairing, restoring or completing construction of the Charged Premise;
  - (iii) in inspecting, leasing, managing or improving the Charged Premises as permitted hereunder, including the price or value of any goods of any sort or description supplied to be used on the Charged Premises as permitted hereunder; and
- (c) Without limiting the generality of any of the foregoing, the then current reasonable fee of the Lender and/or its solicitor for the following matters:
- (i) executing any cessation or discharge of this Charge, notwithstanding that said cessation or discharge may have been prepared by the Borrower;
  - (ii) entering into an agreement to amend the interest rate or any other provision in the Charge;
  - (iii) handling any dishonored cheque;
  - (iv) preparing an amortization schedule showing the principal and interest components of payments due under this Charge;
  - (v) the cost of completing a Phase I & II Environmental Audit and such other environmental audits as the Lender may require in its discretion;
  - (vi) such other administrative matters as the Lender may perform with regards to the Charge or with regards to any collateral security, as permitted by the Commitment;
  - (vii) the fee charged by the Lender's insurance consultant to review the Borrower's policy of insurance for the subject lands including business interruption insurance if required by the Lender; and
  - (viii) the execution and delivery of any consents, postponements, acknowledgments or any other documents that may be required from the Lender, whether from the Borrower and/or any governmental authorities and/or public/private utilities.

- 16.2 If any action or proceeding be commenced (except an action to foreclose this Charge or to collect the money that is secured hereby) in which the Lender becomes a party or participant by reason of being the holder of this Charge or the indebtedness secured hereby, all sums paid by the Lender for the expense of so becoming a party or participating (including all reasonable and properly chargeable legal costs) shall, on written notice, be paid by the Borrower, together with interest thereon at the Applicable Rate from the dates of payment of such sums by the Lender, and shall be a lien and charge on the Charged Premises, prior to any right or title to, interest in, or claim upon the Charged Premises subordinate to the lien and charge of this Charge, and shall be deemed to be secured by this Charge, and that in any action or proceeding to foreclose this Charge, or to recover or collect the indebtedness secured hereby, provisions of law respecting the recovery of costs, disbursements and allowances shall prevail unaffected by this covenant.

#### **ARTICLE 17 - CONDEMNATION AWARDS**

- 17.1 The Borrower shall notify the Lender promptly upon it being aware of any and all awards or payments ("Condemnation Award(s)") including interest thereon, and the right to receive the same (save for any portion of any such Condemnation Award paid for remedial purposes and which is actually used for such purpose) which may be made with respect to the Charged Premises, or any part thereof, as a result of:
- (a) Any condemnation, eminent domain, compulsory acquisition, expropriation or like procedures ("Condemnation"), partial or complete, including any sidewalk or lane; or
  - (b) The imposition, and enforcement, of any restriction, regulation or condition to meet any building or development guideline for development or restriction of or by any municipality or other competent authority; or
  - (c) Any other material injury to or decrease in the value of the Charged Premises by any lawful regulation or any governmental authority having jurisdiction;

(any matter referred to in (a), (b) or (c) above being hereinafter called an "Incident of Expropriation") to the extent of all amounts which may be secured by this Charge at the date of receipt of any such Condemnation Award by the Borrower.



Notwithstanding the occurrence of any Incident of Expropriation, the Borrower shall continue to pay interest at the Applicable Rate on the Principal Sum. The Borrower does hereby charge, assign, set over as transfer to the Lender, as security for the repayment of all Indebtedness.

- 17.2 Any Condemnation Award received by the Lender shall be held by the Lender as part of the security for the Loan subject to application as provided in this Article 17. Pending such application, such amounts received shall be held and invested by the Lender, acting reasonably. If at any time an Event of Default has occurred and is continuing, the Lender may, at its option, apply such amounts in reduction of the amounts owing hereunder.
- 17.3 Notwithstanding the provisions of Sections 17.1 and 17.2, in the event that any Incident of Expropriation shall occur which, in the reasonable opinion of the Lender, would materially and adversely affect the security of the Charge or any other Security after the application of any Condemnation Award pursuant to Section 17.1 hereof, the Lender may, at its option, declare such Incident of Expropriation to be an Event of Default and be entitled to exercise any and all rights and remedies available to it hereunder at law or in equity.

#### ARTICLE 18 - EVENTS OF DEFAULT

- 18.1 The whole of the Principal Sum together with interest thereon at the Applicable Rate, interest on overdue interest and any amounts payable pursuant to Article 6, and all other amounts secured hereby shall, at the option of the Lender, subject to Section 18.2 hereof, become due and payable and all powers conferred on the Lender herein and hereby shall become exercisable, in like manner to all intents and purposes as if the time herein mentioned for payment of such Principal monies had fully come and expired, if specifically provided for in this Charge, or if any of the following events shall occur (the occurrence of any such event together with the expiry of the applicable cure period, if any, and any other occurrence specifically provided for herein as an Event of Default being collectively referred to as an "Event of Default"):
- (a) Upon default in payment of any regularly schedule instalment of interest beyond the date such payment is due and payable; or
  - (b) Upon default in payment of the Indebtedness due and owing on the Maturity Date; or
  - (c) Upon default in payment of any Indebtedness (other than an instalment of interest and upon maturity) due hereunder within five (5) Business Days after written notice thereof is provided by the Lender; or
  - (d) Save as otherwise provided for in subparagraphs (a), (b) and (c) hereof or otherwise specifically provided herein, upon any default in the performance of any covenant or obligation of the Borrower hereunder within fifteen (15) days after written notice thereof is provided by the Lender, provided that if such default is curable and the nature of such default is such that the exercise of reasonable diligence of more than fifteen (15) days is required to cure such default, and if such default in the Lender's reasonable discretion does not jeopardize or adversely effect the security interest of the Lender hereunder or adversely affect the Borrower or its ability to perform its obligations hereunder or under the Security or adversely affect the Charged Premises, the Lender will not, for a further sixty (60) days so long as no other Event of Default has occurred, enforce its remedies in respect of such default while and so long as during such time the Borrower is actively continuing to diligently and in good faith cure such default; or
  - (e) If at any time during the Term there is a breach of any representation or warranty contained herein or at any time during the Term if any representation or warranty contained herein is no longer true or accurate or becomes untrue or inaccurate for any reason and provided the same can be rectified, and the same is not rectified within thirty (30) days after written notice thereof is provided by the Lender; or
  - (f) Upon the assignment by the Borrower to any other party of the whole or a part of the rents, income or profits arising from the Charged Premises, without the written consent of the Lender; or
  - (g) The occurrence of an Event of Insolvency; or
  - (h) If without the prior written consent of the Lender, in its sole and absolute discretion:
    - (i) the Borrower transfers, sells, conveys, or otherwise disposes of all or any part of the Charged Premises, or any interest therein (other than by way of Leases), whether legal or beneficial or enters into any transaction or series of transactions where all or any part of the Charged Premises becomes the property of another person, whether through reorganization, amalgamation, merger, consolidation or otherwise, or if there is any change in the legal or beneficial interest, in whole or in part, of the Charged Premises; or
    - (i) If, without the prior written consent of the Lender, in its sole and absolute discretion:
      - (i) there is any change in the Borrower's corporate control or change in the Borrower's effective control existing as of the date of this Charge; or
      - (ii) the Borrower creates, permits or suffers to exist any mortgage, pledge, charge, loan, assignment, hypothecation, security interest or other encumbrance attaching the Charged Premises other than this Charge, the Security and the Permitted Encumbrances; or
  - (j) Upon default by or non-compliance of the Borrower or any Guarantor(s), or any others bound by or acknowledging to be bound by the terms of this Charge, with respect to any of the provisions of the Security or the Permitted Encumbrances; or
  - (k) If the Charged Premises are abandoned; or
  - (l) Failure by the Borrower to fulfil, complete or comply with any undertakings delivered by the Borrower to Lender in connection with the Loan in accordance with the terms of such undertakings; or

- (m) Upon any breach, default, non-observance occurring or being alleged, charged or claimed against the Borrower as lessor under any lease or as sublessor under any sublease of the Charged Premises and the Borrower is not diligently proceeding to rectify any such breach, default, non-observance or non-performance or defend any allegations, charges or claims of the same; or
- (n) If this Charge, or any of the Security, shall fail to constitute a legal, valid, binding and enforceable first charge, first assignment or first security interest, each enforceable in accordance with its terms, subject only to Permitted Encumbrances; or
- (o) If in the reasonable opinion of the Lender there occurs an event which has a material adverse effect on the financial condition or operation of the Borrower, the Charged Premises, this Charge, the Security or the ability of the Borrower to pay the Indebtedness or to perform its obligations hereunder or under the Security and which cannot be rectified by the Borrower within a reasonable period of time.

18.2 Save as otherwise specifically provided, an Event of Default hereunder or under any Security shall not have occurred or be deemed to have occurred until the expiration of any applicable notice period, if any, called for in this Charge or in such Security within which the Borrower may remedy such default. In any event, if in the opinion of the Lender, an event has occurred which with the passing of time, the giving of notice or otherwise would constitute an Event of Default and as a result of which the Charged Premises or the property assets and undertaking subject to the Security is materially at risk, the Lender may take such action or exercise such remedies as may be appropriate without notice to the Borrower or the expiry of any cure period.

#### ARTICLE 19 - REMEDIES

19.1 If an Event of Default has occurred hereunder and is continuing (or if the Lender exercises its rights pursuant to Section 18.2 hereof before the occurrence of an Event of Default), then at any time thereafter, but subject always to the waiver thereof by the Lender, the Lender may:

- (a) Declare the Indebtedness to be immediately due and payable and proceed to exercise any and all rights hereunder or under the Security or any other rights available to it under any other document or instrument or at law or in equity including without limitation, the drawdown of any letter of credit held by the Lender;
- (b) Commence legal action to enforce payment of the Indebtedness or performance of the obligations by the Borrower to the Lender;
- (c) At the expense of the Borrower, when and to such extent as the Lender deems advisable, observe and perform or cause to be observed and performed any covenant, agreement, proviso or stipulation contained herein or in the Security, and the reasonable cost thereof with interest thereon at the Applicable Rate until paid, shall immediately become due from the Borrower to the Lender after demand by the Lender upon the Borrower therefor;
- (d) Pay or discharge any mortgage, encumbrance, lien, adverse claim or charge that may exist or be threatened against the Charged Premises; in any such case, the amounts so paid together with costs, charges and expenses incurred in connection therewith shall be added to the Principal outstanding and shall bear interest at the Applicable Rate;
- (e) Send or employ any inspector or agent to inspect and report upon the value, state and condition of the Charged Premises and may employ a lawyer to examine and report upon the title to the same;
- (f) Immediately take possession of all of the Charged Premises or any part or parts thereof by action or otherwise, with power, among other things, to exclude the Borrower, to enforce the Borrower's rights, to preserve and maintain the Charged Premises, to repair, alter or extend the Charged Premises, to lease the Charged Premises, to complete construction and development of the Charged Premises, to operate and manage the Charged Premises and to collect or receive rents, income and profits of all kinds (including taking proceedings in the name of the Borrower for that purpose) and pay therefrom all reasonable expenses and charges of maintaining, preserving, protecting and operating the Charged Premises (payment of which may be necessary to preserve or protect the Charged Premises), and to enjoy and exercise all powers necessary to the performance of all functions made necessary or advisable by possession, including without limitation, power to advance its own moneys and enter into contracts and undertake obligations for the foregoing purposes upon the security hereof, and all sums advanced or expended shall be added to the Principal outstanding and shall bear interest at the Applicable Rate;
- (g) On default of payment for at least fifteen (15) days may, on at least thirty-five (35) days' notice, sell and dispose in the Charged Premises with or without entering into possession of the same and with notice to such persons and in such manner and form and within such terms as provided under Part III of the *Mortgages Act* (Ontario), as amended; and all remedies available may be resorted to and all rights, powers and privileges granted or conferred upon the Lender under and by virtue of any statute or by this Charge may be exercised and no want of notice or publication or any other defect, impropriety or irregularity shall invalidate any sale made or purporting to be made in the Charged Premises; and the Lender may sell, transfer and convey any part of the Charged Premises on such terms, including on credit for all or part of the consideration, (provided the Borrower shall not be accountable for any default in respect of the credit), secured by contract or agreement for sale, or charge, or otherwise, as shall appear to the Lender most advantageous and for such prices as can reasonably be obtained therefor in the circumstances; and in the event of sale on credit or part cash and part credit, whether by way of contract for sale or by conveyance or transfer, charge, or otherwise, the Lender is not to be accountable for or charged with any monies until the same shall be actually received in cash or received by a take-back charge; and sales may be made from time to time of parts of the Charged Premises to satisfy interest and leaving the Principal or part thereof to run with interest at the Applicable Rate; and the Lender may make any stipulations as to title or evidences or commencement of title or otherwise as the Lender shall deem proper and may buy or rescind or vary any contract for sale; and on any sale or resale, the Lender shall not be answerable for loss occasioned thereby; and for any of such purposes the Lender may make and execute all arrangements and assurances that the Lender shall deem advisable or necessary;

- (h) With respect to the Leases:
- (i) to demand, collect and receive the Rents or any part thereof and to give acquittances therefor, and to take from time to time, in the name of the Borrower, any proceeding which may be, in the opinion of the Lender or its counsel, expedient for the purpose of collecting the Rents or for securing the payment thereof or for enforcing any of the Borrower's rights under the Leases;
  - (ii) to compound, compromise or submit to arbitration any dispute which has arisen or may arise in respect to any amount of Rent and any settlement arrived at shall be binding upon the Borrower;
  - (iii) to enter upon the Lands by its officers, agents or employees for the purpose of collecting the Rents; (iv) to receive, enjoy or otherwise avail itself of the Lease Rights; and
  - (v) on behalf of the Borrower to alter, modify, amend or change the terms of Leases; to terminate Leases, to enter into new Leases; to give consents, concessions or waivers of any rights or provisions of Leases; to accept surrenders of Leases; to give consents to assignment of or subletting under Leases;
- (i) With or without taking possession of all or any part of the Charged Premises, sell, lease or otherwise dispose of the whole or any part of the Charged Premises, as agent for the Borrower and not the Lender, and in exercising the foregoing power, the Lender may, in its absolute discretion:
- (i) sell, lease or otherwise dispose of the whole or any part of the Charged Premises by public auction, public tender with notice, or by private contract (in the name of or on behalf of the Borrower) or otherwise, with such notice, advertisement or other formality as is required by law;
  - (ii) make and deliver to the purchaser good and sufficient deeds, assurances and conveyances of the Charged Premises and give receipts for the purchase money, and any such sale once effected shall be a perpetual bar, both at law and in equity, to the Borrower and all those claiming an interest in the Charged Premises by, from, through or under the Borrower making any claim against the purchaser of the Charged Premises;
  - (iii) grant, rescind, vary or complete any contract for sale, lease or options to purchase or lease, or rights of first refusal to purchase or lease the whole or any part of the Charged Premises, for cash or for credit, with or without security being given therefor, and on terms as shall appear to be most advantageous to the Lender (including a term that a commission be payable to the Lender or a related corporation in respect thereof) and if a sale is on credit, the Lender shall not be accountable for any moneys until actually received;
  - (iv) make any stipulation as to title or conveyance or commencement of title;
  - (v) re-sell or re-lease the Charged Premises or any part thereof without being answerable for any loss occasioned thereby; and
  - (vi) make any arrangements or compromises which the Lender shall think expedient in the interest of the Lender and to assent to any modification of this Charge, and to exchange any part or parts of the Charged Premises for any other property suitable for the purposes of the Lender on such terms as the Lender considers expedient, either with or without payment of money for equality or exchange or otherwise;
- (j) Take proceedings in any court of competent jurisdiction for sale or foreclosure of all or any part of the Charged Premises;
- (k) To borrow or raise money on the security of the Charged Premises or any part thereof in priority to this Charge or otherwise, for the purpose of the maintenance, preservation or protection of the Charged Premises or any part thereof or for carrying on all or any part of the business of the Borrower relating to the Charged Premises;
- (l) Take proceedings in any court of competent jurisdiction for the appointment of a receiver (which term as used in this Charge includes a manager and a receiver and manager, and hereafter, the "Receiver") of all or any part of the Charged Premises;
- (m) By instrument in writing appoint, with or without taking possession, any person to be a Receiver of the Charged Premises or of any part thereof and may remove any Receiver so appointed and appoint another in his stead, with all fees and costs related thereto being the Borrower's obligations; and the following shall apply in respect of any such Receiver so appointed:
- (i) the Lender may from time to time fix the remuneration of the Receiver who shall be entitled to deduct that same out of the revenue from the Charged Premises or the proceeds thereof;
  - (ii) the Receiver shall, to the fullest extent permitted by law, be deemed the agent or attorney of the Borrower for all purposes and the Lender shall not be in any way responsible for any actions other than as caused by gross negligence, willful misconduct or fraud, of any Receiver, and the Borrower hereby agrees to indemnify and save harmless the Lender from and against any and all claims, demands, actions, costs, damages, expenses or payments which the Lender may hereafter suffer, incur or be required to pay as a result, in whole or in part, of any action taken by the Receiver or any failure of the Receiver to do any act or thing other than as are caused by gross negligence, willful misconduct or fraud;
  - (iii) the appointment of the Receiver by the Lender shall not incur or create any liability on the part of the Lender to the Receiver in any respect and such appointment or anything which may be done by the Receiver or the removal of the Receiver or the termination of any such Receivership shall not have the effect of constituting the Lender a mortgagee in possession in respect of the Lands or any part thereof;

- (iv) the Receiver may exercise or pursue any other remedy or proceeding which the Lender is entitled as the holder of the Charge authorized or permitted hereby or by law or in equity in order to enforce the security constituted by this Charge;
- (v) and for the purposes above, the Borrower hereby irrevocably empowers the Receiver so appointed as its attorney to execute deeds, transfers, leases, contracts, agreements or other documents on its behalf and in its place (and the same shall bind the Borrower and have the same effect as if such deeds were executed by the Borrower) and to affix the Borrower's seal, if necessary, or a duplicate thereof to any of the same. On its own account or through a Receiver and whether alone or in conjunction with the exercise of all or any other remedies contemplated hereby, shall have the right, at any time, to notify and direct any account debtor to make all payments whatsoever to the Lender and the Lender shall have the right, at any time, to hold all amounts received from any account debtor and any proceeds as part of the Secured Property; any payments received by the Borrower from and after the security hereby constituted becomes enforceable, shall be held by the Borrower in trust for the Lender in the same medium in which received, shall not be commingled with any assets of the Borrower and shall, at the request of the Lender, be turned over to the Lender not later than the next Business Day following the day of their receipt; and
- (vi) save as to claims for accounting under paragraph (o) below, the Borrower hereby releases and discharges the Lender and the Receiver from every claim of every nature, whether resulting in damages or not, which may arise or be caused to the Borrower by reason or as a result of anything done by the Lender or any successor or assign claiming through or under the Lender or the Receiver under the provisions of this paragraph unless such claim be the direct result of dishonesty or gross neglect;
- (n) The Lender may at any time and from time to time terminate any receivership by notice in writing to the Borrower and to the Receiver;
- (o) The Receiver shall account for all monies received in respect of the Charged Premises or any part thereof, and shall pay, out of such monies received, subject to the further direction of the Lender in its discretion, the following in the order specified:
  - (i) the Receiver's remuneration;
  - (ii) all payments reasonably made or incurred by the Receiver in connection with its receivership;
  - (iii) all payments of interest, Principal and other money which may, from time to time, be or become charged upon the Charged Premises in priority to this Charge, and all Bills, Taxes, insurance premiums and every other proper expenditure reasonably made or incurred by the Receiver in respect to the Charged Premises or any part thereof; and
  - (iv) all payments to the Lender of all interest due or falling due hereunder and the balance to be applied upon Principal due and payable and secured hereby;

and thereafter any surplus remaining in the hands of the Receiver after payments made as aforesaid shall be accountable to the Borrower or other persons entitled thereto; and
- (p) On its own account or through a Receiver and whether alone or in conjunction with the exercise of all or any other remedies contemplated hereby, shall have the right, at any time, to notify and direct any account debtor to make all payments whatsoever to the Lender and the Lender shall have the right, at any time, to hold all amounts received from any account debtor and any proceeds thereof as security for the Indebtedness; any payments received by the Borrower from and after the security hereby constituted becomes enforceable, shall be held by the Borrower in trust for the Lender in the same medium in which received, shall not be commingled with any assets of the Borrower and shall, at the request of the Lender, be turned over to the Lender not later than the next Business Day following the day of their receipt.

#### **ARTICLE 20 - DEFAULT UNDER SECURITY, PARAMOUNTCY DISCHARGE AND RENEWAL**

- 20.1 Payments of principal and interest made under and pursuant to the terms of the Security shall constitute payment hereunder and vice versa and default in the payment of principal and interest under the Security shall constitute default hereunder and vice versa. Default in compliance with any of the conditions, covenants, undertakings, provisions and stipulations contained in the Security shall entitle the Lender to exercise all or any of the rights or remedies provided herein and the occurrence of an Event of Default hereunder or in compliance with any of the conditions, covenants, undertakings, provisions and stipulations contained herein shall entitle the Lender to exercise all or any of the rights or remedies provided in the Security. The occurrence of an Event of Default hereunder shall constitute an Event of Default under the Security and vice versa.
- 20.2 The cancellation of or any other dealing with any Security (other than foreclosure thereof) shall not release or affect this Charge, and the taking of this Charge, or the cancellation of or any other dealing with, or proceeding under (other than foreclosure hereunder), this Charge, shall not release or affect any Security:
  - (a) The Lender may at any time and from time to time release any part or parts of the Charged Premises or any other Security or any surety for payment of all or any part of the monies hereby secured or may release the Borrower or any other person from any covenant or other liability to pay the Principal Sum and interest and all other monies secured hereby, or any part thereof, either with or without any consideration therefor, and without being accountable for the value thereof or for any monies except those actually received by the Lender, and without thereby releasing any other part of the Charged Premises, or any other Security or covenants herein contained, it being especially agreed that notwithstanding any such release, the Charged Premises, the Security and the covenants remaining unreleased shall stand charged with the whole of the monies hereby secured;
  - (b) In the event that the monies advanced hereunder are applied to payment of any charge or encumbrance, the Lender

shall be subrogated to all the rights of and stand in the position of and be entitled to all the equities of the party or parties so paid whether such charge or encumbrance has or has not been discharged; and the decision of the Lender as to the validity or amount of any advance or disbursement made under this Charge or of any claims so paid, shall be final and binding on the Borrower; and

- (c) The Lender shall not be charged with any monies receivable or collectible out of the Charged Premises or otherwise, except those actually received by or on behalf of the Lender and all revenue of the Charged Premises received or collected by the Lender from any source other than payment by the Borrower may, at the option of the Lender, be retained in a separate account to be used in, maintaining, insuring or improving the Charged Premises to the extent required for such purpose, in the opinion of the Lender, acting reasonably, or in payment of Taxes or other liens, charges or encumbrances against the Charged Premises, or applied in reduction of the amounts owing hereunder.
- 20.3 Subject to Section 6.1 hereof, upon payment of all amounts secured by this Charge, the Borrower shall be entitled to receive and the Lender shall provide a discharge of this Charge and the Security within a reasonable period of time after the request therefor. The Lender shall have a reasonable time after such payment within which to prepare and execute such discharge and all reasonable legal and other expenses for the preparation, execution and registration of such discharge and/or documents, as the case may be, shall be borne by the Borrower.
- 20.4 All payments made pursuant to Section 20.3 shall be made to and received by the Lender prior to 1:00 p.m. on the date due or the next succeeding Business Day in the event the date due is not a Business Day; provided such extension of time shall be included for the purposes of computation of interest.

#### **ARTICLE 21 - NO MERGER OR WAIVER OF LENDER'S RIGHTS**

- 21.1 It is further understood and agreed that this Charge and the Security shall stand as a continuing security for repayment of the Loan, including, all advances made thereunder together with all interest, damages, costs, charges and expenses which may become due and payable to the Lender in respect of or in connection with the Loan or any portion thereof, notwithstanding any fluctuation or change in the amount, nature or form of the Loan or in the obligations now or hereafter representing the Loan or any portion thereof or in the names of the obligors or any of them.
- 21.2 The rights of the Lender arising under this Charge shall be separate, distinct and cumulative and, except as expressly provided herein, none of them shall be in exclusion of the other and no act of the Lender shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision, anything herein or otherwise to the contrary notwithstanding.
- 21.3 The giving and taking of this Charge shall in no way merge, waive, prejudice, suspend or affect any of the rights or remedies of the Lender under any Security which may be given or which may have been or may hereafter be given in respect of the Principal Sum hereof, interest and other monies secured by this Charge, or any part thereof, or under the Security and all rights and remedies which the Lender now has or may hereafter have against any one or more persons, are hereby preserved.
- 21.4 The taking of a judgment or judgments under any of the covenants or obligations herein or under any Security shall not operate as a merger of the covenants of the Borrower or affect the Lender's right to interest at the Applicable Rate on any monies due or owing to the Lender during the continuance of this Charge, under any of the covenants herein contained or on any judgment to be recovered thereon.
- 21.5 The covenant of the Borrower to pay interest shall not merge in any judgment in respect of any covenant or obligation of the Borrower under this Charge or any Security and such judgment shall bear interest at the Applicable Rate until such judgment and all interest thereon have been paid in full.
- 21.6 Any waiver by the Lender of any default by the Borrower or any omission on the Lender's part in respect of any default by the Borrower shall not extend to or be taken in any manner whatsoever to affect any subsequent default by the Borrower or the rights resulting therefrom.
- 21.7 No extension of time given by the Lender to the Borrower or anyone claiming under the Borrower, shall in any way affect or prejudice the rights of the Lender against the Borrower or any person liable for payment of the monies hereby secured.

#### **ARTICLE 22 - FINANCIAL DATA**

- 22.1 The Borrower shall provide or cause to be provided promptly to the Lender full and complete information about the financial condition and operations of the Charged Premises, including a comprehensive rent roll of all space in the Charged Premises, about the financial condition of the Borrower and any Guarantor(s) and such other information which the Lender may reasonably require from time to time, and the Lender shall have the right to examine the books and records of the Borrower relating to the Charged Premises at reasonable times and upon reasonable prior notice.
- 22.2 Without limiting the foregoing, the Borrower covenants and agrees to provide or cause to be provided to the Lender audited financial statements together with operating statements pertaining to the Charged Premises and such other financial information the Lender may reasonably require, (a) in the case of audited financial statements, within ninety (90) days of the end of each fiscal year of the Borrower (or such other time as may reasonably be required by the Lender), and (b) with respect to operating statements for the Charged Premises, within thirty (30) days of the end of each quarter of each calendar year. The audited financial statements are to be prepared by a nationally recognized firm of chartered accountants and shall include a balance sheet, and a detailed statement of income and expenditures and supporting notes and schedules. The operating statements shall contain a certificate by a senior officer of the Borrower as to the contents and preparation thereof, and shall include detailed statements of income, expenditures results of operation and such other matters relating to the operation of the Charged Premises as the Lender may reasonably require. In the event applicable, the Borrower shall provide the Lender with copies of all proxy statements, reports and information circulars that the Borrower makes available to its shareholders and copies of all regular and periodic reports which the Borrower may file with any securities commission or any other Governmental Authority.
- 22.3 The Borrower shall provide or cause to be provided to the Lender, or as the Lender may direct, a comprehensive list of all

current tenants and rentals of space in the Charged Premises during the Term, which list shall disclose, without limitation, the name of each tenant, the duration of its term, renewal options, if any, and the term thereof, the rental being paid, the last date on which rental was paid and whether such tenancy is in good standing. Such list shall contain an endorsement by an officer of the Borrower as to being complete and accurate.

- 22.4 All statements, reports and other documents required to be provided hereunder shall be prepared in a manner acceptable to the Lender, in its reasonable discretion.

#### ARTICLE 23 - NOTICE

- 23.1 Unless otherwise provided herein, any demand, notice or communication given or required to be given to a party hereunder shall be in writing and shall be personally delivered or given by transmittal by telecopy or facsimile transmission addressed to the respective parties at its address or telecopy or facsimile number set forth below or to such other address or telecopy or facsimile number as such party may designate by notice in writing to the other party hereto:

- (a) If to the Borrower, at the address for service set out in the electronic Charge to which this schedule is attached; and
- (b) If to the Lender, at the address for service set out in the electronic Charge to which this schedule is attached.

Any demand, notice or communication made by or given by personal delivery shall be conclusively deemed to have been made or given on the day of actual delivery thereof, and, if made or given by telecopy or by facsimile, on the first day other than a Saturday, Sunday or a statutory holiday in Ontario, on which Schedule 1 banks are open for commercial business in Toronto, Ontario, following the transmittal thereof.

#### ARTICLE 24 - GENERAL

- 24.1 If any provision of this Charge or the application thereof to any circumstances shall be held to be invalid or unenforceable, it shall be deemed severed herefrom and the remaining provisions of this Charge, or the application thereof to other circumstances, shall not be affected thereby and shall be held valid and enforceable to the full extent permitted by law. In particular, and without limiting the generality of the foregoing, to the extent any and all amounts due pursuant to Article 6 hereof may be deemed to be in excess of what is permissible by law, any such excess shall be deemed not to be due under this Charge.
- 24.2 Wherever used in this Charge, unless the context clearly indicates a contrary intent as unless or otherwise specifically provided herein, the word "Borrower" shall mean "Borrower and/or subsequent owner or owners of the Charged Premises", the word "Lender" shall mean "Lender or any subsequent holder or holders of this Charge".
- 24.3 The descriptive headings of the several subparagraphs or paragraphs or sections or articles of this Charge are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.
- 24.4 Wherever the singular number or masculine gender is used in this Charge, the same shall be construed as including the plural and feminine or a body corporate, respectively, and vice versa, where the fact or context so requires; and the successors and assigns of any party executing this Charge are bound by the covenants, agreements stipulations and provisos herein contained. The covenants, agreements stipulations and provisos herein stated shall, except as otherwise limited hereby, be in addition to those granted or implied by statutory law.
- 24.5 This Charge shall be construed and enforceable under and in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein, and the Borrower hereby irrevocably attorns to the non-exclusive jurisdiction of the courts sitting at Toronto, Ontario.
- 24.6 The Borrower shall at all times, do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered all such further acts, deeds, transfers, assignments, security agreements and assurances as the Lender may reasonably require in order to give effect to the provisions hereof and for the better granting, transferring, assigning, charging, setting over, assuring, confirming or perfecting the Charge and the priority accorded to them by law or under this Charge.
- 24.7 If any of the forms of words contained herein are also contained in Column 1 of Schedule "B" of the Short Forms of Mortgages Act (Ontario) and distinguished by a number therein, this Charge shall be deemed to include and shall have the same effect as if it contained the form of words in Column 2 of Schedule "B" of the said Act distinguished by the same number, and this Charge shall be interpreted as if the *Short Forms of Mortgages Act* (Ontario) were still in full force and effect. The implied covenants deemed to be included in a charge under Subsection 7(1) of the *Land Registration Reform Act* (Ontario) shall be and are hereby expressly excluded from the terms of this Charge.
- 24.8 This Charge shall, whether or not it secures a current or running account, be a general and continuing security to the Lender for payment of the indebtedness in an amount not exceeding the amount secured by this Charge and performance of the Borrower's other obligations under the Charge notwithstanding any fluctuation or change in the amount, nature or form of the indebtedness or in the accounts relating thereto or in the bills of exchange, promissory notes and/or other obligations now or later held by the Lender representing all or any part of the indebtedness outstanding at any particular time; and the Charge will not be deemed to have been redeemed or become void as a result of any such event or circumstance.
- 24.9 This Charge is given as collateral security to the Commitment.
- 24.10 In the event of conflict between the Commitment and the terms of this Charge, the provisions of the Commitment shall prevail; provided that any provision herein contained that is not contained in the Commitment and vice versa shall not in and of itself be considered to be inconsistent or in conflict.

#### ARTICLE 25 – CONDOMINIUM PROVISIONS

- 25.1 The Borrower covenants and agrees that in the event that the security for the within Charge shall be or shall become a condominium unit(s) the following provisions shall apply.

- (i) the Borrower does hereby assign to the Lender all of its rights to vote or consent in the affairs of the Condominium Corporation having jurisdiction over the subject lands and the Lender, may at its option, exercise the right of an owner of a condominium unit to vote or consent in the affairs of the Condominium Corporation in the place and stead of such owner, without in any way consulting the owner as to the manner in which the vote shall be exercised or not exercised, and without incurring any liability to the owner or anyone else because of the manner in which such vote or right to consent in the affairs of the Condominium Corporation was exercised.
- (ii) the Borrower shall pay promptly, when due, any common expenses, assessments, instalments or payments due to the Condominium Corporation.
- (iii) the Borrower shall observe and perform the covenants and provisions required to be observed and performed under or pursuant to the provisions of the *Condominium Act* (Ontario), all amendments thereto, and any legislation passed in substitution thereof, and the declaration and by-laws of the Condominium Corporation and any amendments thereto.
- (iv) Where the Borrower defaults in the Borrower's obligation to contribute to the common expenses assessed or levied by the Condominium Corporation, or any authorized agent on its behalf, or any assessment, instalment of payment due to the Condominium Corporation, upon breach of any of the foregoing covenants or provisions in this paragraph contained, regardless of any other action or proceeding taken, or to be taken by the Condominium Corporation, the Lender, at its option and without notice to the Borrower, may deem such default to be a default under the terms of this Charge and proceed to exercise its rights therein and the Lender shall be entitled at its option to pay all common expense amounts as they come due and these amounts so paid together with legal fees shall form part of the Indebtedness.

#### ARTICLE 26 – CONSTRUCTION LOAN PROVISIONS

In the event that any of the monies advanced or to be advanced under this Charge are intended to finance any improvement to the Charged Premises, the parties hereto covenant and agree that the following conditions shall apply:

- 26.1 All construction on the Charged Premises shall be carried out by reputable contractors having experience which is commensurate to nature and size of the project to be constructed, which contractors must be prior approved by the Lender in writing, such approval not to be unreasonably withheld.
- 26.2 The construction of the building and structures located on the Charged Premises have been commenced and shall be continued in a good and workmanlike manner, with all due diligence and in accordance with the plans and specifications delivered to the Lender and to the satisfaction of all governmental and regulatory authorities having jurisdiction.
- 26.3 Provided that should construction of the project on the Charged Premises cease for any reason whatsoever (strikes, material shortages and weather conditions beyond the control of the Borrower excepted), for a period of ten (10) consecutive days (Saturdays, Sundays and Statutory holidays excepted), then, at the option of the Lender, this Charge shall immediately become due and payable. In the event that construction does cease, then the Lender shall have the right, at its sole option, to assume complete control of the construction of the said project in such manner and on such terms as it deems advisable. The cost of completion of the said project by the Lender and all expenses incidental thereto shall be added to the principal amount of this Charge, together with a management fee of fifteen percent (15%) of the costs of the construction completed by the Lender. All costs and expenses, as well as the management fee of fifteen percent (15%) added to the principal amount of this Charge shall bear interest at the rate as herein provided for and shall form part of the principal sum herein and the Lender shall have the same rights and remedies to collection of principal and interest hereunder or at law.
- 26.4 At all times there shall be sufficient funds unadvanced under this Charge and retained by the Lender to complete the construction and/or renovation of the project on the Charged Premises and as may be necessary to retain the Lender's priority with respect to any deficiency in the holdbacks required to be retained by the Borrower under the *Construction Lien Act* (Ontario).
- 26.5 This Charge will be advanced in stages as construction upon the Charged Premises proceeds or as the conditions as enumerated by the Commitment are complied with.
- 26.6 All advances which are made from time to time hereunder shall be based on certificates of a duly qualified architect, engineer, quantity surveyor, cost consultant or other consultant(s) retained for the purpose of reviewing and advising the Lender with respect to the said project and the progress thereof, whose fees and costs shall be for the account of the Borrower regardless of by whom such person has been retained. All such certificates shall without limitation certify the value of the work completed and the estimated costs of any uncompleted work and such certificates shall further certify that such completed construction and/or renovation to the date of such certificate shall be in accordance with the approved plans and specifications for the said construction and further, in accordance with the building permits issued for such construction and in accordance with all municipal and other governmental requirements of all authorities having jurisdiction pertaining to such construction and that there shall be no outstanding work orders or other requirements pertaining to construction on the Charged Premises. Such certificates with respect to any values shall not include materials on the site which are not incorporated into the building.
- 26.7 The Borrower shall pay to the Lender on each occasion when an inspection of the Charged Premises is required to confirm construction costs to date and compliance with conditions for further advances, an inspection fee in such reasonable amount as the Lender may charge from time to time for each such inspection and the Lender's solicitors shall be paid their reasonable fees and disbursements for each sub-search and work done prior to each such advance and all such monies shall be deemed to be secured hereunder and the Lender shall be entitled to all rights and remedies with respect to collection of same in the same manner as it would have with respect to collection of principal and interest hereunder or at law.
- 26.8 The Borrower agrees to indemnify and hold the Lender harmless from any and all claims, demands, sums of money, debts, covenants, bonds, accounts, actions, causes of action, rights, obligations and liability of every kind whatsoever which arise out of claims against the property under the *Construction Lien Act* (Ontario) and that any liens for work and/or supplies that are registered against the Borrower's interest in the property will be promptly discharged within seven (7) days from the date of

registration of the lien. The Lender may, but is not required to, deal with the lien claimant and pay the lien claim into court pursuant to the provision of the *Construction Lien Act* (Ontario) for the purpose of vacating the lien from title to the property. The Borrower agrees to be liable for all costs, claims, amounts and fees including, without limitation, all legal fees (on a solicitor and his client basis) incurred by the Lender arising from or in connection with the Borrower or the Lender obtaining and registering either a release of the lien or an order vacating the lien.

#### **ARTICLE 27 - ASSIGNMENT AND SALE**

- 27.1 The Loan and all other amounts secured hereby, this Charge, the Security and all documents ancillary or collateral thereto may, in the Lender's sole discretion and without the consent of the Borrower, in whole or in part, be participated, sold, securitized, syndicated or assigned by the Lender from time to time to one or more Persons.
- 27.2 The Lender may disclose to participants, transferees or assignees or to potential participants, transferees or assignees or others in connection with any sale, assignment, participation, securitization, transfer or syndication, such information concerning the Borrower or the Charged Premises as the Lender may consider to be appropriate in connection therewith.
- 27.3 No grant, assignment or transfer pursuant to this Article 27 shall constitute a repayment by the Borrower to the Lender of the Loan or any other amounts owing hereunder and included in such assignment or transfer and the Borrower acknowledges that all obligations under this Charge and the Security with respect to such assignment or transfer will continue and not constitute new obligations.
- 27.4 The Borrower agrees to be bound by and do all things necessary or appropriate to assist and give effect to any transfer, participation, securitization, sale, syndication or assignment, but shall incur no increased liabilities as a result thereof.



**TAB W**

This is **Exhibit “W”** referred to  
in the Affidavit of Donald Ierfino  
sworn before me, the 19th day of April, 2024.



---

A Commissioner etc.

Sara Mosadeq  
LSO No.: 67864K

**Properties**

PIN	21169 - 0181 LT	Interest/Estate	Fee Simple
Description	<p>PCL 1-1-A SEC M256; PT LT 1 N/S EGLINTON AV BLK A PL M256 TORONTO; PT LT 2 N/S EGLINTON AV BLK A PL M256 TORONTO COMM AT A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED BY BY-LAW 11494 DISTANT 34 FT 6 1/2 INCHES MORE OR LESS WLY FROM ITS INTERSECTION WITH THE E LIMIT OF SAID LT 1; THENCE WLY ALONG SAID NLY LIMIT OF EGLINTON AV A DISTANCE OF 90 FT 5 1/2 INCHES MORE OR LESS TO A POINT; THENCE NLY PARALLEL TO THE LINE BTN SAID LOTS 1 AND 2 A DISTANCE OF 109 FT 11 INCHES MORE OR LESS TO A POINT DISTANT 120 FT NLY FROM THE SLY LIMIT OF SAID LT 2; THENCE ELY PARALLEL WITH THE SAID S LIMITS OF SAID LOTS 1 AND 2 A DISTANCE OF 125 FT MORE OR LESS TO THE E LIMIT OF SAID LT 1; THENCE SLY ALONG THE LAST MENTIONED LIMIT A DISTANCE OF 13 FT 11 INCHES MORE OR LESS TO A POINT; THENCE WLY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV A DISTANCE OF 34 FT 6 1/2 INCHES MORE OR LESS TO ITS INTERSECTION WITH THE PRODUCTION NLY OF THE CENTRE LINE OF THE PARTY WALL BTN THE BUILDINGS ERECTED ON THIS LAND AND ON LAND LYING ELY AND ADJACENT THERETO; THENCE SLY ALONG SAID PRODUCTION TO AND ALONG SAID CENTRE LINE OF WALL AND ITS PRODUCTION SLY IN ALL 96 FT MORE OR LESS TO THE POC; S/T A FREE AND UNINTERRUPTED ROW INGRESS AND EGRESS FOR PERSONS, ANIMALS AND VEHICLES THROUGH, ALONG AND UPON THAT CERTAIN PCL OF LAND DESCRIBED AS FOLLOWS: PARTS OF LOTS 1 AND 2 ON BLK A ON PL M256 AS FOLLOWS: COMM AT A POINT IN THE E LIMIT OF LT 1, 96 FT NLY FROM THE NLY LIMIT OF EGLINTON AV AS WIDENED BY BY-LAW 11494; THENCE WLY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV AS WIDENED 125 FT; THENCE NLY PARALLEL TO THE E LIMIT OF LT 1, 12 FT; THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV AS WIDENED 125 FT TO THE E LIMIT OF LT 1; THENCE SLY ALONG THE SAID E LIMIT 12 FT TO THE POC; PROVIDED THAT THE PROJECTIONS INCLUDING THE PROJECTION OF THE SECOND STOREY BUILDINGS SITUATE ON THE ABOVE PCL EXISTING ON THIS DATE AND A FIRE ESCAPE TO BE ERECTED IN CONNECTION THEREWITH OVER THE SAID ROW OR ANY PT THEREOF SHALL BE DEEMED NOT TO BE AN ENCROACHMENT UPON THE SAID ROW; T/W A FREE AND UNINTERRUPTED ROW, INGRESS AND EGRESS, FOR PERSONS, ANIMALS AND VEHICLES THROUGH, ALONG AND OVER THAT PT OF LT 125 ON PL M512 (BOROUGH OF E YORK) DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE ELY LIMIT OF LT 125 DISTANT 96 FT NLY FROM THE SE ANGLE OF SAID LT; THENCE WLY PARALLEL TO THE SLY LIMIT OF SAID LT, 22 FT 4 INCHES MORE OR LESS TO A POINT 77 FT 8 INCHES ELY FROM THE WLY LIMIT OF LT 124 ON SAID PL; THENCE NLY IN A STRAIGHT LINE 14 FT MORE OR LESS TO A POINT IN THE NLY LIMIT OF LT 125, 77 FT 8 INCHES ELY FROM THE NW ANGLE OF SAID LT 124; THENCE ELY ALONG THE NLY LIMIT OF LT 125, 22 FT 4 INCHES MORE OR LESS TO THE N ELY ANGLE THEREOF; THENCE SLY ALONG THE ELY LIMIT OF LT 125, 14 FT MORE OR LESS TO THE POB; T/W A FREE AND UNINTERRUPTED ROW INGRESS AND EGRESS, FOR PERSONS, ANIMALS AND VEHICLES THROUGH ALONG AND OVER PT OF LOTS 1 AND 2 ON PL M380 (CITY OF TORONTO) DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE WLY LIMIT OF LT 1, 96 FT MEASURED NLY THEREON FROM EGLINTON AV AS WIDENED UNDER BY-LAW # 11494; THENCE NLY ALONG THE SAID WLY LIMIT OF LT 1, 18 FT MORE OR LESS TO THE N WLY ANGLE THEREOF; THENCE ELY ALONG THE NLY LIMIT OF SAID LT 1, 48 FT 5 1/4 INCHES MORE OR LESS TO A POINT 1 FT 6 3/4 INCHES WLY FROM THE NE ANGLE OF LT 1; THENCE SLY ALONG A LINE WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2 AT A POINT 5 FT ELY FROM THE SW ANGLE OF LT 2 A DISTANCE OF 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM THE POC; THENCE WLY ALONG THE SAID MENTIONED LINE 49 FT 4 3/4 INCHES MORE OR LESS TO THE POC; T/W A FREE AND UNINTERRUPTED ROW INGRESS AND EGRESS FOR PERSONS, ANIMALS AND VEHICLES THROUGH OVER AND ALONG THOSE PARTS OF LOTS 1 AND 2 ON PL M380 (CITY OF TORONTO) DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE NLY LIMIT OF LT 1, 1 FT 6 3/4 INCHES WLY THEREON FROM THE N ELY ANGLE OF LT 1; THENCE SLY ALONG A LINE WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2 AT A POINT THEREIN 5 FT ELY FROM THE SW ANGLE OF LT 2, 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM A POINT IN THE W LIMIT OF LT 1, 96 FT NLY FROM THE N LIMIT OF EGLINTON AV AS WIDENED; THENCE N ELY IN A STRAIGHT LINE 19 FT 6 INCHES TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF LT 2 AND DISTANT 16 FT 1/2 INCH ELY THEREON FROM THE N WLY ANGLE THEREOF TO A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED DISTANT 25 FT ELY THEREON FROM ITS INTERSECTION WITH THE WLY LIMIT OF LT 2; THE SAID POINT BEING 10 FT 6 INCHES MORE OR LESS SLY ON THE SAID LINE FROM THE SAID NLY LIMIT OF LT 2; THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF LT 2, 22 FT 3 1/2 INCHES MORE OR LESS TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED 78 FT 10 INCHES WLY FROM THE SE ANGLE OF LT 3 ON SAID PL TO A POINT IN THE N LIMIT OF LT 2 DISTANT 80 FT 6 3/4 INCHES WLY THEREON FROM THE NE ANGLE OF LT 3; THENCE NLY ALONG THE SAID LAST MENTIONED LINE 10 FT 6 INCHES MORE OR LESS TO THE NLY LIMIT OF LT 2; THENCE WLY ALONG THE NLY LIMIT OF LOTS 2 AND 1, 39 FT 7 1/2 INCHES MORE OR LESS TO THE POC; TORONTO, CITY OF TORONTO</p>		
Address	368 378 EGLINTON AVE WEST TORONTO		

**Chargor(s)**

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

Name 1000195736 ONTARIO LTD.  
Address for Service 18 Doctors Lane, Suite 760, King City,  
ON., L7B 1A8

A person or persons with authority to bind the corporation has/have consented to the registration of this document.  
This document is not authorized under Power of Attorney by this party.

<b>Chargee(s)</b>	<b>Capacity</b>	<b>Share</b>
Name IMPERIO SA HOLDINGS	Tenants In Common	\$2,760,000.00 of \$4,500,000.00
Address for Service 8830 Jane Street, Vaughan ON., L4K 2M9		
Name CHEMIJ, RONALD	Joint Account, Right Of Survivorship	\$500,000.00 of \$4,500,000.00 with Mary Chemij
Address for Service 8830 Jane Street, Vaughan ON., L4K 2M9		
Name CHEMIJ, MARY	Joint Account, Right Of Survivorship	\$500,000.00 of \$4,500,000.00 with Ronald Chemij
Address for Service 8830 Jane Street, Vaughan ON., L4K 2M9		
Name CHEMIJ, TERRY	Joint Account, Right Of Survivorship	\$500,000.00 of \$4,500,000.00 with Luba Chemij
Address for Service 8830 Jane Street, Vaughan ON., L4K 2M9		
Name CHEMIJ, LUBA	Joint Account, Right Of Survivorship	\$500,000.00 of \$4,500,000.00 with Terry Chemij
Address for Service 8830 Jane Street, Vaughan ON., L4K 2M9		
Name IERFINO, DONALD	Tenants In Common	\$200,000.00 of \$4,500,000.00
Address for Service 8830 Jane Street, Vaughan ON., L4K 2M9		
Name TRILEND INC.	Tenants In Common	\$540,000.00 of \$4,500,000.00
Address for Service 8830 Jane Street, Vaughan ON., L4K 2M9		

**Statements**

Schedule: See Schedules

**Provisions**

Principal	\$4,500,000.00	Currency	CDN
Calculation Period	interest only, monthly		
Balance Due Date	2023/10/01		
Interest Rate	12.50% per annum		
Payments	\$46,875.00		
Interest Adjustment Date	2023 04 01		
Payment Date	1st day of each month		
First Payment Date	2023 05 01		
Last Payment Date	2023 10 01		
Standard Charge Terms			
Insurance Amount	Full insurable value		
Guarantor	Christopher Morgis		

**Signed By**

Stefania Nicole Mariani	1000-120 Adelaide St. W. Toronto M5H 3V1	acting for Chargor(s)	Signed	2023 03 17
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Tel 416-363-2211

Fax 416-363-0645

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

**Submitted By**

Schneider Ruggiero Spencer Milburn LLP	1000-120 Adelaide St. W. Toronto M5H 3V1	2023 03 17
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Tel 416-363-2211

Fax 416-363-0645

**Fees/Taxes/Payment**

Statutory Registration Fee	\$69.00
Total Paid	\$69.00

**File Number**

Chargee Client File Number : 45056 GR/SM



## **Schedule A**

### **Administration Fees:**

The mortgagor shall pay to the Mortgagee an Administration Fee of \$500.00 for each occurrence of any of the following events.

- Late payment.
- Cheque dishonored for any reason.
- Failure to provide proof of payment of Realty taxes.
- Failure to provide proof of payment of Insurance coverage on an annual basis.
- Failure to provide post-dated cheques.
- Failure to notify mortgagee of registration on lien by the Condominium Corporation for common maintenance arrears.
- Failure to notify mortgagee of registration of lien with CRA arrears.
- Requests for any mortgage information statements.
- Dealing with any default insurance notices.

### **Late Payment**

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

### **Additionally**

There will be a \$2,000.00 (two thousand dollar) Administration fee payable to TriLend Inc. if any mortgages on the property fall into more than sixty (60) days arrears. Such administration fees will be added to the principal amount outstanding if the mortgage arrears are not paid within 5 days of demand of payment for the same. In the event of a further occurrence as set out herein, the penalty shall increase by a further sum of \$50.00 and this shall be on a cumulative basis.

There will be a \$2,000.00 (two thousand dollar) Administration fee payable to TriLend Inc. if insurance on the property is cancelled and not reinstated five (5) days prior to the cancellation date.

There will also be a \$2,000.00 (two thousand dollar) Administration fee payable to TriLend Inc. if property taxes fall into arrears greater than one (1) year and are not paid within thirty (30) days of the mortgagee's request to pay said arrears.



Upon renewal of any mortgage term a minimal renewal fee equal to the lender fee charged at time of original lending. If a signed Renewal is not received within thirty (30) days after maturity or if the mortgagee does not receive written notification within thirty (30) days after maturity that the mortgagor intends not to renew, then the mortgage is considered automatically renewed and the renewal fee is payable regardless of receiving a signed Renewal.

A \$500.00 fee will be payable for any mortgage statement for discharge purposes, not including the mortgagee's solicitor discharge fee.

### **Disposition of the Mortgage Lands**

Provided that if the mortgagor sells, transfers, conveys or otherwise disposes of the subject property, or any interest therein, then all amounts, whether principal interest or otherwise that may be owing hereunder, including administration fees and bonuses, shall be immediately due and payable at the sole option of the mortgagee.

### **Post Dated Cheques**

The mortgagor agrees to provide to TriLend Inc. a series of twelve (12) post-dated cheques on or before the closing date of the mortgage and further series of post-dated cheques on or before each anniversary date / renewal of the within mortgage. Failure to provide such cheques shall constitute a default under the mortgage at the sole option of the mortgagee.

### **Discharge**

Provided that when a discharge of this mortgage is required, then unless otherwise stated on the discharge statement, the Mortgagee's Solicitor will prepare the Discharge Statement for execution by the Mortgagee, the cost of which will be the mortgagor's expense.

### **Time of Payment**

Any payment that is received at the Mortgagee's office after 1:00 pm Eastern Standard Time on any date shall be deemed, for the purpose of calculation of interest, to have been made on the next business day.



### **Default of Encumbrances**

Default under any terms or covenants contained in any encumbrances registered in priority or subsequent to this Mortgage shall constitute default under the herein Mortgage at the sole option of TriLend.

### **Principal Residence**

In the event that the subject property is not used as the principal residence of the mortgagor, then all amounts, whether principal, interest or otherwise that may owed, hereunder, including Administration fees and bonuses, shall be immediately due and payable at the sole option of TriLend.

### **Encumbrances**

Provided further that by signing this document, you are agreeing that the Mortgagor(s) shall not give cause for prior registered charge mortgage of Land(s) registered on the property described herein to be transferred or assigned to a third party, and if such should occur, this mortgage shall deem to be immediately in default with all monies to become due and payable in full with all penalties and costs forthwith unless expressly approved in writing between the Mortgagor(s) and the Mortgagee(s).  
Provided further that by signing this document, the Mortgagor(s) also agree to keep the lands described herein free and clear of all encumbrances, Liens, Mortgages, Security Interests and other financing agreements of any kind subordinate to our interests in the property unless expressly approved in writing between the Mortgagor(s) and TriLend Inc.

### **Bankruptcy and Insolvency Act**

The Chargor/Guarantor represents and warrants that she/he is not an "undischarged bankrupt" as defined in the *Bankruptcy and Insolvency Act*, In the event that the Chargor/Guarantor is an "Undischarged Bankrupt", then all the amounts, whether principal, interest or otherwise that may be owing hereunder including administration fees and bonuses together with a one (1) month interest payment thereon shall be immediately due and payable at the sole option of the Charge.

### **Prepayment Provisions**

Provided that the Chargor,, when not in default hereunder, shall have the privilege of prepaying all or any part of the principal sum hereby secured upon payment of three months interest by way of bonus.





### **Servicing Fee**

In the event that TriLend Inc. called upon to pay any payment in order to protect its security position, including but not limited to the payment of realty taxes, insurance premiums, condominium common expenses, principal, interest or costs under a prior mortgage, it is agreed that such payment shall bear interest at eighteen (18%) per cent per annum, calculated and compounded monthly and that there shall be a service charge of not less than \$300.00 for making such payment or payments.

### **Rental Assignments**

On all mortgages, where the subject property is non-owner occupied, an Assignment of Rents and Leases are to be provided. In the event the Lender or its agent invokes the Rent Assignment, a service charge in the sum of TWO HUNDRED DOLLARS (**\$200.00**) per each month, will be added to the mortgage and payable to Lender.

### **Additional Fees**

The Chargor/Mortgagor agrees that should TriLend Inc. issue either a Notice of sale or Statement of Claims, TriLend, at its option, shall be entitled to charge an additional fee equivalent to three (3) months interest. The chargor/ Mortgagor agree that should the mortgage not be renewed or discharged on the maturity date that TriLend, at its option shall be entitled to charge an additional fee equivalent to three (3) months interest.

### **Alterations**

The Chargor will not make or permit to be made, any structural alterations or additions to the land or to the building or structure thereon or change or permit to be changed the use of the premises without written consent oldie Charges.

### **Severability of any Invalid Provisions**

In the event that any covenant term or provision contained in the charge is held to be invalid. illegal or unenforceable in whole or in part then, the validity, legality and enforceability of the remaining covenants, provisions and terms shall continue in full force and effect. All covenants, provisions and terms hereof are declared to be separate and distinct covenants, provisions or terms as the case may be.



### **Maintenance Fee**

TriLend shall be entitled to a fee of \$100.00 per day for administering the maintenance and security of any property in its possession.

## SCHEDULE TO THE ATTACHED CHARGE/MORTGAGE

### RECITALS

The Lender has agreed to make a loan in favour of the Borrower upon the terms and conditions more particularly contained herein.

The Borrower is the registered owner of the lands and premises described in the electronic Charge to which this schedule is attached.

This Charge is given by the Borrower to the Lender as continuing security for the repayment by the Borrower to the Lender of such loan and the performance by the Borrower of its obligations as more particularly described herein.

### ARTICLE 1 - DEFINITIONS

1.1 For the purposes of this Charge the following definitions will apply:

“Applicable Laws” means, at any time, in respect of any Person, property, transaction, event or other matter, as applicable, all then current laws, rules, statutes, regulations, treaties, orders, judgments and decrees and all official directives, rules, guidelines, orders, policies, decisions and other requirements of any Governmental Authority (whether or not having the force of law) (collectively, the “Law”) relating or applicable to such Person, property, transaction, event or other matter and shall also include any interpretation of the Law or any part of the Law by any Person having jurisdiction over it or charged with its administration or interpretation;

“Applicable Rate” means the interest rate set out in the electronic Charge to which this schedule is attached or, in the alternative, the interest rate set out in the Commitment;

“Bills” has the meaning ascribed thereto in Section 10.1(a);

“Borrower” means the party identified as “Chargor” set out in the electronic Charge to which this schedule is attached and its successors and assigns;

“Business Day” means a day on which the Lender is open for business but specifically excluding Saturdays, Sundays or statutory holidays pursuant to the laws of Canada or the Province of Ontario and “Business Days” means more than one Business Day;

“Charge” means this charge/mortgage of land and all instruments supplemental hereto or in amendment, renewal, extension, restatement, replacement or confirmation hereof;

“Charged Premises” means, collectively, the Lands and the Improvements;

“Commitment” means the letter of commitment between the Borrower and Trilend Inc. as the same has been or may be amended, restated, supplemented, renewed, extended or superseded from time to time;

“Environmental Approvals” has the meaning ascribed to it in Section 12.1 hereof;

“Environmental Laws” or “Environmental Law” has the meaning ascribed to them in Section 12.1 hereof;

“Event of Default” has the meaning ascribed thereto in Section 18.1 hereof;

“Event of Insolvency” means the occurrence of any one of the following events:

- (a) If the Borrower, or the Guarantor(s), shall, other than as expressly permitted hereby:
  - (i) be wound up, dissolved or liquidated, whether pursuant to the provisions of the laws of the Province of Ontario or the federal laws of Canada applicable therein, or any other law or otherwise, or becomes subject to the provisions of the *Winding-Up and Restructuring Act* (Canada), or has its existence terminated or has any resolution passed therefor; or
  - (ii) makes a general assignment for the benefit of its creditors or files a proposal or a notice of intention to make a proposal under the *Bankruptcy and Insolvency Act* (Canada), shall otherwise acknowledge its insolvency or shall be declared or become bankrupt or insolvent; or
  - (iii) proposes a compromise or arrangement or otherwise brings proceedings under or becomes subject to the provisions of the *Companies’ Creditors Arrangement Act* (Canada) or shall file any petition or answer seeking any re-organization, arrangement, composition, re-adjustment, liquidation, dissolution or any other relief for itself under, or in any way takes the benefit of, the *Bankruptcy and Insolvency Act* (Canada) or any other present or future law relative to bankruptcy, insolvency or other relief for debtors or for or against the benefit of creditors; or
  - (iv) be unable, by reason of insolvency or similar circumstances, to pay its trade creditors generally, within one hundred and twenty (120) days of the rendering of trade accounts or admit its inability to pay its debts or perform its obligations as they become due; or
- (b) If a court of competent jurisdiction shall enter an order, judgment or decree against the Borrower in respect of any re-organization, arrangement, composition, re-adjustment, liquidation, dissolution, winding-up, termination of existence, declaration of bankruptcy or insolvency, or similar relief under any present or future law relative to bankruptcy, insolvency or other relief for debtors or for or against the benefit of creditors, or the Borrower shall acquiesce in the entry of such order, judgment or decree, unless the Borrower is also proceeding forthwith to diligently and in good faith contest the same and, provided that none of the Charged Premises, the Charge or the Security, the value of the Charged Premises or the operation thereof, are adversely affected and there is no prejudice to the Lender in the Lender’s reasonable opinion, and such order, judgement or decree is vacated or permanently stayed within fifteen (15) days of its making; or

- (c) If any trustee in bankruptcy, receiver, receiver and manager, monitor or liquidator or any other officer with similar powers shall be appointed for the Charged Premises or any portion thereof, or for the Borrower or the Guarantor(s), or for all or any substantial part of its assets or its interest in the Charged Premises with the consent or acquiescence of the Borrower; or
- (d) If, other than as expressly permitted hereby, an encumbrancer or the holder of any lien or charge or any other creditor takes possession of the Charged Premises or the Borrower's interest in the Charged Premises, or any part thereof, or if a distress, execution, garnishment or any similar process is levied or enforced upon or against the same;

"Governmental Authority" means any federal, provincial, territorial or municipal government and any executive, judicial, regulatory or administrative functions of, or pertaining to, government (including, without limitation, all boards, commissions, agencies, departments and ministries);

"Guarantor(s)" means any Person from time to time guaranteeing the Indebtedness;

"Hazardous Substance" has the meaning ascribed to it in Section 12.1 hereof;

"Improvements" means the buildings, erections, structures, fixed machinery, fixed equipment, plant, and improvements now located on the Lands and all appurtenances pertaining thereto, together with all other buildings, structures, fixtures and improvements hereafter located from time to time in, on or under the Lands and all personal property, equipment and chattels now or hereafter affixed to the Lands or to such buildings, erections, structures, fixed machinery, fixed equipment, plant, and improvements owned by the Borrower;

"Indebtedness" means, collectively, the Principal Sum, any debts, liabilities, obligations, covenants and duties owing by the Borrower to the Lender of any kind or nature, present or future and arising under, pursuant to or in connection with this Charge, the Security or any other document delivered pursuant to or in connection herewith or therewith, whether or not evidenced by any note, guarantee or other instrument, whether or not for the payment of money, whether arising by reason of an extension of credit, loan, guarantee, indemnification, or in any other manner, whether direct or indirect (including those acquired by assignment), absolute or contingent, due or to become due, now existing or hereafter arising and however acquired and in all cases arising under, pursuant to or in connection with this Charge, the Security or any other document delivered pursuant to or in connection herewith or therewith. The term includes, without limitation, all interest, yield maintenance, charges, expenses, fees, including all processing and commitment fees and all legal fees and disbursements (in each case whether or not allowed), and any other sum chargeable to the Borrower under, pursuant to or in connection with this Charge, the Security or any other document delivered pursuant to or in connection herewith or therewith;

"Inspections" has the meaning ascribed to it in Section 12.1 hereof;

"Interest Adjustment Date" means the interest adjustment date set by the Lender for the purposes of setting a payment schedule;

"Lands" means the lands and premises described in the electronic Charge to which this schedule is attached, including all tenements, hereditaments and appurtenances belonging or in any way appertaining thereto, and the reversion or reversions, remainder and remainders, rents, issues and profits therefrom, and all the estate, right, title, interest, property claim and demand whatsoever of the Borrower of, in and to the same and of, in and to every part thereof;

"Lease Benefits" means the benefit of all covenants and obligations of tenants, licencees or occupants contained in any of the Leases, including, without limitation, all rights and benefits of any guarantees thereof, the right to demand, sue for, collect, recover and receive all Rents, to enforce the landlord's rights under any Lease and generally any collateral advantage or benefit to be derived from the Leases or any of them;

"Lease Rights" means, collectively, the Leases, the Rents and the Lease Benefits;

"Leases" means all present and future leases, subleases, licences, agreements to lease, agreements to sublease, options to lease or sublease, rights of renewal or other agreements by which the Borrower, or any predecessor or successor in title thereto, has granted or will grant the right to use or occupy all or part or parts of the Charged Premises, including all agreements collateral thereto, but which, for the purpose of this definition does not include the Property Lease, and "Lease" means any one of them;

"Lender" means the party identified as "Chargee" in the electronic Charge to which this schedule is attached, and its successors and assigns;

"Loan" means the loan extended or to be extended by the Lender to the Borrower in the principal amount set out in the electronic Charge to which this schedule is attached and secured by this Charge and other security given to the Lender by the Borrower and the Guarantor(s), if any;

"Major Tenant Leases" means any agreements to lease, offers to lease or leases, subleases or occupancy agreements in respect of premises situate on the Charged Premises and which are determined by the Lender in its discretion to be material to the Charged Premises and the extension and maintenance of the Loan;

"Maturity Date" means, subject to early maturity by reason of the occurrence of an Event of Default and the acceleration of repayment at the option of the Lender, the balance due date set out in the electronic Charge to which this schedule is attached;

"Permitted Encumbrances" means the items more particularly set out in Schedule 'A' hereto together with such other encumbrances, liens and interests affecting the Charged Premises which are acceptable to the Lender in its sole discretion. If no Schedule 'A' is attached hereto, there are no permitted encumbrances;

"Person" means any natural person, sole proprietorship, partnership, syndicate, trust, joint venture, Governmental Authority or any incorporated or unincorporated or entity or association of any nature;

"Principal" or "Principal Sum" means the principal amount of the Loan owing from time to time by the Borrower to the Lender;

"Rents" means all rents, issues and profits now due or to become due under or derived from the Leases;

“Security” means, collectively, all other or additional security, other than this Charge, given by the Borrower or others to the Lender as security for the Loan;

“Taxes” means for each year during the term of this Charge all real property taxes, business taxes, rates, duties, charges, assessments, impositions, taxes, levies and charges for local improvements or otherwise, imposed upon or assessed against the Charged Premises or any part or parts thereof by any Governmental Authority including, without limitation, school boards, and paid or payable by the Borrower or any tenant of the Charged Premises, but shall not include franchise, capital levy or transfer tax or any income, excess profits or revenue tax or any other tax or impost of a personal nature charged or levied upon the Borrower or any tenant of the Charged Premises. If the system of real property taxation or business shall be altered or varied and any new tax shall be levied or imposed on all or any portion of the Charged Premises or the revenues therefrom in substitution for, or in addition to, taxes presently levied or imposed, then any such new tax or levy shall be deemed to be and shall be included herein; and

“Term” means the term of this Charge and being a period which expires on the Maturity Date.

## **ARTICLE 2 - CHARGING PROVISIONS**

- 2.1 Now therefore witnesseth that the Borrower, being the registered owner of a freehold estate in fee simple in possession of the Lands, in consideration of the Loan advanced or to be advanced by the Lender to the Borrower or for its benefit, and as security for the repayment of all Indebtedness and the performance of the obligations of the Borrower hereunder, does hereby grant, mortgage, charge and create a security interest in, to and in favour of the Lender all of its estate, right, title and interest in and to the Charged Premises and covenants and agrees to and with the Lender as hereinafter provided.
- 2.2 The last day of any term reserved by any lease or sublease, verbal or written, or any agreement therefor, now held or hereafter acquired by the Borrower, as lessee, and forming part of the Charged Premises is hereby excepted out of the mortgage, charge, assignment and security interest hereby created or granted or any instrument in implementations hereof, and the same shall be deemed to be a charge by way of sublease. As further security for the payment of the Indebtedness, the Borrower agrees that it will stand possessed of the reversion of such last day of the term and shall hold it in trust for the Lender for the purpose of this Charge and to assign and dispose thereof, without cost or expense to the Lender, in such manner as the Lender shall by notice in writing, for such purpose, direct. Upon any sale, assignment, sublease or other disposition of such leasehold interest or any part thereof, the Lender, for the purpose of vesting the aforesaid one day residue of such term or renewal thereof in any purchaser, assignee, sublessee or other acquirer thereof, shall be entitled by deed or writing to appoint such party or parties as a new trustee or trustees of the aforesaid residue of any such term or renewal thereof in the place of the Borrower and to vest the same accordingly in the new trustee or trustees so appointed freed and discharged from any obligation respecting the same.

## **ARTICLE 3 - REPAYMENT AND INTEREST**

- 3.1 The Borrower covenants to pay to or to the order of the Lender at its offices as set out in Article 23 hereof or at such other address as the Lender may from time to time designate in writing, without set-off, compensation or deduction, and without deduction for bank service or any other charges, the Principal Sum together with all other Indebtedness with interest thereon at the Applicable Rate, as well after as before maturity and both before and after default, demand and judgment. Such interest at the Applicable Rate shall be computed from the date of advance to become due and be paid initially on the Interest Adjustment Date and thereafter to be paid in equal instalments of interest, commencing on the first payment date set out in the Commitment or in the electronic Charge to which this schedule is attached and continuing each month during the Term, to and including the last payment date set out in the Commitment or the electronic Charge to which this schedule is attached, each such instalment to be in the amount stipulated in the Commitment or in the electronic Charge to which this schedule is attached and the last instalment, in the amount of the then remaining balance of the Principal Sum, other Indebtedness and accrued interest thereon, to be paid on the Maturity Date.
- 3.2 The Borrower acknowledges and agrees that monthly instalments for interest described in Section 3.1 together with all payments for Taxes as set out in Section 10.1 hereof must pass through a single bank account on which the Borrower will have provided post-dated cheques (as required by the Lender) or have pre-authorized the Lender to withdraw the monthly payments under this Charge plus any Taxes payable in respect of the Charged Premises if not otherwise paid by the Borrower. In addition, the Borrower must maintain at all times in such account a minimum balance equal to the sum of the monthly payment of principal, interest and Taxes (as such Taxes become due).
- 3.3 It is hereby agreed that if default should occur in payment of any sum due at the time appointed for payment thereof as herein provided, compound interest at the Applicable Rate shall be payable on the sum in arrears from time to time, as well after as before maturity, and if interest as compounded is not paid within one (1) month from the time of default, a rest shall be made, and compound interest at the Applicable Rate shall be payable on the aggregate then due, as well after as before maturity, both before and after default, demand and judgement and so on from time to time and all such interest and compound interest shall be a charge on the Charged Premises.
- 3.4 All interest in arrears shall be treated (as to payment of interest thereon) as Principal and shall bear compound interest, as well after as before maturity, default and judgement as provided in Section 3.3 hereof.
- 3.5 The Borrower will pay interest, including interest on overdue interest, at the Applicable Rate on any arrears of instalments of interest, and any payment by the Borrower shall be applied by the Lender first on account of interest and then on account of principal.
- 3.6 All payments of principal and interest pursuant to Section 3.1 shall be made to and received by the Lender prior to 3:00 p.m. on the date due, failing which such payment shall be deemed received on the next succeeding Business Day provided that in such case, such extension of time shall be included for the purpose of computation for interest; provided further that in the event any payment is due on a day which is not a Business Day, it shall be payable prior to 3:00 p.m. on the next succeeding Business Day and provided such payment is received by such date and such time, then, save in respect of repayment of the Indebtedness at the Maturity Date where interest shall be charged for extensions to the next succeeding Business Day, interest shall not be charged for such extension.

#### **ARTICLE 4 - CRIMINAL RATE OF INTEREST**

- 4.1 Notwithstanding any other provisions of this Charge, in no event shall the aggregate "interest" (as defined in Section 347 of the Criminal Code, (Canada), as the same shall be amended, replaced or re-enacted from time to time) payable to the Lender under this Charge exceed the effective annual rate of interest on the "credit advances" (as defined in that section) under this Charge lawfully permitted under that section and, if any payment, collection or demand pursuant to this Charge in respect of "interest" (as defined in that section) is determined to be contrary to the provisions of that section, such payment, collection, or demand shall be deemed to have been made by mutual mistake of the Lender and the Borrower and the amount of such payment or collection in excess of that lawfully permitted shall be refunded by the Lender to the Borrower.

#### **ARTICLE 5 - INTEREST ACT (CANADA)**

- 5.1 For the purposes of this Charge, whenever interest is payable or stated not on the basis of a yearly rate, such rate of interest may be determined by multiplying the Applicable Rate by a fraction the numerator of which is the actual number of days in the calendar year in which the same is to be ascertained and the denominator of which is the number of days in the period for which such rate is determined to be payable.
- 5.2 All calculations of interest or fees under this Charge are to be made on the basis of the stated rates set out herein and not on any basis which gives effect to the principle of deemed re-investment.

#### **ARTICLE 6 - PREPAYMENT**

- 6.1 Subject to prepayment provisions provided for in the Commitment, if any, or early maturity by reason of the acceleration of the repayment of the Indebtedness at the option of the Lender upon the occurrence of an Event of Default, the Borrower shall not be entitled to prepay all or any portion of the Principal under this Charge prior to the Maturity Date.

#### **ARTICLE 7 - NO OBLIGATION TO ADVANCE**

- 7.1 The Borrower acknowledges and agrees that the Lender is not bound to make any advance of any of the Principal Sum or any unadvanced portion thereof by reason of the registration of this Charge in any place or registry office or the advance of any part of the said Principal Sum, it being acknowledged by the Borrower that any advance hereunder is subject, inter alia, to: (i) the representations and warranties contained herein being true and correct as of the date of any advance of the Loan; (ii) no default having occurred hereunder, under any of the Security or under the Commitment; and (iii) the conditions precedent contained in the Commitment having been satisfied.
- 7.2 In the event this Charge is registered and either no advance whatsoever is made hereunder by the Lender or the Borrower's ability to draw down funds is terminated by the Lender before any funds are advanced, the Lender will, at the expense of the Borrower and upon payment of all monies, costs, fees and disbursements then due to the Lender, promptly upon request by the Borrower execute and deliver to the Borrower, or any agent thereof, registrable discharges of this Charge and of the Security, for use in every registry office where they or notices thereof have been recorded or filed; provided that the Borrower acknowledges that this Section 7.2 shall be of no effect once any advance of the funds is made hereunder by the Lender.

#### **ARTICLE 8 - REPRESENTATIONS AND WARRANTIES**

- 8.1 The Borrower represents and warrants in favour of the Lender, acknowledging that the Lender is relying on such representations and warranties in extending the Loan:
- (a) The Borrower is a corporation duly organized, validly subsisting and in good standing under the laws of its incorporating jurisdiction and has all necessary corporate power and authority to enter into this Charge and the Security and to perform or cause to be performed its obligations contained herein and therein, to own and operate the Charged Premises and to carry on its business pertaining thereto as presently carried on;
  - (b) There are no provisions in the articles or bylaws of the Borrower or any unanimous shareholders agreement of or with respect to the Borrower or to which the Borrower is a party which restrict, limit or regulate in any way the powers of the Borrower to borrow on credit or to issue, sell or pledge any of the property or assets now or hereafter owned by it to secure its debt obligations, save and except any provisions which have been complied with. No steps or proceedings have been taken or are pending to amend or supersede the articles or bylaws of the Borrower in a manner which would impair or limit the Borrower's ability to perform its obligations hereunder or under the Security;
  - (c) The Borrower has taken all necessary corporate action to authorize the execution and delivery of this Charge and the Security, and performance of the provisions of each in accordance with its terms;
  - (d) The authorization, creation, execution or delivery of this Charge or the Security or the Borrower's performance of its obligations hereunder or thereunder does not require any approval or consent of any Governmental Authority having jurisdiction nor will any such action be in conflict with or contravene any of the Borrower's articles, bylaws, unanimous shareholders agreement, if any, or resolutions of directors or shareholders, or the provisions of any indenture, instrument, agreement or undertaking to which the Borrower is a party or by which it or its properties or assets are bound, or result in the creation, imposition or crystallization of any hypothec, title retention, charge, pledge, lien, encumbrance or security interest of any kind upon any of its property or assets subject to the Charge or security interest created thereby or by the Security other than in accordance with the provisions of this Charge and the Security. This Charge and the Security when executed and delivered will constitute valid and legally binding obligations of the Borrower, enforceable against it in accordance with its terms;
  - (e) There is not now pending or, to the best of the Borrower's knowledge or belief after due inquiry, threatened against the Borrower, any litigation, action, suit, investigation or other proceeding by or before any court, tribunal or other competent Governmental Authority which would materially adversely affect the present or prospective ability of the Borrower to perform its obligations under this Charge or the Security, as the case may be, or which calls into question the validity or enforceability of this Charge or the Security;

- (f) No Event of Insolvency has occurred or is threatened or pending;
  - (g) The Borrower is the registered owner of and has a good and marketable title in fee simple to the Lands, and, unless otherwise disclosed to the Lender in writing, is the legal and beneficial owner of the Charged Premises, free and clear of all security interests, charges, liens and other encumbrances whatsoever except for the Permitted Encumbrances, which Permitted Encumbrances are in good standing;
  - (h) The Borrower has the right to charge the Charged Premises to the Lender;
  - (i) The Borrower has not received any notice of or threat of a lien under the *Construction Lien Act* (Ontario), as amended, against the Charged Premises nor has any lien been registered against the Charged Premises in respect of labour, materials or services furnished with respect to any improvement thereon which has not been discharged;
  - (j) Unless expressly stipulated in the Commitment, the Charge is not being given with the intention to use the proceeds thereof to finance any alterations, additions or repairs to, or any construction, erection, demolition or installation on the Charged Premises or any structure thereon;
  - (k) Unless expressly stipulated in the Commitment, the Charge is not a building mortgage, within the meaning of the *Construction Lien Act* (Ontario), as amended, and the funds to be advanced by the Lender are not being used to repay a building mortgage;
  - (l) There has been no improvement or materials supplied on or in respect of the Charged Premises in respect of which a construction lien could arise and which has not been completed or abandoned within the forty-five (45) days immediately preceding the date hereof;
  - (m) Except as disclosed to the Lender in writing, the existing and proposed uses, the operation of the Charged Premises and the business conducted thereon comply and, to the best of the Borrower's knowledge and belief, have (including all prior uses) at all times complied with all Applicable Laws, including all Environmental Laws, and the Borrower is not in violation of, and does not violate, by virtue of the ownership, use, maintenance or operation of the Charged Premises or the conduct of any business related thereto, any Applicable Laws, including all Environmental Laws;
  - (n) The Charged Premises may be charged by the Borrower in compliance with the *Planning Act* (Ontario), and no severance of any adjoining lands owned by the Borrower is required;
  - (o) All financial statements and data delivered or presented to the Lender by the Borrower up to and including the date hereof are true and correct in all material respects as at the dates and for the periods indicated and have been prepared in accordance with Canadian generally accepted accounting principles and disclose to the Lender all financial information relevant to the Lender in respect of making the Loan and there is no information, financial or otherwise, which has not been disclosed to the Lender which would be material to the Lender in its decision to advance the Loan, and, without limiting the foregoing, neither the Guarantor(s) nor the Borrower has failed to disclose to the Lender any facts or information material to the making of the Loan;
  - (p) No Event of Default, or an event which with the giving of notice, lapse of time or otherwise, would constitute an Event of Default exists;
  - (q) Each Permitted Encumbrance is in good standing and all obligations and covenants required to be met or complied with thereunder on the part of the Borrower have been complied with and, in respect to any other party thereto to the best of the Borrower's knowledge and belief, have been met or complied with;
  - (r) All Leases entered into as of the date hereof are valid, subsisting and enforceable leases and are in good standing as of the date hereof without right of set-off or abatement;
  - (s) The Borrower is not bound by any indenture, agreement, lease or other instrument, nor is it subject to any trust agreement, charter, by-law, unanimous shareholders agreement or other corporate restriction or any of the Applicable Laws, which materially adversely affects its business operations in respect of the Charged Premises or the performance of its obligations under this Charge or the Security;
  - (t) The Borrower has complied with all Applicable Laws in respect of any residential unit located on the Charged Premises, including in respect of any conversion, demolition, rentals charged or filings or applications to be made and there are no outstanding orders, decisions or directives made or pending which are or would be adverse to the Borrower or the Charged Premises in respect of any residential unit located on the Charged Premises;
  - (u) The Borrower shall not, without the prior written consent of the Lender, execute or deliver any mortgage, charge, lien or other encumbrance of the Lands intended to rank subordinate to this Charge; and
  - (v) The Borrower is not and shall not be during the Term (without the prior written consent of the Lender), a farmer within the meaning of the *Farm Debt Mediation Act* (Canada).
- 8.2 The representations and warranties set out in this Article 8 shall speak as of the date made, survive the execution and delivery of this Charge and the making of any advance hereunder and continue to be true and accurate during the Term of this Charge, notwithstanding any investigations or examinations which may be made by the Lender or the Lender's solicitors and the Lender shall be deemed to have relied on such representations and warranties in making advances under the Loan.
- 8.3 The Borrower shall indemnify and save harmless the Lender from and against all losses, damages, claims and expenses directly or indirectly incurred or suffered by the Lender resulting from any omission, inaccuracy or misrepresentation of the Borrower herein relating to or concerning the Charged Premises and with respect to all losses, charges, claims and expenses directly or indirectly incurred or suffered by the Lender resulting from or arising in connection with environmental matters relating to, arising from, in connection with or concerning the Charged Premises, whether referred to or contemplated herein or hereby.

- 9.1 The Borrower covenants with the Lender that upon the occurrence of an Event of Default, the Lender shall have quiet possession of the Charged Premises, free from any encumbrances, save and except for the Permitted Encumbrances.
- 9.2 The Borrower shall not without the prior written consent of the Lender, which may be withheld in the sole discretion of the Lender permit or suffer to exist any charges, liens, security interests or other encumbrances against the Charged Premises, save and except for the Permitted Encumbrances; and the Borrower shall maintain the Permitted Encumbrances in good standing and provide notice to the Lender forthwith of any default under any of the Permitted Encumbrances.
- 9.3 The Borrower shall not initiate, permit or suffer to exist any Event of Insolvency, in respect of itself or, to the extent that the Loan, this Charge or the Security is affected by the occurrence of any such event, of any related person or corporation, including without limitation, any parent corporation of the Borrower. The Borrower covenants and agrees (i) to provide two Business Days' notice prior to the occurrence of an Event of Insolvency (an "Insolvency Notice"), and agrees that the receipt of an Insolvency Notice by the Lender shall constitute an immediate Event of Default if the Borrower or any Guarantor(s) is an applicant or takes the benefit of such statute or proceeding or if any of these proceedings otherwise affect the rights or entitlements of the Lender under the Loan, this Charge or the Security or the Lender's ability to enforce this Charge or the Security, and (ii) prior to the commencement of any such proceedings, to deliver to the Lender copies of all relevant filing materials, including, without limitation, copies of draft court orders, plans of compromise, proposals and notices of intention, it being intended by the Borrower that the Lender be entitled during the period after receipt of an Insolvency Notice to enforce this Charge and the Security for the purpose of, among other things, taking possession and control of the Charged Premises, in the Lender's sole discretion.
- 9.4 The Borrower shall not, without the prior written consent of the Lender, initiate, join in or consent to any change to or modification in any private restrictive covenant, municipal or other governmental law, rule or regulation, by-law, or any other public or private restrictions, limiting or defining the uses which may be made of the Charged Premises, or any part thereof and which could adversely affect the Charge, the Security, the day-to-day operations of the Charged Premises, the income derived therefrom or the value of the Charged Premises.
- 9.5 The Borrower shall comply in all respects with all covenants, deed restrictions, easements and Applicable Laws which pertain to the ownership, use or operation of the Charged Premises or the performance by the Borrower of its obligations under this Charge and shall ensure that all representations and warranties contained herein continue to be true and accurate at all times during the Term.
- 9.6 The Borrower shall permit the Lender, or cause to be made available to the Lender, access to all records, both written and electronic, pertaining to the Charged Premises and upon request shall make copies of such information for the Lender. For such purposes, the Lender shall have reasonable access to the Charged Premises or such other place as such records are kept upon reasonable prior written notice to the Borrower.
- 9.7 The Borrower shall fulfil on a timely basis any undertaking provided by it to the Lender at the time of the advance of the Loan.
- 9.8 The Borrower covenants to ensure that this Charge will remain a valid and enforceable mortgage of the Charged Premises with first priority subject only to the Permitted Encumbrances and the Borrower will fully and effectively maintain and keep the Security as valid and effective security during the currency hereof.
- 9.9 The Borrower shall promptly give written notice to the Lender of any litigation, proceeding or dispute affecting the Charged Premises if the result thereof might have a material adverse effect on the Charged Premises, the financial condition or operations of the Borrower or any Guarantor(s) or its ability to perform its obligations hereunder and shall, from time to time, furnish to the Lender all reasonable information requested by the Lender concerning the status of such litigation, proceeding or dispute and shall in all such cases diligently and in good faith proceed to defend, settle or otherwise deal with any such litigation, proceeding or dispute in a commercially reasonable manner.
- 9.10 The Borrower shall promptly give notice to the Lender upon becoming aware of and provide particulars in respect of:
- (a) An Event of Default or any event which with the passage of time or giving of notice would constitute an Event of Default;
  - (b) Any default under a Lease;
  - (c) Details of material renovations to the Charged Premises when the Borrower intends to or reasonably anticipates that it will renovate the Charged Premises;
  - (d) Any default under any Permitted Encumbrance;
  - (e) Any notice of expropriation, action or proceeding materially affecting the Charged Premises or the violation of any Applicable Law which may have a material adverse affect on the Charged Premises; and
  - (f) Any matter which may have a material adverse affect upon the Borrower or the Guarantor(s) or Charged Premises or the operations conducted thereon, or the security constituted by this Charge and the Security.
- 9.11 The Borrower covenants at all times:
- (a) to perform or cause to be performed all of the covenants and obligations on the part of lessor contained in the Leases (except the extent the same have been expressly waived by the other parties to such Leases and except in circumstances where the tenant is in default and the Borrower is acting prudently and in the best interests of the Charged Premises);
  - (b) to maintain or cause to be maintained the Lease Rights in good standing and not to do, permit to be done or omit to do anything which may impair the enforceability of the Lease Rights;



- (c) save for the deposits for the first and last month rentals, not to accept Rents more than one (1) month in advance of the dates when Rents fall due;
  - (d) not to enter into Leases which are not at arm's length unless the terms thereof are at least equal to current market terms;
  - (e) not to enter into Lease which do not constitute Major Tenant Leases (each of which must be approved by the Lender as hereafter provided) unless such leases are substantially on Lender pre-approved standard lease forms and not to enter into Major Tenant Leases without the Lender's approval as hereafter provided;
  - (f) not to or to permit termination, alteration or amendment or waiver of rights or remedies or otherwise take any action with respect to any of the Leases which in the aggregate would create a material reduction in Rents from those payable as of the date hereof, without the prior approval of the Lender;
  - (g) not to further assign, mortgage or pledge or permit the assignment, mortgaging or pledging of any Lease or the rents thereunder, save for assignments by tenants of their tenant's interest in Leases, to the extent permitted under such Leases; and
  - (h) to ensure in respect of all Leases now or hereafter entered into that (i) the tenant thereunder, at the option of the Lender, subordinates its lease to the security of this Charge and attorns to and becomes a tenant of the Lender or any purchaser from the Lender in the event of the exercise of a sale remedy by the Lender, for the unexpired residue of the term and upon the terms and conditions of said lease, provided the Lender will agree to enter into non-disturbance agreements on commercially reasonable terms with all such tenants; and (ii) at the request of the Lender, provide as further security specific assignments of Leases hereinafter entered into.
- 9.12 The Borrower shall not, without the prior written consent of the Lender, acting reasonably and promptly, enter into any agreement or document in respect of the Charged Premises (except for leases in accordance with the terms hereof and the Security) which is material to the ownership, value, operation, or use of the Charged Premises unless the same is in the ordinary course of business.
- 9.13 With respect to any Major Tenant Lease, the Borrower shall not and shall not permit without the prior written consent of the Lender:
- (a) cancel or modify any Major Tenant Lease, release the obligations of any lessee thereunder, accept a surrender of a Major Tenant Lease, accept any prepayment of Rents thereunder or consent to any sublet or assignment by the lessee under any Major Tenant lease (except where the provisions of such Major Tenant Lease require the landlord to do so); or
  - (b) enter into any Major Tenant Lease unless the terms, form and substance of such Major Lease is satisfactory to the Lender, acting reasonably; or
  - (c) to further assign, mortgage, pledge, hypothecate or otherwise deal with any Major Tenant Lease.
- 9.14 The Borrower shall do or cause to be done all things necessary to keep in full force and effect all rights, franchises, licences and qualifications necessary or incidental to perform or cause to be performed its obligations contained in this Charge and the Security and to carry on its business pertaining thereto as presently carried on.
- 9.15 The Borrower shall from time to time to pay or cause to be paid all amounts related to taxes, wages, workers compensation obligations, government royalties, and any other similar amounts relating to the business conducted on the Charged Premises if non-payment thereof may result in an encumbrance (other than a Permitted Encumbrance) against the Charged Premises or any of the assets secured in favour of the Lender by the Security.
- 9.16 The Borrower covenants, subject to the rights of reorganization herein contained, to continue as a corporation duly organized, validly subsisting and in good standing under the laws of its incorporating jurisdiction and maintain all necessary corporate power and authority to perform or cause to be performed its obligations contained herein and in the Security, to own and operate the Charged Premises and to carry on its business pertaining thereto as presently carried on.
- 9.17 The Borrower covenants that, unless in respect of a reorganization of the Borrower permitted under Paragraph 18.1(h) or with the consent of the Lender as provided therein, no steps or proceedings will be taken to amend or supersede the articles or bylaws of the Borrower and in any event no steps or proceedings, including any reorganization of the Borrower, will be taken in a manner which would impair or limit the Borrower's or its successor's ability to perform its obligations hereunder or under the Security.
- 9.18 The Borrower will not enter into any indenture, agreement, lease or other instrument, nor become subject to any trust agreement, charter, by-law, unanimous shareholders agreement or other corporate restriction, which materially adversely affects the Charged Premises.

#### ARTICLE 10 - TAXES/LIENS

- 10.1
- (a) The Borrower shall pay or cause to be paid, all Taxes together with such other amounts, the failure to pay which would give rise to a lien against the Charged Premises, as and when the same shall fall due and payable (collectively, the "Bills").
  - (b) With respect to Taxes at the option of the Lender, the Borrower shall pay to the Lender in equal monthly instalments on the first day of each month in each calendar year during the Term, commencing on the first day of the month next following the Interest Adjustment Date, one-twelfth (1/12) of the annual Taxes (or such amount as may be required in

order to pay the Taxes as they become due) as reasonably estimated by the Lender; said payments of Taxes shall be paid to the Lender in addition to the instalments of interest due and payable under this Charge, to be deposited upon receipt and held by the Lender in an interest-bearing account for the payment of Taxes, with interest to accrue thereon to the benefit of the Borrower and to be credited in reduction of the amount required to be paid to the Lender for Taxes. The Lender agrees that upon and subject to receipt of monies for Taxes it will remit such monies to the proper municipal offices in payment of Taxes as required from time to time; provided that if any Event of Default shall occur and be continuing, then the Lender, at its sole option, may apply all or any part of any funds held in such account to any amount due hereunder, whether principal, interest or otherwise. The Borrower shall also pay, or cause to be paid, to the Lender before the due date for the payment of Taxes (or next periodic instalment date therefor, as the case may be) any sums in addition to the aforesaid monthly instalments which may be required in order that out of such sums held in trust or escrow by the Lender and such additional sums, the Lender may pay the whole amount of Taxes assessed thereto, on the due date for payment thereof. Notwithstanding the foregoing provisions of this Paragraph 10.1(b), the Borrower acknowledges that the Lender is under no obligation to collect from the Borrower monthly instalments on account of Taxes. In addition, the Borrower acknowledges its obligation to pay all Taxes when due, whether or not the payment of all Taxes are the responsibilities of tenants and whether or not such tenants have remitted the same to the Borrower.

- (c) The Lender may, after written notice being given to the Borrower, pay all unpaid and due Taxes, and any amounts, the failure to pay which would give rise to a lien and any amounts so paid by the Lender shall become part of the Principal hereby secured and be a charge on the Charged Premises in favour of the Lender and shall be payable forthwith by the Borrower to the Lender with interest at the Applicable Rate until paid.
- (d) If the Charged Premises or any part thereof are sold or forfeited for nonpayment of Taxes while any sum remains unpaid hereunder, the Lender may acquire the title and rights of the purchaser at any sale, or the rights of any other person or corporation becoming entitled on or under any such forfeiture, or the Lender may pay, either in its own name or in the name of the Borrower and on the Borrower's behalf, any and all sums necessary to be paid to redeem such land so sold or forfeited, and to revest such lands in the Borrower, and the Borrower hereby nominates and appoints the Lender as agent to pay such monies on the Borrower's behalf and in the Borrower's name, and any monies so expended by the Lender shall become part of the Principal Sum hereby secured and be a charge on the Charged Premises in favour of the Lender and shall be payable forthwith by the Borrower to the Lender and until so paid shall bear interest at the Applicable Rate or in the alternative, the Lender may purchase the Charged Premises at any tax sale of the same.
- (e) Notwithstanding anything to the contrary herein contained, the Borrower shall have the right to contest or defend any actions brought to recover, or appeal any judgments recovered against it in respect of any Bills, or other like charges, or any construction or other liens levied or registered against the Charged Premises, by appropriate proceedings diligently conducted in good faith, provided that the Borrower shall have first deposited with the Lender, or otherwise provided to the reasonable satisfaction of the Lender, such security as the Lender acting reasonably may require including, without limitation, security for the payment of such Bills, charges or liens and any costs payable in connection therewith, and further provided that the Lender shall have determined, to its reasonable satisfaction, that any such contest, defence or appeal or any delay or nonpayment of such Bills, charges or liens shall not materially prejudice the prior charge or lien of this Charge or the title of the Borrower to the Charged Premises. Should the Lender at any time thereafter determine, in its reasonable discretion, that any such contest, defence or appeal or any delay or nonpayment of such Bills, charges or liens shall materially prejudice the prior charge or lien of this Charge or the title of the Borrower to the Charged Premises, the Lender may realize upon such security for payment as aforesaid and pay such Bills, charges or liens. Upon termination of such proceedings, the Borrower shall promptly pay or cause to be paid the amount of the Bills, charges or liens and any other costs, fees, interest and penalties as are properly payable upon determination of such proceedings and promptly cause any tax notifications, caveats, liens, certificates of or pertaining litigation or any other form of notice or encumbrance in respect thereof to be promptly discharged from the title to the Charged Premises at the sole expense of the Borrower whereupon all such security deposited or otherwise provided to the Lender and any proceeds from the realization thereof not paid on account of Bills as aforesaid, shall be returned and paid to the Borrower.
- (f) The Borrower agrees to and does hereby indemnify the Lender against all claims, demands, costs, damages and expenses which arise in respect of any default, late payment, omission, act or proceeding by the Borrower, under or in respect of this Section 10.1.
- (g) If the Lender comes into and for as long as it is in possession of the Charged Premises, the Lender, in its sole discretion, shall be entitled to and shall enjoy all the rights of the Borrower set out in Paragraph 10.1(d) hereof, to the exclusion of the Borrower.

#### ARTICLE 11 – INSURANCE

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

by the Insurance Bureau of Canada which shall be attached to the policy of insurance.

11.2 During any construction on the Charged Property, the Borrower shall maintain:

- (i) Builders' all-risk coverage for 100% of the construction cost with loss payable to the Lender by way of an Insurance Bureau of Canada ("IBC") approved mortgage clause. The policy must cover flood, earthquake, building by-laws, delayed opening, must allow for partial occupancy of the premises and provide for interim loss payments during reconstruction;
- (ii) Wrap-Up Liability coverage in an amount not less than \$10,000,000 per occurrence;
- (iii) Project performance and completion bonds and insurance, including coverage for labour and material bonds; and
- (iv) Professional Liability coverage in an amount not less than \$10,000,000.

#### ARTICLE 12 - ENVIRONMENTAL

12.1 The following capitalized terms shall have the following respective meanings:

"Environmental Approvals" means all applicable permits, licences, authorizations, consents, directions or approvals required by Governmental Authorities pursuant to the Environmental Laws with respect to the use, occupation, ownership or operation of the Charged Premises;

"Environmental Laws" means all applicable federal, provincial and municipal laws, by-laws, regulations, executive orders, judgments and protocols, relating in whole or in part, to the environment or its protection, and without restricting the generality of the foregoing, includes without limitation, those laws relating to the manufacturing, processing, use, handling, packaging, labelling, sale, storage, recycling, transportation, treatment, destruction, burial or disposal of Hazardous Substances, employee safety, and the emission, discharge, release, deposit, issuance, spraying, dumping, throwing, pouring, spilling, emptying, placing, leaking, seeping, exhausting or abandonment of Hazardous Substances into the atmosphere, air, surface water, ground water, land surface or subsurface strata and, in each such case, as such Environmental Laws may be amended or supplemented from time to time, and "Environmental Law" means any of them;

"Hazardous Substance" means any pollutant, contaminant, waste, hazardous waste, toxic substance or dangerous good which is defined or identified in or the object of any Environmental Law, the presence of which in the environment is in contravention of any Environmental Law; and

"Inspections" means all inspections, evaluations or tests conducted by the Lender or any agent or consultant thereof for the purpose of determining the environmental condition of the Charged Premises, as the Lender may deem appropriate, acting reasonably.

12.2 The Borrower represents and warrants (which representations and warranties shall continue throughout the Term of the Loan) that:

- (a) The condition and use of the Charged Premises is and, to the best of the Borrower's knowledge, any prior use of the same was, in compliance in all material respects with all applicable Environmental Laws;
- (b) The Charged Premises is not subject to any judicial or administrative proceedings alleging violation of any Environmental Laws and there are no outstanding orders or proceedings against the Charged Premises from a Governmental Authority responsible for protecting the environment alleging the violation of any Environmental Laws;
- (c) To the knowledge of the Borrower, the Charged Premises is not the subject of any investigation by Governmental Authorities having jurisdiction evaluating whether any remedial action is needed to respond to a contravention of any Environmental Laws; and
- (d) There is no contingent liability of which the Borrower has knowledge or reasonably should have knowledge in connection with the contravention of any Environmental Laws.

12.3 The Borrower covenants with the Lender:

- (a) If not already provided, to provide to the Lender within ninety (90) days of the execution of this Charge, an environmental audit with respect to the Lands, and if an event shall have occurred after the date of this Charge, which the Lender, acting reasonably, believes may have resulted or may result in material adverse change in the environmental condition of the Charged Premises or any part thereof, to provide such further environmental audits as the Lender may require;
- (b) To provide notice within fifteen (15) days of either having learned of any enactment or promulgation of any Environmental Laws which may result in any material adverse change in the condition, financial or otherwise, of the Charged Premises;
- (c) To defend, indemnify and hold harmless the Lender, its directors, officers, employees, agents and their respective successors and assigns, against any and all loss, cost, expense, claim, liability or alleged liability arising out of any environmental damage occasioned to the Charged Premises contravention of any Environmental Laws;
- (d) To, at all times and at its own expense, conduct its business and maintain the Charged Premises in compliance with all Environmental Laws and Environmental Approvals including causing all tenants of the Charged Premises to comply with the same;

- (c) If the Borrower:
  - (i) receives notice from any Governmental Authority having jurisdiction that violation of any Environmental Law or Environmental Approval has been committed by the Borrower or any tenant with respect to the Charged Premises;
  - (ii) receives notice that any remedial order or other proceeding has been filed against the Borrower or any tenant alleging in respect of the Charged Premises violations of any Environmental Law or requiring the Borrower to take any action in connection with the release of a Hazardous Substance into the environment; or
  - (iii) receives any notice from a Governmental Authority having jurisdiction in respect of the Charged Premises that the Borrower or any tenant may be liable or responsible for costs associated with a nuisance or a response to, or clean up of, a release of a Hazardous Substance into the environment or any damages caused thereby;

to provide to the Lender a copy of such notice within ten (10) days of the Borrower's receipt thereof, and thereafter shall keep the Lender informed in a timely manner of any developments in such matters, and shall provide to the Lender such other information in respect thereto as may be reasonably requested by the Lender from time to time and shall proceed to deal with the same diligently and in good faith in order to bring the Charged Premises into compliance to the extent necessary to comply with Environmental Laws;

- (f) Unless in existence on the Charged Premises on the date of this Charge, not to use, discharge, transport or install in or upon the Charged Premises any material or equipment containing PCBs or permit any tenant of the Charged Premises to do so and, to the extent in existence on the Charged Premises as of the date of this Charge, to maintain the same in compliance with all Environmental Laws;
- (g) To maintain, and to require all occupants of the Charged Premises to maintain in good leak-proof condition all above-ground and underground storage tanks and drums on the Charged Premises;
- (h) Not to install asbestos or permit asbestos to be installed in the Charged Premises. With respect to any asbestos present in the Charged Premises on the date of this Charge, the Borrower shall, at its expense, promptly comply with the requirements of Environmental Laws and Governmental Authorities respecting the use, removal and disposal of asbestos; and
- (i) To obtain or cause its solicitors to obtain copies of all relevant environmental studies or assessments of the Charged Premises which the Borrower or its solicitors or agents have commissioned or which are in the possession or control of the Borrower, as of the date of this Charge and, to the extent any such assessments or studies are required by the Lender from time to time, to promptly provide same to the Lender upon request and hereby authorizes and directs its solicitors, agents and consultants to promptly release same to the Lender.

12.4 Having due regard to the rights of any tenant of the Borrower, the Lender and its employees and agents shall have the right, and are hereby granted permission by the Borrower, to enter the Charged Premises from time to time, and to have access to the Borrowers' relevant documents and records, in order to conduct Inspections, to determine compliance with Environmental Laws as the Lender, acting reasonably, may deem appropriate. Inspections shall be:

- (a) at such times and to such extent as may be reasonable in the circumstances on prior notice to the Borrower if the Lender has reasonable grounds for believing that:
  - (i) there are, contrary to Environmental Laws or Environmental Approvals, Hazardous Substances in or upon the Charged Premises which have not been disclosed to and approved by the Lender and appropriate Government Authorities; or
  - (ii) the Borrower is in breach of any environmental representations in this Charge or its covenants in this Article; or
  - (iii) the Borrower is not in compliance with any Environmental Laws or material Environmental Approvals; and
- (b) at any time without prior notice upon the occurrence of an Event of Default which is continuing.

If the Borrower is found not to be in compliance with the Environmental Laws or Environmental Approvals and such failure to comply becomes an Event of Default that is continuing, the Lender may, at its option (but without any obligation to do so) take such actions as are required, acting reasonably, to bring the Charged Premises into compliance, and the costs thereof shall immediately become due and payable to the Lender by the Borrower and shall be secured by the Security.

12.5 The Lender shall not, by virtue of being the chargee under this Charge or the enforcement of its rights contained herein for purposes of the Environmental Laws, be or be deemed to be the owner of, any of the Charged Premises, or to have management, charge, control, occupation or possession of any of the Charged Premises or the businesses of the Borrower, or of any Hazardous Substances located on, upon or within any of the Charged Premises.

12.6 The Borrower hereby covenants and agrees to be responsible for, and to indemnify and hold harmless the Lender and each of its officers, directors, employees, shareholders, all unitholders of any pooled funds under its management and agents and their respective successors and assigns (in this Section, collectively referred to as the "Indemnified Parties") from and against all claims, demands, liabilities, losses, costs, damages and expenses (including, without limitation, reasonable legal fees and all costs incurred in the investigation, pursuing of any claim, or in any proceeding with respect to, defense and settlement of any item or matter hereinafter set out) that the Indemnified Parties may incur or suffer, directly or indirectly as a result of or in connection with:

- (a) Any inaccuracy in or breach of the Borrower's representations and warranties relating to the environmental matters contained herein;

- (b) The presence of any Hazardous Substance on, upon or within the Charged Premises, or the escape, seepage, leakage, spillage, discharge, emission, release, disposal or transportation away from the Charged Premises of any Hazardous Substance, whether or not there is compliance with all applicable Environmental Laws and Environmental Approvals;
- (c) The imposition of any remedial order affecting the Lands, or any non-compliance with Environmental Laws or Environmental Approvals pertaining to the Charged Premises by any person, including the Borrower, the Lender or any person acting on behalf of the Lender; and
- (d) Any diminution in the value or any loss on the disposition of the Charged Premises arising directly or indirectly as a result of the presence on the Lands of any Hazardous Substance, or as a result of the imposition of any remedial order or the breach by any person of any Environmental Law or Environmental Approval.

This indemnity shall survive the satisfaction and release of this Charge and the Security and the payment and satisfaction of all indebtedness hereunder. The benefit of this indemnity may be assigned by the Lender to any successor or assign of the Lender and the Borrower hereby consents to any such assignment.

#### **ARTICLE 13 - ASSIGNMENT OF RENTS AND LEASES**

- 13.1 As further security for the payment of all monies owing and the performance of all obligations to be performed hereunder, the Borrower does, as and by way of security, hereby sell, assign, transfer and set over unto to the Lender all of the Borrower's right, title and interest, both at law and equity, in and to the Lease Rights, to hold and receive the same unto the Borrower with full power and authority to demand, collect, sue for, recover and receive and give receipts for Rents and enforce payments of the same and enforce performance of the obligations of tenants under the Leases, provided, however, that, subject to the terms of this Charge, the Borrower shall have the full right, so long as no Event of Default has occurred and is continuing, to continue to collect Rents, to take or cause to take all actions as it deems necessary with respect to the Lease Rights, acting as a reasonable lessor.
- 13.2 It is expressly acknowledged and agreed by the Borrower that nothing contained in this Charge shall oblige the Lender to assume or perform any obligation of the Borrower to any third party in respect of or arising out of the assigned Lease Rights. The Lender may, however, after the occurrence of an Event of Default and while such Event of Default continues, at its option, assume or perform any such obligation as the Lender considers necessary or desirable to obtain the benefit of the Lease Rights, free of any set-off, reduction or abatement, and any money expended by the Lender in this regard shall form part of or be deemed to form part of the indebtedness secured by this Charge and shall bear interest at the Applicable Rate.

#### **ARTICLE 14 - MANAGEMENT AND REPAIR**

- 14.1 The Borrower shall cause the Charged Premises at all times to be professionally maintained, managed and operated and fully and continuously operational during customary business hours, including all uses ancillary or incidental to its operations, at all times, by competent managers and staff of proper background and training, in a first class manner consistent with the management and operation of other properties which are of size, location, use, class, age and type comparable to the Charged Premises, and the Borrower shall obtain the Lender's prior written approval of any manager and any management contract with any manager which may be entered into by the Borrower for the management of the Charged Premises. In addition to any other rights hereunder of the Lender, the Lender shall have the right, acting reasonably, to replace the manager at the expense of the Borrower in the event the management standards are not maintained as required hereunder and the situation is not remedied within thirty (30) days after written notice from the Lender. The Lender acknowledges and approves, as of the date hereof, of the Borrower or a company controlled by the Borrower acting as manager of the Charged Premises provided that the Charged Premises are managed and maintained in accordance with the provisions hereof.
- 14.2 The Borrower shall promptly repair, maintain, restore, replace, rebuild, keep, make good, finish, add to and put in order, or cause to be so done, the Charged Premises, so that the same shall, at all times, be in good condition and repair and to pay or cause to be paid when due all claims for labour performed and materials furnished therefor. The Borrower shall not commit or suffer any waste of the Charged Premises nor take any action that might invalidate or give cause for cancellation of any insurance maintained in respect of the Charged Premises. No building or other property now or hereafter charged by this Charge shall be removed, or demolished or nor shall the structure of any building be materially altered, redeveloped, retrofitted or renovated, without the prior written consent of the Lender, except that the Borrower shall have the right, without such consent, to remove and dispose of, free from the lien or charge of this Charge, such fixed equipment as from time to time may become worn out or obsolete, provided that either (a) simultaneously with or prior to such removal, and if necessary for the operation of the Charged Premises such equipment shall be replaced with other equipment of a quality comparable to that of the replaced equipment and free from any lien, title retention agreement, conditional sale contract, security agreement or other encumbrance, and by such removal and replacement the Borrower shall be deemed to have subjected such fixed equipment to the lien or charge of this Charge, or, (b) any net cash proceeds received from such disposition shall, at the option of the Lender, be paid over promptly to the Lender to be applied in a manner determined by Lender in its sole discretion toward the payment of any amounts owing hereunder or secured hereby. The Borrower shall notify the Lender promptly of any material damage to or defects in any of the Improvements, and thereafter forthwith shall make or cause to be made such repairs thereto as are required to correct any such damage or defects and return the Charged Premises to a state of condition and repair equivalent to the state of condition and repair required by the provisions of this Charge.
- 14.3 The Borrower shall comply with, or cause to be complied with, all statutes including without limitation the provisions of the *Construction Lien Act* (Ontario), ordinances and requirements of any Governmental Authority having jurisdiction with respect to the Charged Premises; the Borrower shall complete and pay for, within a reasonable time, any structure at any time in the process of construction on the Charged Premises.
- 14.4 The Borrower shall permit the Lender or its authorized agents at all reasonable times to enter upon the Charged Premises and inspect same, and if such inspection reveals that any repairs or like actions are necessary, the Lender may give notice to the Borrower requiring the Borrower to repair, rebuild or reinstate the same, or take such other like action within a reasonable time. Any failure by the Borrower to comply with such notice shall constitute an Event of Default hereunder and the Lender may repair, rebuild or reinstate the Charged Premises at the cost of the Borrower and charge all sums of money determined by the

Lender to be properly paid therefor and interest thereon at the Applicable Rate until paid.

#### ARTICLE 15 - INCREASED COSTS

15.1 In the event that as a result of any application of or any change in or enactment of any applicable law, regulation, treaty or official directive after the date hereof (whether or not having the force of law), or in the interpretation of application thereof by any court or by any governmental or other authority or entity charged with the administration thereof which now or hereafter:

- (a) Subjects the Lender to any tax or changes the basis of taxation, or increases any existing tax, on payments of principal, interest or other amounts payable by the Borrower to the Lender under this Charge (except for taxes on the overall net income of the Lender or capital of the Lender imposed by the Government of Canada or any political subdivision thereof or by the jurisdiction in which the principal or lending office of the Lender is located); or
- (b) Imposes, modifies or deems applicable any special requirements against assets held by, or deposits in or for the account of or any other acquisition of funds by the Lender or imposes on the Lender a requirement to maintain or allocate capital or additional capital in relation to the Loan; or
- (c) Imposes on the Lender any other condition with respect to this Charge; or
- (d) Renders any portion of this Charge illegal or unenforceable;

and the result of any of the foregoing is to increase the cost to the Lender, or reduce the amount of principal, interest or other amount received or receivable by the Lender hereunder or its effective return hereunder in respect of making or maintaining the Loan hereunder or to reduce the payments receivable by the Lender in respect of the Loan by an amount which the Lender deems to be material, the Lender shall promptly give written notice thereof to the Borrower setting out in reasonable detail the facts giving rise to and a summary calculation of such increased costs or reduced payments, and the Borrower shall forthwith pay to the Lender upon receipt of such notice that amount which will compensate the Lender for such additional cost or reduction in income (herein referred to as "Additional Compensation"). Upon the Lender having determined that it is entitled to Additional Compensation in accordance with the provisions of this Section, the Lender shall promptly so notify the Borrower. The Borrower shall forthwith pay to the Lender upon receipt of such notice such Additional Compensation calculated on the date of demand. The Lender shall be entitled to be paid such Additional Compensation from time to time to the extent that the provisions of this Section are then applicable notwithstanding that the Lender has previously been paid any Additional Compensation. The Lender shall endeavour to limit the incidence of any such Additional Compensation, including seeking recovery for the account of the Borrower, by appealing any assessment at the expense of the Borrower upon the Borrower's request.

15.2 All payments made by the Borrower to the Lender will be made free and clear of all present and future taxes, withholdings or deductions of whatever nature. If these taxes, withholdings or deductions are required by Applicable Law and are made, the Borrower shall, as a separate and independent obligation, pay to the Lender all additional amounts as shall fully indemnify the Lender from any such taxes, withholding or deduction. Provided, however, that the Borrower shall have no obligation to pay any withholding or like tax which may be exigible, incurred or required as a result of the Lender being a non-resident of Canada for the purposes of the *Income Tax Act* (Canada).

15.3 If the result of any law, regulation, treaty or official directive or request or any change in or any introduction thereof or change in the interpretation or application thereof or compliance by the Lender with the same (including, without limitation, those relating to taxation, reserve requirements, capital adequacy or other banking or monetary controls) is such that it is or will become (other than as a result of some positive action of the Lender, including any participation or syndication hereof by the Lender) unlawful for the Lender to make, fund or allow to remain outstanding all or part of the Loan, or to carry out all or any of its other obligations under this Charge and/or the Security or receive interest or any fee at the Applicable Rate, then in such case:

- (a) The Lender may give written notice to the Borrower of such law, regulation, treaty or official directive or request (whether or not having the force of law) or such change in or any introduction thereof or change in the interpretation or application thereof or compliance by the Lender with the same (including, without limitation, those relating to taxation, reserve requirements, capital adequacy or other banking or monetary controls) which such notice shall certify that such law, regulation, treaty, official directive or request is generally applicable to all other borrowers from the Lender with any accommodation similar to that herein provided; and
- (b) The Borrower shall prepay the Indebtedness on such date and to such extent as the Lender shall certify to be necessary to comply with the relevant law or change described above;

provided, however, that should the Loan become unlawful, the Lender, without prejudice to its rights to require repayment and without any obligation on its part, will consider other means of funding the Loan which would not be unlawful, would allow the Lender to carry out its obligations in respect of the Loan and would enable the Lender to receive interest at the Applicable Rate, provided always, notwithstanding the foregoing, the Lender is not obligated to provide alternate funding.

#### ARTICLE 16 - OBTAINING AND MAINTAINING SECURITY

16.1 Regardless of whether such sums are advanced or incurred with the knowledge, consent, concurrence or acquiescence of the Borrower or otherwise and in addition to any other amounts provided for herein or otherwise permitted by Applicable Law to be secured hereby, except as herein otherwise provided, the following are to be secured hereby and shall be a charge on the Charged Premises, together with the interest thereon at the Applicable Rate, and all such monies shall be repayable to the Lender, on demand, except as herein otherwise provided:

- (a) All reasonable and properly chargeable solicitor's, inspector's, valuator's, consultant's, architect's, engineer's, surveyor's and appraiser's fees and out-of-pocket expenses:
  - (i) for drawing and registering this Charge and the Security and financing statements in connection therewith, and attending to advances hereunder;

- (ii) for examining the Charged Premises and the title thereto up the date hereof;
  - (iii) for making and maintaining this Charge as a registered charge on the Charged Premises and maintaining the Security (including the registration and filing of renewals);
  - (iv) for the preparation of this Charge, the Security and any related documents and in exercising or enforcing or attempting to enforce or advising the Lender in respect of defaults hereunder or in pursuit of any right, power, remedy or purpose hereunder or subsisting at law;
  - (v) reasonable allowance for the time, work and expenses of the Lender or of any agent of the Lender in connection therewith; and
- (b) All reasonable sums which the Lender may from time to time advance, expend, incur or suffer hereunder:
- (i) for insurance premiums, Bills, Taxes, rates, or in or toward payment of prior liens, charges, encumbrances or claims charged or to be charged against the Charged Premises;
  - (ii) in maintaining, repairing, restoring or completing construction of the Charged Premise;
  - (iii) in inspecting, leasing, managing or improving the Charged Premises as permitted hereunder, including the price or value of any goods of any sort or description supplied to be used on the Charged Premises as permitted hereunder; and
- (c) Without limiting the generality of any of the foregoing, the then current reasonable fee of the Lender and/or its solicitor for the following matters:
- (i) executing any cessation or discharge of this Charge, notwithstanding that said cessation or discharge may have been prepared by the Borrower;
  - (ii) entering into an agreement to amend the interest rate or any other provision in the Charge;
  - (iii) handling any dishonored cheque;
  - (iv) preparing an amortization schedule showing the principal and interest components of payments due under this Charge;
  - (v) the cost of completing a Phase I & II Environmental Audit and such other environmental audits as the Lender may require in its discretion;
  - (vi) such other administrative matters as the Lender may perform with regards to the Charge or with regards to any collateral security, as permitted by the Commitment;
  - (vii) the fee charged by the Lender's insurance consultant to review the Borrower's policy of insurance for the subject lands including business interruption insurance if required by the Lender; and
  - (viii) the execution and delivery of any consents, postponements, acknowledgments or any other documents that may be required from the Lender, whether from the Borrower and/or any governmental authorities and/or public/private utilities.

- 16.2 If any action or proceeding be commenced (except an action to foreclose this Charge or to collect the money that is secured hereby) in which the Lender becomes a party or participant by reason of being the holder of this Charge or the indebtedness secured hereby, all sums paid by the Lender for the expense of so becoming a party or participating (including all reasonable and properly chargeable legal costs) shall, on written notice, be paid by the Borrower, together with interest thereon at the Applicable Rate from the dates of payment of such sums by the Lender, and shall be a lien and charge on the Charged Premises, prior to any right or title to, interest in, or claim upon the Charged Premises subordinate to the lien and charge of this Charge, and shall be deemed to be secured by this Charge, and that in any action or proceeding to foreclose this Charge, or to recover or collect the indebtedness secured hereby, provisions of law respecting the recovery of costs, disbursements and allowances shall prevail unaffected by this covenant.

#### **ARTICLE 17 - CONDEMNATION AWARDS**

- 17.1 The Borrower shall notify the Lender promptly upon it being aware of any and all awards or payments ("Condemnation Award(s)") including interest thereon, and the right to receive the same (save for any portion of any such Condemnation Award paid for remedial purposes and which is actually used for such purpose) which may be made with respect to the Charged Premises, or any part thereof, as a result of:
- (a) Any condemnation, eminent domain, compulsory acquisition, expropriation or like procedures ("Condemnation"), partial or complete, including any sidewalk or lane; or
  - (b) The imposition, and enforcement, of any restriction, regulation or condition to meet any building or development guideline for development or restriction of or by any municipality or other competent authority; or
  - (c) Any other material injury to or decrease in the value of the Charged Premises by any lawful regulation or any governmental authority having jurisdiction;

(any matter referred to in (a), (b) or (c) above being hereinafter called an "Incident of Expropriation") to the extent of all amounts which may be secured by this Charge at the date of receipt of any such Condemnation Award by the Borrower.

Notwithstanding the occurrence of any Incident of Expropriation, the Borrower shall continue to pay interest at the Applicable Rate on the Principal Sum. The Borrower does hereby change, assign, set over as transfer to the Lender, as security for the repayment of all Indebtedness.

- 17.2 Any Condemnation Award received by the Lender shall be held by the Lender as part of the security for the Loan subject to application as provided in this Article 17. Pending such application, such amounts received shall be held and invested by the Lender, acting reasonably. If at any time an Event of Default has occurred and is continuing, the Lender may, at its option, apply such amounts in reduction of the amounts owing hereunder.
- 17.3 Notwithstanding the provisions of Sections 17.1 and 17.2, in the event that any Incident of Expropriation shall occur which, in the reasonable opinion of the Lender, would materially and adversely affect the security of the Charge or any other Security after the application of any Condemnation Award pursuant to Section 17.1 hereof, the Lender may, at its option, declare such Incident of Expropriation to be an Event of Default and be entitled to exercise any and all rights and remedies available to it hereunder at law or in equity.

#### ARTICLE 18 - EVENTS OF DEFAULT

- 18.1 The whole of the Principal Sum together with interest thereon at the Applicable Rate, interest on overdue interest and any amounts payable pursuant to Article 6, and all other amounts secured hereby shall, at the option of the Lender, subject to Section 18.2 hereof, become due and payable and all powers conferred on the Lender herein and hereby shall become exercisable, in like manner to all intents and purposes as if the time herein mentioned for payment of such Principal monies had fully come and expired, if specifically provided for in this Charge, or if any of the following events shall occur (the occurrence of any such event together with the expiry of the applicable cure period, if any, and any other occurrence specifically provided for herein as an Event of Default being collectively referred to as an "Event of Default"):
- (a) Upon default in payment of any regularly schedule instalment of interest beyond the date such payment is due and payable; or
  - (b) Upon default in payment of the Indebtedness due and owing on the Maturity Date; or
  - (c) Upon default in payment of any Indebtedness (other than an instalment of interest and upon maturity) due hereunder within five (5) Business Days after written notice thereof is provided by the Lender; or
  - (d) Save as otherwise provided for in subparagraphs (a), (b) and (c) hereof or otherwise specifically provided herein, upon any default in the performance of any covenant or obligation of the Borrower hereunder within fifteen (15) days after written notice thereof is provided by the Lender, provided that if such default is curable and the nature of such default is such that the exercise of reasonable diligence of more than fifteen (15) days is required to cure such default, and if such default in the Lender's reasonable discretion does not jeopardize or adversely effect the security interest of the Lender hereunder or adversely affect the Borrower or its ability to perform its obligations hereunder or under the Security or adversely affect the Charged Premises, the Lender will not, for a further sixty (60) days so long as no other Event of Default has occurred, enforce its remedies in respect of such default while and so long as during such time the Borrower is actively continuing to diligently and in good faith cure such default; or
  - (e) If at any time during the Term there is a breach of any representation or warranty contained herein or at any time during the Term if any representation or warranty contained herein is no longer true or accurate or becomes untrue or inaccurate for any reason and provided the same can be rectified, and the same is not rectified within thirty (30) days after written notice thereof is provided by the Lender; or
  - (f) Upon the assignment by the Borrower to any other party of the whole or a part of the rents, income or profits arising from the Charged Premises, without the written consent of the Lender; or
  - (g) The occurrence of an Event of Insolvency; or
  - (h) If without the prior written consent of the Lender, in its sole and absolute discretion:
    - (i) the Borrower transfers, sells, conveys, or otherwise disposes of all or any part of the Charged Premises, or any interest therein (other than by way of Leases), whether legal or beneficial or enters into any transaction or series of transactions where all or any part of the Charged Premises becomes the property of another person, whether through reorganization, amalgamation, merger, consolidation or otherwise, or if there is any change in the legal or beneficial interest, in whole or in part, of the Charged Premises; or
  - (i) If, without the prior written consent of the Lender, in its sole and absolute discretion:
    - (i) there is any change in the Borrower's corporate control or change in the Borrower's effective control existing as of the date of this Charge; or
    - (ii) the Borrower creates, permits or suffers to exist any mortgage, pledge, charge, loan, assignment, hypothecation, security interest or other encumbrance attaching the Charged Premises other than this Charge, the Security and the Permitted Encumbrances; or
  - (j) Upon default by or non-compliance of the Borrower or any Guarantor(s), or any others bound by or acknowledging to be bound by the terms of this Charge, with respect to any of the provisions of the Security or the Permitted Encumbrances; or
  - (k) If the Charged Premises are abandoned; or
  - (l) Failure by the Borrower to fulfil, complete or comply with any undertakings delivered by the Borrower to Lender in connection with the Loan in accordance with the terms of such undertakings; or



- (m) Upon any breach, default, non-observance occurring or being alleged, charged or claimed against the Borrower as lessor under any lease or as sublessor under any sublease of the Charged Premises and the Borrower is not diligently proceeding to rectify any such breach, default, non-observance or non-performance or defend any allegations, charges or claims of the same; or
- (n) If this Charge, or any of the Security, shall fail to constitute a legal, valid, binding and enforceable first charge, first assignment or first security interest, each enforceable in accordance with its terms, subject only to Permitted Encumbrances; or
- (o) If in the reasonable opinion of the Lender there occurs an event which has a material adverse effect on the financial condition or operation of the Borrower, the Charged Premises, this Charge, the Security or the ability of the Borrower to pay the Indebtedness or to perform its obligations hereunder or under the Security and which cannot be rectified by the Borrower within a reasonable period of time.

18.2 Save as otherwise specifically provided, an Event of Default hereunder or under any Security shall not have occurred or be deemed to have occurred until the expiration of any applicable notice period, if any, called for in this Charge or in such Security within which the Borrower may remedy such default. In any event, if in the opinion of the Lender, an event has occurred which with the passing of time, the giving of notice or otherwise would constitute an Event of Default and as a result of which the Charged Premises or the property assets and undertaking subject to the Security is materially at risk, the Lender may take such action or exercise such remedies as may be appropriate without notice to the Borrower or the expiry of any cure period.

#### ARTICLE 19 - REMEDIES

19.1 If an Event of Default has occurred hereunder and is continuing (or if the Lender exercises its rights pursuant to Section 18.2 hereof before the occurrence of an Event of Default), then at any time thereafter, but subject always to the waiver thereof by the Lender, the Lender may:

- (a) Declare the Indebtedness to be immediately due and payable and proceed to exercise any and all rights hereunder or under the Security or any other rights available to it under any other document or instrument or at law or in equity including without limitation, the drawdown of any letter of credit held by the Lender;
- (b) Commence legal action to enforce payment of the Indebtedness or performance of the obligations by the Borrower to the Lender;
- (c) At the expense of the Borrower, when and to such extent as the Lender deems advisable, observe and perform or cause to be observed and performed any covenant, agreement, proviso or stipulation contained herein or in the Security, and the reasonable cost thereof with interest thereon at the Applicable Rate until paid, shall immediately become due from the Borrower to the Lender after demand by the Lender upon the Borrower therefor;
- (d) Pay or discharge any mortgage, encumbrance, lien, adverse claim or charge that may exist or be threatened against the Charged Premises; in any such case, the amounts so paid together with costs, charges and expenses incurred in connection therewith shall be added to the Principal outstanding and shall bear interest at the Applicable Rate;
- (e) Send or employ any inspector or agent to inspect and report upon the value, state and condition of the Charged Premises and may employ a lawyer to examine and report upon the title to the same;
- (f) Immediately take possession of all of the Charged Premises or any part or parts thereof by action or otherwise, with power, among other things, to exclude the Borrower, to enforce the Borrower's rights, to preserve and maintain the Charged Premises, to repair, alter or extend the Charged Premises, to lease the Charged Premises, to complete construction and development of the Charged Premises, to operate and manage the Charged Premises and to collect or receive rents, income and profits of all kinds (including taking proceedings in the name of the Borrower for that purpose) and pay therefrom all reasonable expenses and charges of maintaining, preserving, protecting and operating the Charged Premises (payment of which may be necessary to preserve or protect the Charged Premises), and to enjoy and exercise all powers necessary to the performance of all functions made necessary or advisable by possession, including without limitation, power to advance its own moneys and enter into contracts and undertake obligations for the foregoing purposes upon the security hereof, and all sums advanced or expended shall be added to the Principal outstanding and shall bear interest at the Applicable Rate;
- (g) On default of payment for at least fifteen (15) days may, on at least thirty-five (35) days' notice, sell and dispose in the Charged Premises with or without entering into possession of the same and with notice to such persons and in such manner and form and within such terms as provided under Part III of the *Mortgages Act* (Ontario), as amended; and all remedies available may be resorted to and all rights, powers and privileges granted or conferred upon the Lender under and by virtue of any statute or by this Charge may be exercised and no want of notice or publication or any other defect, impropriety or irregularity shall invalidate any sale made or purporting to be made in the Charged Premises; and the Lender may sell, transfer and convey any part of the Charged Premises on such terms, including on credit for all or part of the consideration, (provided the Borrower shall not be accountable for any default in respect of the credit), secured by contract or agreement for sale, or charge, or otherwise, as shall appear to the Lender most advantageous and for such prices as can reasonably be obtained therefor in the circumstances; and in the event of sale on credit or part cash and part credit, whether by way of contract for sale or by conveyance or transfer, charge, or otherwise, the Lender is not to be accountable for or charged with any monies until the same shall be actually received in cash or received by a take-back charge; and sales may be made from time to time of parts of the Charged Premises to satisfy interest and leaving the Principal or part thereof to run with interest at the Applicable Rate; and the Lender may make any stipulations as to title or evidences or commencement of title or otherwise as the Lender shall deem proper and may buy or rescind or vary any contract for sale; and on any sale or resale, the Lender shall not be answerable for loss occasioned thereby; and for any of such purposes the Lender may make and execute all arrangements and assurances that the Lender shall deem advisable or necessary;

- (h) With respect to the Leases:
  - (i) to demand, collect and receive the Rents or any part thereof and to give acquittances therefor, and to take from time to time, in the name of the Borrower, any proceeding which may be, in the opinion of the Lender or its counsel, expedient for the purpose of collecting the Rents or for securing the payment thereof or for enforcing any of the Borrower's rights under the Leases;
  - (ii) to compound, compromise or submit to arbitration any dispute which has arisen or may arise in respect to any amount of Rent and any settlement arrived at shall be binding upon the Borrower;
  - (iii) to enter upon the Lands by its officers, agents or employees for the purpose of collecting the Rents; (iv) to receive, enjoy or otherwise avail itself of the Lease Rights; and
  - (v) on behalf of the Borrower to alter, modify, amend or change the terms of Leases; to terminate Leases, to enter into new Leases; to give consents, concessions or waivers of any rights or provisions of Leases; to accept surrenders of Leases; to give consents to assignment of or subletting under Leases;
- (i) With or without taking possession of all or any part of the Charged Premises, sell, lease or otherwise dispose of the whole or any part of the Charged Premises, as agent for the Borrower and not the Lender, and in exercising the foregoing power, the Lender may, in its absolute discretion:
  - (i) sell, lease or otherwise dispose of the whole or any part of the Charged Premises by public auction, public tender with notice, or by private contract (in the name of or on behalf of the Borrower) or otherwise, with such notice, advertisement or other formality as is required by law;
  - (ii) make and deliver to the purchaser good and sufficient deeds, assurances and conveyances of the Charged Premises and give receipts for the purchase money, and any such sale once effected shall be a perpetual bar, both at law and in equity, to the Borrower and all those claiming an interest in the Charged Premises by, from, through or under the Borrower making any claim against the purchaser of the Charged Premises;
  - (iii) grant, rescind, vary or complete any contract for sale, lease or options to purchase or lease, or rights of first refusal to purchase or lease the whole or any part of the Charged Premises, for cash or for credit, with or without security being given therefor, and on terms as shall appear to be most advantageous to the Lender (including a term that a commission be payable to the Lender or a related corporation in respect thereof) and if a sale is on credit, the Lender shall not be accountable for any moneys until actually received;
  - (iv) make any stipulation as to title or conveyance or commencement of title;
  - (v) re-sell or re-lease the Charged Premises or any part thereof without being answerable for any loss occasioned thereby; and
  - (vi) make any arrangements or compromises which the Lender shall think expedient in the interest of the Lender and to assent to any modification of this Charge, and to exchange any part or parts of the Charged Premises for any other property suitable for the purposes of the Lender on such terms as the Lender considers expedient, either with or without payment of money for equality or exchange or otherwise;
- (j) Take proceedings in any court of competent jurisdiction for sale or foreclosure of all or any part of the Charged Premises;
- (k) To borrow or raise money on the security of the Charged Premises or any part thereof in priority to this Charge or otherwise, for the purpose of the maintenance, preservation or protection of the Charged Premises or any part thereof or for carrying on all or any part of the business of the Borrower relating to the Charged Premises;
- (l) Take proceedings in any court of competent jurisdiction for the appointment of a receiver (which term as used in this Charge includes a manager and a receiver and manager, and hereafter, the "Receiver") of all or any part of the Charged Premises;
- (m) By instrument in writing appoint, with or without taking possession, any person to be a Receiver of the Charged Premises or of any part thereof and may remove any Receiver so appointed and appoint another in his stead, with all fees and costs related thereto being the Borrower's obligations; and the following shall apply in respect of any such Receiver so appointed:
  - (i) the Lender may from time to time fix the remuneration of the Receiver who shall be entitled to deduct that same out of the revenue from the Charged Premises or the proceeds thereof;
  - (ii) the Receiver shall, to the fullest extent permitted by law, be deemed the agent or attorney of the Borrower for all purposes and the Lender shall not be in any way responsible for any actions other than as caused by gross negligence, willful misconduct or fraud, of any Receiver, and the Borrower hereby agrees to indemnify and save harmless the Lender from and against any and all claims, demands, actions, costs, damages, expenses or payments which the Lender may hereafter suffer, incur or be required to pay as a result, in whole or in part, of any action taken by the Receiver or any failure of the Receiver to do any act or thing other than as are caused by gross negligence, willful misconduct or fraud;
  - (iii) the appointment of the Receiver by the Lender shall not incur or create any liability on the part of the Lender to the Receiver in any respect and such appointment or anything which may be done by the Receiver or the removal of the Receiver or the termination of any such Receivership shall not have the effect of constituting the Lender a mortgagee in possession in respect of the Lands or any part thereof;

- (iv) the Receiver may exercise or pursue any other remedy or proceeding which the Lender is entitled as the holder of the Charge authorized or permitted hereby or by law or in equity in order to enforce the security constituted by this Charge;
  - (v) and for the purposes above, the Borrower hereby irrevocably empowers the Receiver so appointed as its attorney to execute deeds, transfers, leases, contracts, agreements or other documents on its behalf and in its place (and the same shall bind the Borrower and have the same effect as if such deeds were executed by the Borrower) and to affix the Borrower's seal, if necessary, or a duplicate thereof to any of the same. On its own account or through a Receiver and whether alone or in conjunction with the exercise of all or any other remedies contemplated hereby, shall have the right, at any time, to notify and direct any account debtor to make all payments whatsoever to the Lender and the Lender shall have the right, at any time, to hold all amounts received from any account debtor and any proceeds as part of the Secured Property; any payments received by the Borrower from and after the security hereby constituted becomes enforceable, shall be held by the Borrower in trust for the Lender in the same medium in which received, shall not be commingled with any assets of the Borrower and shall, at the request of the Lender, be turned over to the Lender not later than the next Business Day following the day of their receipt; and
  - (vi) save as to claims for accounting under paragraph (o) below, the Borrower hereby releases and discharges the Lender and the Receiver from every claim of every nature, whether resulting in damages or not, which may arise or be caused to the Borrower by reason or as a result of anything done by the Lender or any successor or assign claiming through or under the Lender or the Receiver under the provisions of this paragraph unless such claim be the direct result of dishonesty or gross neglect;
  - (n) The Lender may at any time and from time to time terminate any receivership by notice in writing to the Borrower and to the Receiver;
  - (o) The Receiver shall account for all monies received in respect of the Charged Premises or any part thereof, and shall pay, out of such monies received, subject to the further direction of the Lender in its discretion, the following in the order specified:
    - (i) the Receiver's remuneration;
    - (ii) all payments reasonably made or incurred by the Receiver in connection with its receivership;
    - (iii) all payments of interest, Principal and other money which may, from time to time, be or become charged upon the Charged Premises in priority to this Charge, and all Bills, Taxes, insurance premiums and every other proper expenditure reasonably made or incurred by the Receiver in respect to the Charged Premises or any part thereof; and
    - (iv) all payments to the Lender of all interest due or falling due hereunder and the balance to be applied upon Principal due and payable and secured hereby;
- and thereafter any surplus remaining in the hands of the Receiver after payments made as aforesaid shall be accountable to the Borrower or other persons entitled thereto; and
- (p) On its own account or through a Receiver and whether alone or in conjunction with the exercise of all or any other remedies contemplated hereby, shall have the right, at any time, to notify and direct any account debtor to make all payments whatsoever to the Lender and the Lender shall have the right, at any time, to hold all amounts received from any account debtor and any proceeds thereof as security for the Indebtedness; any payments received by the Borrower from and after the security hereby constituted becomes enforceable, shall be held by the Borrower in trust for the Lender in the same medium in which received, shall not be commingled with any assets of the Borrower and shall, at the request of the Lender, be turned over to the Lender not later than the next Business Day following the day of their receipt.

#### **ARTICLE 20 - DEFAULT UNDER SECURITY, PARAMOUNTCY DISCHARGE AND RENEWAL**

- 20.1 Payments of principal and interest made under and pursuant to the terms of the Security shall constitute payment hereunder and vice versa and default in the payment of principal and interest under the Security shall constitute default hereunder and vice versa. Default in compliance with any of the conditions, covenants, undertakings, provisions and stipulations contained in the Security shall entitle the Lender to exercise all or any of the rights or remedies provided herein and the occurrence of an Event of Default hereunder or in compliance with any of the conditions, covenants, undertakings, provisions and stipulations contained herein shall entitle the Lender to exercise all or any of the rights or remedies provided in the Security. The occurrence of an Event of Default hereunder shall constitute an Event of Default under the Security and vice versa.
- 20.2 The cancellation of or any other dealing with any Security (other than foreclosure thereof) shall not release or affect this Charge, and the taking of this Charge, or the cancellation of or any other dealing with, or proceeding under (other than foreclosure hereunder), this Charge, shall not release or affect any Security:
  - (a) The Lender may at any time and from time to time release any part or parts of the Charged Premises or any other Security or any surety for payment of all or any part of the monies hereby secured or may release the Borrower or any other person from any covenant or other liability to pay the Principal Sum and interest and all other monies secured hereby, or any part thereof, either with or without any consideration therefor, and without being accountable for the value thereof or for any monies except those actually received by the Lender, and without thereby releasing any other part of the Charged Premises, or any other Security or covenants herein contained, it being especially agreed that notwithstanding any such release, the Charged Premises, the Security and the covenants remaining unreleased shall stand charged with the whole of the monies hereby secured;
  - (b) In the event that the monies advanced hereunder are applied to payment of any charge or encumbrance, the Lender

shall be subrogated to all the rights of and stand in the position of and be entitled to all the equities of the party or parties so paid whether such charge or encumbrance has or has not been discharged; and the decision of the Lender as to the validity or amount of any advance or disbursement made under this Charge or of any claims so paid, shall be final and binding on the Borrower; and

- (c) The Lender shall not be charged with any monies receivable or collectible out of the Charged Premises or otherwise, except those actually received by or on behalf of the Lender and all revenue of the Charged Premises received or collected by the Lender from any source other than payment by the Borrower may, at the option of the Lender, be retained in a separate account to be used in, maintaining, insuring or improving the Charged Premises to the extent required for such purpose, in the opinion of the Lender, acting reasonably, or in payment of Taxes or other liens, charges or encumbrances against the Charged Premises, or applied in reduction of the amounts owing hereunder.
- 20.3 Subject to Section 6.1 hereof, upon payment of all amounts secured by this Charge, the Borrower shall be entitled to receive and the Lender shall provide a discharge of this Charge and the Security within a reasonable period of time after the request therefor. The Lender shall have a reasonable time after such payment within which to prepare and execute such discharge and all reasonable legal and other expenses for the preparation, execution and registration of such discharge and/or documents, as the case may be, shall be borne by the Borrower.
- 20.4 All payments made pursuant to Section 20.3 shall be made to and received by the Lender prior to 1:00 p.m. on the date due or the next succeeding Business Day in the event the date due is not a Business Day; provided such extension of time shall be included for the purposes of computation of interest.

#### **ARTICLE 21 - NO MERGER OR WAIVER OF LENDER'S RIGHTS**

- 21.1 It is further understood and agreed that this Charge and the Security shall stand as a continuing security for repayment of the Loan, including, all advances made thereunder together with all interest, damages, costs, charges and expenses which may become due and payable to the Lender in respect of or in connection with the Loan or any portion thereof, notwithstanding any fluctuation or change in the amount, nature or form of the Loan or in the obligations now or hereafter representing the Loan or any portion thereof or in the names of the obligors or any of them.
- 21.2 The rights of the Lender arising under this Charge shall be separate, distinct and cumulative and, except as expressly provided herein, none of them shall be in exclusion of the other and no act of the Lender shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision, anything herein or otherwise to the contrary notwithstanding.
- 21.3 The giving and taking of this Charge shall in no way merge, waive, prejudice, suspend or affect any of the rights or remedies of the Lender under any Security which may be given or which may have been or may hereafter be given in respect of the Principal Sum hereof, interest and other monies secured by this Charge, or any part thereof, or under the Security and all rights and remedies which the Lender now has or may hereafter have against any one or more persons, are hereby preserved.
- 21.4 The taking of a judgment or judgments under any of the covenants or obligations herein or under any Security shall not operate as a merger of the covenants of the Borrower or affect the Lender's right to interest at the Applicable Rate on any monies due or owing to the Lender during the continuance of this Charge, under any of the covenants herein contained or on any judgment to be recovered thereon.
- 21.5 The covenant of the Borrower to pay interest shall not merge in any judgment in respect of any covenant or obligation of the Borrower under this Charge or any Security and such judgment shall bear interest at the Applicable Rate until such judgment and all interest thereon have been paid in full.
- 21.6 Any waiver by the Lender of any default by the Borrower or any omission on the Lender's part in respect of any default by the Borrower shall not extend to or be taken in any manner whatsoever to affect any subsequent default by the Borrower or the rights resulting therefrom.
- 21.7 No extension of time given by the Lender to the Borrower or anyone claiming under the Borrower, shall in any way affect or prejudice the rights of the Lender against the Borrower or any person liable for payment of the monies hereby secured.

#### **ARTICLE 22 - FINANCIAL DATA**

- 22.1 The Borrower shall provide or cause to be provided promptly to the Lender full and complete information about the financial condition and operations of the Charged Premises, including a comprehensive rent roll of all space in the Charged Premises, about the financial condition of the Borrower and any Guarantor(s) and such other information which the Lender may reasonably require from time to time, and the Lender shall have the right to examine the books and records of the Borrower relating to the Charged Premises at reasonable times and upon reasonable prior notice.
- 22.2 Without limiting the foregoing, the Borrower covenants and agrees to provide or cause to be provided to the Lender audited financial statements together with operating statements pertaining to the Charged Premises and such other financial information the Lender may reasonably require, (a) in the case of audited financial statements, within ninety (90) days of the end of each fiscal year of the Borrower (or such other time as may reasonably be required by the Lender), and (b) with respect to operating statements for the Charged Premises, within thirty (30) days of the end of each quarter of each calendar year. The audited financial statements are to be prepared by a nationally recognized firm of chartered accountants and shall include a balance sheet, and a detailed statement of income and expenditures and supporting notes and schedules. The operating statements shall contain a certificate by a senior officer of the Borrower as to the contents and preparation thereof, and shall include detailed statements of income, expenditures results of operation and such other matters relating to the operation of the Charged Premises as the Lender may reasonably require. In the event applicable, the Borrower shall provide the Lender with copies of all proxy statements, reports and information circulars that the Borrower makes available to its shareholders and copies of all regular and periodic reports which the Borrower may file with any securities commission or any other Governmental Authority.
- 22.3 The Borrower shall provide or cause to be provided to the Lender, or as the Lender may direct, a comprehensive list of all

current tenants and rentals of space in the Charged Premises during the Term, which list shall disclose, without limitation, the name of each tenant, the duration of its term, renewal options, if any, and the term thereof, the rental being paid, the last date on which rental was paid and whether such tenancy is in good standing. Such list shall contain an endorsement by an officer of the Borrower as to being complete and accurate.

- 22.4 All statements, reports and other documents required to be provided hereunder shall be prepared in a manner acceptable to the Lender, in its reasonable discretion.

#### ARTICLE 23 - NOTICE

- 23.1 Unless otherwise provided herein, any demand, notice or communication given or required to be given to a party hereunder shall be in writing and shall be personally delivered or given by transmittal by telecopy or facsimile transmission addressed to the respective parties at its address or telecopy or facsimile number set forth below or to such other address or telecopy or facsimile number as such party may designate by notice in writing to the other party hereto:

- (a) If to the Borrower, at the address for service set out in the electronic Charge to which this schedule is attached; and
- (b) If to the Lender, at the address for service set out in the electronic Charge to which this schedule is attached.

Any demand, notice or communication made by or given by personal delivery shall be conclusively deemed to have been made or given on the day of actual delivery thereof; and, if made or given by telecopy or by facsimile, on the first day other than a Saturday, Sunday or a statutory holiday in Ontario, on which Schedule I banks are open for commercial business in Toronto, Ontario, following the transmittal thereof.

#### ARTICLE 24 - GENERAL

- 24.1 If any provision of this Charge or the application thereof to any circumstances shall be held to be invalid or unenforceable, it shall be deemed severed herefrom and the remaining provisions of this Charge, or the application thereof to other circumstances, shall not be affected thereby and shall be held valid and enforceable to the full extent permitted by law. In particular, and without limiting the generality of the foregoing, to the extent any and all amounts due pursuant to Article 6 hereof may be deemed to be in excess of what is permissible by law, any such excess shall be deemed not to be due under this Charge.
- 24.2 Wherever used in this Charge, unless the context clearly indicates a contrary intent as unless or otherwise specifically provided herein, the word "Borrower" shall mean "Borrower and/or subsequent owner or owners of the Charged Premises", the word "Lender" shall mean "Lender or any subsequent holder or holders of this Charge".
- 24.3 The descriptive headings of the several subparagraphs or paragraphs or sections or articles of this Charge are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.
- 24.4 Wherever the singular number or masculine gender is used in this Charge, the same shall be construed as including the plural and feminine or a body corporate, respectively, and vice versa, where the fact or context so requires; and the successors and assigns of any party executing this Charge are bound by the covenants, agreements stipulations and provisos herein contained. The covenants, agreements stipulations and provisos herein stated shall, except as otherwise limited hereby, be in addition to those granted or implied by statutory law.
- 24.5 This Charge shall be construed and enforceable under and in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein, and the Borrower hereby irrevocably attorns to the non-exclusive jurisdiction of the courts sitting at Toronto, Ontario.
- 24.6 The Borrower shall at all times, do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered all such further acts, deeds, transfers, assignments, security agreements and assurances as the Lender may reasonably require in order to give effect to the provisions hereof and for the better granting, transferring, assigning, charging, setting over, assuring, confirming or perfecting the Charge and the priority accorded to them by law or under this Charge.
- 24.7 If any of the forms of words contained herein are also contained in Column 1 of Schedule "B" of the Short Forms of Mortgages Act (Ontario) and distinguished by a number therein, this Charge shall be deemed to include and shall have the same effect as if it contained the form of words in Column 2 of Schedule "B" of the said Act distinguished by the same number, and this Charge shall be interpreted as if the *Short Forms of Mortgages Act* (Ontario) were still in full force and effect. The implied covenants deemed to be included in a charge under Subsection 7(1) of the *Land Registration Reform Act* (Ontario) shall be and are hereby expressly excluded from the terms of this Charge.
- 24.8 This Charge shall, whether or not it secures a current or running account, be a general and continuing security to the Lender for payment of the indebtedness in an amount not exceeding the amount secured by this Charge and performance of the Borrower's other obligations under the Charge notwithstanding any fluctuation or change in the amount, nature or form of the indebtedness or in the accounts relating thereto or in the bills of exchange, promissory notes and/or other obligations now or later held by the Lender representing all or any part of the indebtedness outstanding at any particular time; and the Charge will not be deemed to have been redeemed or become void as a result of any such event or circumstance.
- 24.9 This Charge is given as collateral security to the Commitment.
- 24.10 In the event of conflict between the Commitment and the terms of this Charge, the provisions of the Commitment shall prevail; provided that any provision herein contained that is not contained in the Commitment and vice versa shall not in and of itself be considered to be inconsistent or in conflict.

#### ARTICLE 25 – CONDOMINIUM PROVISIONS

- 25.1 The Borrower covenants and agrees that in the event that the security for the within Charge shall be or shall become a condominium unit(s) the following provisions shall apply.

- (i) the Borrower does hereby assign to the Lender all of its rights to vote or consent in the affairs of the Condominium Corporation having jurisdiction over the subject lands and the Lender, may at its option, exercise the right of an owner of a condominium unit to vote or consent in the affairs of the Condominium Corporation in the place and stead of such owner, without in any way consulting the owner as to the manner in which the vote shall be exercised or not exercised, and without incurring any liability to the owner or anyone else because of the manner in which such vote or right to consent in the affairs of the Condominium Corporation was exercised.
- (ii) the Borrower shall pay promptly, when due, any common expenses, assessments, instalments or payments due to the Condominium Corporation.
- (iii) the Borrower shall observe and perform the covenants and provisions required to be observed and performed under or pursuant to the provisions of the *Condominium Act* (Ontario), all amendments thereto, and any legislation passed in substitution thereof, and the declaration and by-laws of the Condominium Corporation and any amendments thereto.
- (iv) Where the Borrower defaults in the Borrower's obligation to contribute to the common expenses assessed or levied by the Condominium Corporation, or any authorized agent on its behalf, or any assessment, instalment of payment due to the Condominium Corporation, upon breach of any of the foregoing covenants or provisions in this paragraph contained, regardless of any other action or proceeding taken, or to be taken by the Condominium Corporation, the Lender, at its option and without notice to the Borrower, may deem such default to be a default under the terms of this Charge and proceed to exercise its rights therein and the Lender shall be entitled at its option to pay all common expense amounts as they come due and these amounts so paid together with legal fees shall form part of the Indebtedness.

#### ARTICLE 26 – CONSTRUCTION LOAN PROVISIONS

In the event that any of the monies advanced or to be advanced under this Charge are intended to finance any improvement to the Charged Premises, the parties hereto covenant and agree that the following conditions shall apply:

- 26.1 All construction on the Charged Premises shall be carried out by reputable contractors having experience which is commensurate to nature and size of the project to be constructed, which contractors must be prior approved by the Lender in writing, such approval not to be unreasonably withheld.
- 26.2 The construction of the building and structures located on the Charged Premises have been commenced and shall be continued in a good and workmanlike manner, with all due diligence and in accordance with the plans and specifications delivered to the Lender and to the satisfaction of all governmental and regulatory authorities having jurisdiction.
- 26.3 Provided that should construction of the project on the Charged Premises cease for any reason whatsoever (strikes, material shortages and weather conditions beyond the control of the Borrower excepted), for a period of ten (10) consecutive days (Saturdays, Sundays and Statutory holidays excepted), then, at the option of the Lender, this Charge shall immediately become due and payable. In the event that construction does cease, then the Lender shall have the right, at its sole option, to assume complete control of the construction of the said project in such manner and on such terms as it deems advisable. The cost of completion of the said project by the Lender and all expenses incidental thereto shall be added to the principal amount of this Charge, together with a management fee of fifteen percent (15%) of the costs of the construction completed by the Lender. All costs and expenses, as well as the management fee of fifteen percent (15%) added to the principal amount of this Charge shall bear interest at the rate as herein provided for and shall form part of the principal sum herein and the Lender shall have the same rights and remedies to collection of principal and interest hereunder or at law.
- 26.4 At all times there shall be sufficient funds unadvanced under this Charge and retained by the Lender to complete the construction and/or renovation of the project on the Charged Premises and as may be necessary to retain the Lender's priority with respect to any deficiency in the holdbacks required to be retained by the Borrower under the *Construction Lien Act* (Ontario).
- 26.5 This Charge will be advanced in stages as construction upon the Charged Premises proceeds or as the conditions as enumerated by the Commitment are complied with.
- 26.6 All advances which are made from time to time hereunder shall be based on certificates of a duly qualified architect, engineer, quantity surveyor, cost consultant or other consultant(s) retained for the purpose of reviewing and advising the Lender with respect to the said project and the progress thereof, whose fees and costs shall be for the account of the Borrower regardless of by whom such person has been retained. All such certificates shall without limitation certify the value of the work completed and the estimated costs of any uncompleted work and such certificates shall further certify that such completed construction and/or renovation to the date of such certificate shall be in accordance with the approved plans and specifications for the said construction and further, in accordance with the building permits issued for such construction and in accordance with all municipal and other governmental requirements of all authorities having jurisdiction pertaining to such construction and that there shall be no outstanding work orders or other requirements pertaining to construction on the Charged Premises. Such certificates with respect to any values shall not include materials on the site which are not incorporated into the building.
- 26.7 The Borrower shall pay to the Lender on each occasion when an inspection of the Charged Premises is required to confirm construction costs to date and compliance with conditions for further advances, an inspection fee in such reasonable amount as the Lender may charge from time to time for each such inspection and the Lender's solicitors shall be paid their reasonable fees and disbursements for each sub-search and work done prior to each such advance and all such monies shall be deemed to be secured hereunder and the Lender shall be entitled to all rights and remedies with respect to collection of same in the same manner as it would have with respect to collection of principal and interest hereunder or at law.
- 26.8 The Borrower agrees to indemnify and hold the Lender harmless from any and all claims, demands, sums of money, debts, covenants, bonds, accounts, actions, causes of action, rights, obligations and liability of every kind whatsoever which arise out of claims against the property under the *Construction Lien Act* (Ontario) and that any liens for work and/or supplies that are registered against the Borrower's interest in the property will be promptly discharged within seven (7) days from the date of

registration of the lien. The Lender may, but is not required to, deal with the lien claimant and pay the lien claim into court pursuant to the provision of the *Construction Lien Act* (Ontario) for the purpose of vacating the lien from title to the property. The Borrower agrees to be liable for all costs, claims, amounts and fees including, without limitation, all legal fees (on a solicitor and his client basis) incurred by the Lender arising from or in connection with the Borrower or the Lender obtaining and registering either a release of the lien or an order vacating the lien.

#### **ARTICLE 27 - ASSIGNMENT AND SALE**

- 27.1 The Loan and all other amounts secured hereby, this Charge, the Security and all documents ancillary or collateral thereto may, in the Lender's sole discretion and without the consent of the Borrower, in whole or in part, be participated, sold, securitized, syndicated or assigned by the Lender from time to time to one or more Persons.
- 27.2 The Lender may disclose to participants, transferees or assignees or to potential participants, transferees or assignees or others in connection with any sale, assignment, participation, securitization, transfer or syndication, such information concerning the Borrower or the Charged Premises as the Lender may consider to be appropriate in connection therewith.
- 27.3 No grant, assignment or transfer pursuant to this Article 27 shall constitute a repayment by the Borrower to the Lender of the Loan or any other amounts owing hereunder and included in such assignment or transfer and the Borrower acknowledges that all obligations under this Charge and the Security with respect to such assignment or transfer will continue and not constitute new obligations.
- 27.4 The Borrower agrees to be bound by and do all things necessary or appropriate to assist and give effect to any transfer, participation, securitization, sale, syndication or assignment, but shall incur no increased liabilities as a result thereof.

# TAB X



This is **Exhibit “X”** referred to  
in the Affidavit of Donald Ierfino  
sworn before me, the 19th day of April, 2024.



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A Commissioner etc.

Sara Mosadeq  
LSO No.: 67864K

## GENERAL SECURITY AGREEMENT

TO: SCHNEIDER RUGGIERO SPENCER MILBURN LLP

AND TO: IMPERIO SA HOLDINGS, RONALD CHEMIJ, MARY CHEMIG, TERRY CHEMIJ, LUBA CHEMIG, DONALD IERFINO, TRILEND INC.

RE: Imperio SA Holdings, Ronald Chemij, Mary Chemig, Terry Chemij, Luba Chemig, Donald Ierfino, Trilend Inc. (collectively, the "**Lenders**") loan/ mortgage to 1000193772 Ontario Ltd. and 1000195736 Ontario Ltd. (collectively, the "**Borrowers**") as guaranteed by Christopher Morgis (the "**Guarantor**") pursuant to a commitment letter dated March 10, 2023 as it may be amended from time to time (the "**Commitment Letter**") on the security of a second charge/ mortgage against lands municipally known as 366 and 368 Eglinton Avenue West (the "**Subject Properties**") and a third charge/ mortgage against lands municipally known as 350-356 Eglinton Avenue West, Toronto, Ontario (the "**Collateral Properties**") (collectively, the "**Real Properties**")

FILE NO.: 45056

### SECURITY INTEREST

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

upon the enforcement of the Security Interest, the Debtor shall stand possessed of such last day in trust to assign the same to any person acquiring such term.

- (c) The terms "Goods", "Chattel Paper", "Document of Title", "Instrument", "Intangible", "Security", "proceed", "Inventory", "accession", "Money", "Account", "financing statement" and "financing change statement" whenever used herein shall be interpreted pursuant to their respective meanings when used in the Personal Property Security Act of the Province of Ontario, as amended from time to time, which Act, including amendments thereto and any Act substituted therefor and amendments thereto is herein referred to as the "P.P.S.A.". Provided always that the term "Goods" when used herein shall not include "consumer goods" of the Debtor as that term is defined in the P.P.S.A., and the term "Inventory" when used herein shall include livestock and the young thereof after conception and crops that become such within one year of execution of this Security Agreement. Any reference herein to "**Collateral**" shall, unless the context otherwise requires, be deemed a reference to "**Collateral or any part thereof**".

## 2. INDEBTEDNESS SECURED

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

## 3. REPRESENTATIONS AND WARRANTIES OF DEBTOR

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

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

## 4. COVENANTS OF THE DEBTOR

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

- (a) to defend the Collateral against the claims and demands of all other parties claiming the same or an interest therein; to diligently initiate and prosecute legal action against all infringers of the Debtor's rights in Intellectual Property; to take all



reasonable action to keep the Collateral free from all prior Encumbrances, except for the Security Interest, licences which are compulsory under federal or provincial legislation and those shown on Schedule A, and not to sell, exchange, transfer, assign, lease license or otherwise dispose of Collateral or any interest therein without the prior written consent of the Lenders save and except in the normal course of business or as may be required by law or contract; provided always that, until default, Debtor may, in the ordinary course of the Debtor's business, sell or lease inventory and, subject to Clause 7 hereof, use Money available to the Debtor;

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

- (iii) all financial statements prepared by or for the Debtor regarding the Debtor's business;
- (iv) all policies and certificates of insurance relating to Collateral; and
- (v) such information concerning Collateral, the Debtor and the Debtor's business and affairs as the Lenders may reasonably request.

#### 5. USE AND VERIFICATION OF COLLATERAL

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

#### 6. SECURITIES

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

#### 7. COLLECTION OF DEBTS

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

#### 8. INCOME FROM AND INTEREST ON COLLATERAL

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

#### 9. INCREASES, PROFITS, PAYMENTS OR DISTRIBUTIONS

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



- (b) If the Debtor receives any such increase or profits (other than Money) or payments or distributions, the Debtor will deliver the same promptly to the Lenders to be held by the Lenders as herein provided.

#### 10. DISPOSITION OF MONEY

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

#### 11. EVENTS OF DEFAULT

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

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

#### 12. ACCELERATION

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

### 13. REMEDIES

- (a) Upon default, the Lenders may appoint or re-appoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of the Lenders or not, to be a receiver or receivers (hereinafter called a "Receiver", which term when used herein shall include a receiver and manager) of Collateral (including any interest, income or profits therefrom) and may remove any Receiver so appointed and appoint another in his/her stead. Any such Receiver shall, so far as concerns responsibility for his/her acts, be deemed the agent of Debtor and not the Lender, and the Lenders shall not be in any way responsible for any misconduct, negligence or non-feasance on the part of any such Receiver, his/her servants, agents or employees. Subject to the provisions of the instrument appointing him/her, any such Receiver shall have power to take possession of Collateral to preserve Collateral or its value, to carry on or concur in carrying on all or any part of the business of the Debtor and to sell, lease, license or otherwise dispose of or concur in selling, leasing, licensing or otherwise disposing of Collateral. To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others, including the Debtor, enter upon, use and occupy all premises owned or occupied by the Debtor wherein Collateral may be 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 Lender, all Money received from time to time by such Receiver in carrying out his/her appointment shall be received in trust for and paid over to the Lender. Every such Receiver may, in the discretion of the Lender, be vested with all or any of the rights and powers of the Lender.
- (b) Upon default, the Lenders may, either directly or through its agents or nominees, exercise any or all of the powers and rights given to a Receiver by virtue of the foregoing sub-clause (a).
- (c) The Lenders 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 Lenders 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 Lenders may seem reasonable.
- (d) In addition to those rights granted herein and in any other agreement now or hereafter in effect between Debtor and the Lender, and in addition to any other rights the Lenders may have at law or in equity, the Lenders shall have, both before and after default, all rights and remedies of a secured party under the P.P.S.A. Provided always, that the Lenders 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 Lenders shall have no obligation to take any steps to preserve rights against prior parties to any Instrument or Chattel Paper, whether Collateral or proceeds, and whether or not in the Lender's possession, and shall not be liable or accountable for failure to do so.
- (e) The Debtor acknowledges that the Lenders 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 Lenders or any such Receiver to assemble and deliver possession of Collateral at such place or places as directed.
- (f) The Debtor agrees to be liable for and to pay all costs, charges and expenses reasonably incurred by the Lenders 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 Lenders or any Receiver appointed by it, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of Collateral and shall be secured hereby.



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

14. MISCELLANEOUS

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



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

time of the amalgamation and to any "Collateral" thereafter owned or acquired by the amalgamated company, and

- (ii) shall secure the "Indebtedness" (as that term is herein defined) of each of the amalgamating companies and the amalgamated company to the Lenders at the time of amalgamation and any "Indebtedness" of the amalgamated company to the Lenders thereafter arising. The Security Interest shall attach to "Collateral" owned by each company amalgamating with the Debtor, and by the amalgamated company, at the time of the amalgamation, and shall attach to any "Collateral" thereafter owned or acquired by the amalgamated company when such becomes owned or is acquired.

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

15. COPY OF AGREEMENT

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

DATED this 17th day of March 2023

**1000193772 ONTARIO LTD.**

Per: 

Name: Christopher Morgis

Title: President

I have the authority to bind the corporation

**1000195736 ONTARIO LTD.**

Per: 

Name: Christopher Morgis

Title: President

I have the authority to bind the corporation

**MORGIS CORPORATION**  
**(previously 2744746 ONTARIO LTD.)**

Per: 


Name: Christopher Morgis

Title: President

I have the authority to bind the corporation

Witness: 

**GORDON H. HUNTER**

  
Christopher Morgis

## SCHEDULE A

**SCHEDULE B**

1. Location of the Debtors' Business Operations:  
18 Doctors Lane, P.O. Box 760, King City, Ontario L7B 1A8  
366-368 Eglinton Avenue West, Toronto, Ontario
2. Location of Collateral:  
18 Doctors Lane, P.O. Box 760, King City, Ontario L7B 1A8  
346-356 Eglinton Avenue West, Toronto, Ontario
3. Location of Business Records relating to Collateral:  
18 Doctors Lane, P.O. Box 760, King City, Ontario L7B 1A8

# TAB Y

This is **Exhibit “Y”** referred to  
in the Affidavit of Donald Ierfino  
sworn before me, the 19th day of April, 2024.



---

A Commissioner etc.

Sara Mosadeq  
LSO No.: 67864K

**Properties**

PIN 21169 - 0183 LT

**Description** PCL 1-2 SEC M380; PT LT 1 PL M380 TORONTO; PT LT 2 PL M380 TORONTO COMM AT THE S WLY ANGLE OF SAID LT 1; THENCE ELY ALONG THE SLY LIMITS OF LOTS 1 AND 2 - 55 FT MORE OR LESS TO A POINT IN THE SAID SLY LIMIT OF SAID LT 2 DISTANT 5 FT MEASURED ELY THEREON FROM THE S WLY ANGLE OF SAID LT 2; THENCE NLY IN A STRAIGHT LINE 113 FT 5 3/4 INCHES MORE OR LESS TO A POINT IN THE NLY LIMIT OF SAID LT 1 DISTANT 1 FT 6 3/4 INCHES MEASURED WLY THEREON FROM THE N ELY ANGLE OF SAID LT; THENCE WLY ALONG THE NLY LIMIT OF SAID LT 1 - 48 FT 5 1/4 INCHES MORE OR LESS TO THE N WLY ANGLE OF SAID LT; THENCE SLY ALONG THE WLY LIMIT OF SAID LT 1 - 114 FT MORE OR LESS TO THE POC; S/T LT345020; T/W LT345020; S/T LT346559; T/W LT346559 (S/T LT263283); S/T LT350268; T/W LT350268; TORONTO ; SUBJECT TO A TEMPORARY EASEMENT AS SET IN EXPROPRIATION PLAN AS IN AT4214430; CITY OF TORONTO

**Address** 356 EGLINTON AVENUE WEST  
TORONTO

PIN 21169 - 0184 LT

**Description** PCL 1-1 SEC M380; PT LT 1 PL M380 TORONTO; PT LT 2 PL M380 TORONTO; PT LT 3 PL M380 TORONTO , IF ANY, COMM AT A POINT IN THE SLY LIMIT OF SAID LT 2 DISTANT 5 FT MEASURED ELY THEREON FROM THE S WLY ANGLE OF SAID LT; THENCE ELY ALONG THE SLY LIMIT OF SAID LT 2, BEING THE NLY LIMIT OF EGLINTON AV W, 45 FT MORE OR LESS TO A POINT DISTANT 78 FT 10 INCHES MEASURED WLY FROM THE SE ANGLE OF LT 3 ON SAID PL; THENCE NLY IN A STRAIGHT LINE 113 FT 4 1/2 INCHES MORE OR LESS TO A POINT IN THE NLY LIMIT OF SAID LT 2 DISTANT 80 FT 6 3/4 INCHES MEASURED WLY THEREON FROM THE N ELY ANGLE OF SAID LT 3; THENCE WLY ALONG THE NLY LIMITS OF SAID LOTS 2 AND 1, 39 FT 7 1/2 INCHES MORE OR LESS TO A POINT IN THE SAID NLY LIMIT OF SAID LT 1 DISTANT 1 FT 6 3/4 INCHES MEASURED WLY THEREON FROM THE N ELY ANGLE OF SAID LT; THENCE SLY IN A STRAIGHT LINE 113 FT 5 3/4 INCHES MORE OR LESS TO THE POC; 1. S/T THE RIGHT OF THE OWNERS OF PCL 2664, SEC L TORONTO, TO USE THE WLY WALL OF THE BRICK STORE BUILDINGS, INCLUDING THE FOOTINGS THEREOF SITUATED ON THE LANDS IN THE ABOVE PCL OR ANY PT THEREOF AS A PARTY WALL , TO FORM THE ELY WALL OR A PT THEREOF OF ANY BUILDING OR BUILDINGS WHICH ARE NOW OR MAY HEREAFTER BE ERECTED ON THE LANDS KNOWN AS PCL 2664, SEC L TORONTO, CONTIGUOUS WITH THE SAID WLY WALL OR ANY PT THEREOF; 2. T/W THE RIGHT TO MAINTAIN THE WLY WALL OF THE BRICK STORE BUILDINGS (INCLUDING THE FOOTINGS THEREOF) SITUATE ON THE LANDS IN THE ABOVE PCL OVER THE LANDS IMMEDIATELY ADJOINING TO THE W OF THESE LANDS IN THE POSITION NOW OCCUPIED BY THE SAID WLY WALL; THE OWNER OR OWNERS FROM TIME TO TIME EITHER OF THE PARCELS AFOREMENTIONED MAY EXTEND THE SAID WLY WALL IN A NLY DIRECTION OR ADD TO THE HEIGHT THEREOF, AND MAY REBUILD THE SAME IN CASE OF THE PARTIAL OR TOTAL DESTRUCTION THEREOF AND WHEN ALL OR ANY PORTION OF THE SAID WLY WALL INCLUDING ANY EXT THEREOF AND ADDITION THERETO, SHALL BE USED BY SUCH AN OWNER OR OWNERS BY WHOM OR BY ANY OF WHOSE PREDECESSORS IN TITLE, THE PROPER SHARE OF THE COSTS OF CONSTRUCTION OF THE PORTION OF THE WALL SO USED WAS NOT PAID, HE, SHE OR THEY SHALL PAY TO THE PERSON OR PERSONS WHO CONSTRUCTED THE SAME OR TO HIS, OR THEIR HER, OR THEIR HEIRS, EXECUTORS, ADMINISTRATORS OR ASSIGNS, ONE-HALF OF THE VALUE AT THE TIME OF SUCH USE AND THEREAFTER ONE-HALF OF THE COST OF MAINTENANCE OF THE WHOLE THICKNESS OF THE PORTION OF SUCH WALL SO USED BY HIM, HER OR THEM, AND THE SUM SO TO BE PAID SHALL, UNTIL PAID, REMAIN A CHARGE UPON THE LAND OF THE PERSON OR PERSONS LIABLE TO PAY THE SAME, AND IT IS AGREED THAT THE COVENANTS HEREIN CONTAINED SHALL RUN WITH THE LAND, BUT NO COVENANT HEREIN CONTAINED SHALL BE PERSONALLY BINDING ON ANY PERSON EXCEPT IN RESPECT OF BREACHES, DURING HIS, HER OR THEIR SEISEN OR TITLE TO THE SAID LANDS; AND IT IS FURTHER AGREED THAT WHENEVER THE SAID WLY WALL SHALL BE EXTENDED IN HEIGHT THE CHIMNEYS, IF ANY, PREVIOUSLY BUILT IN SUCH WALL SHALL BE CARRIED UP TO A PROPER HEIGHT AND ANY INJURY CAUSED BY SUCH EXT SHALL BE MADE GOOD AND SUCH EXT OF THE WALL AND CHIMNEYS SHALL BE AT THE EXPENSE OF THE PARTY MAKING THE EXT. AND IT IS AGREED THAT IF THE PARTIES CANNOT AGREE AS TO ANY VALUE ABOVE MENTIONED, THE AMOUNT THEREOF SHALL BE REFERRED TO THREE DISINTERESTED PERSONS AS VALUATORS OF WHOM THE OWNER OR OWNERS FROM TIME TO TIME OF EACH OF THE SAID PARCELS SHALL APPOINT ONE AND THESE TWO VALUATORS SHALL APPOINT A THIRD AND THE DECISION OF THE THREE SAID VALUATORS OR OF ANY TWO OF THEM IN WRITING UNDER THEIR HANDS SHALL BE BINDING ON THE PARTIES HERETO, THEIR RESPECTIVE HEIRS, EXECUTORS; ADMINISTRATORS AND ASSIGNS; AND IT IS FURTHER AGREED THAT ANY REPAIRS, ADDITIONS OR EXTENSIONS TO THE SAID WLY WALL SHALL BE OF GOOD MATERIALS AND WORKMANSHIP AND WHEN BUILT SHALL BE AND REMAIN A PARTY WALL; 3. S/T A FREE AND UNINTERRUPTED ROW FOR THE USE OF THE OWNER OF PARCELS 2664, SEC L TORONTO, 3887, SEC K TORONTO AND 1-1-A, SEC M256, THEIR HEIRS AND ASSIGNS, INGRESS AND EGRESS FOR PERSONS, ANIMALS AND VEHICLES, THROUGH OVER AND ALONG THOSE PARTS OF LOTS 1 AND 2 ON PL M380, DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE NLY LIMIT OF LT 1, 1 FT 6 3/4 INCHES WLY FROM THE N ELY ANGLE OF LT 1; THENCE SLY ALONG A LINE, WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2

**Properties**

AT A POINT 5 FT ELY FROM THE SW ANGLE OF LT 2, 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM A POINT IN THE W LIMIT OF LT 1 DISTANT 96 FT NLY FROM THE N LIMIT OF EGLINTON AV AS WIDENED; THENCE N ELY IN A STRAIGHT LINE 19 FT 6 INCHES TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF LT 2 AND DISTANT 16 FT 01/2 INCH ELY FROM THE N WLY ANGLE THEREOF TO A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED 25 FT ELY FROM ITS INTERSECTION WITH THE WLY LIMIT OF LT 2, THE SAID POINT BEING 10 FT 6 INCHES MORE OR LESS SLY ON THE SAID LINE FROM THE SAID NLY LIMIT OF LT 2; THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF LT 2, 22 FT 3 1/2 INCHES MORE OR LESS TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED 78 FT 10 INCHES WLY FROM THE SE ANGLE OF LT 3 ON SAID PL TO A POINT IN THE N LIMIT OF LT 2, 80 FT 6 3/4 INCHES WLY FROM THE NE ANGLE OF LT 3; THENCE NLY ALONG THE SAID LAST MENTIONED LINE 10 FT 6 INCHES MORE OR LESS TO THE NLY LIMIT OF LT 2; THENCE WLY ALONG THE NLY LIMIT OF LOTS 2 AND 1, 39 FT 7 1/2 INCHES MORE OR LESS TO THE POC AS IN LT346559; 4. T/W A FREE AND UNINTERRUPTED ROW, INGRESS AND EGRESS, FOR PERSONS, ANIMALS AND VEHICLES, THROUGH, ALONG AND OVER THOSE PARTS OF LOTS 1 AND 2 BLK 'A', PL M256, DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE E LIMIT OF LT 1, 96 FT NLY THEREON FROM THE NLY LIMIT OF EGLINTON AV AS WIDENED BY BY-LAW 11494; THENCE WLY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV AS WIDENED 125 FT; THENCE NLY PARALLEL TO THE E LIMIT OF LT 1, 12 FT; THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV AS WIDENED 125 FT TO THE SAID E LIMIT OF LT 1; THENCE SLY ALONG THE SAID E LIMIT 12 FT TO THE POC; PROVIDED THAT THE PROJECTIONS, INCLUDING THE PROJECTION OF THE SECOND STOREY OF THE BUILDING SITUATE ON PCL 1-1-A, SEC M256, EXISTING ON THIS DATE AND A FIRE ESCAPE TO BE ERECTED IN CONNECTION THEREWITH, OVER THE SAID ROW OR ANY PT THEREOF SHALL BE DEEMED NOT TO BE AN ENCROACHMENT UPON THE SAID ROW; 5. T/W A FREE AND UNINTERRUPTED ROW, INGRESS AND EGRESS, FOR PERSONS ANIMALS AND VEHICLES, THROUGH, ALONG AND OVER THOSE PARTS OF LOTS 1 AND 2 ON PL M380, DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE WLY LIMIT OF SAID LT 1 DISTANT 96 FT NLY THEREON FROM EGLINTON AV AS WIDENED UNDER BY-LAW 11494; THENCE NLY ALONG THE SAID WLY LIMIT OF LT 1, 18 FT MORE OR LESS TO THE N WLY ANGLE THEREOF; THENCE ELY ALONG THE NLY LIMIT OF LT 1, 48 FT 5 1/4 INCHES MORE OR LESS TO A POINT 1 FT 6 3/4 INCHES WLY THEREON FROM THE NE ANGLE OF LT 1; THENCE SLY ALONG A LINE, WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2 AT A POINT THEREIN DISTANT 5 FT ELY FROM THE SW ANGLE OF LT 2, A DISTANCE OF 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM THE POC; THENCE WLY ALONG THE SAID MENTIONED LINE 49 FT 4 3/4 INCHES MORE OR LESS TO THE POC; 6. T/W A FREE AND UNINTERRUPTED ROW OVER THE WLY 4 FT 6 INCHES OF LT 90 AND THE ELY 5 FT 6 INCHES OF LT 91 ON PL M512; 7. S/T THE RIGHT OF THE OWNER OF PCL 2664, SEC L TORONTO, TO USE (FOR THE PURPOSE OF ACCESS AND INGRESS TO AND EGRESS FROM THE LANDS COMPRISED IN SAID PCL 2664 OR ANY PT THEREOF, AND/OR THE BUILDINGS THEREON AND FOR THE TURNING OF VEHICLES USING THE ROW 3RDLY, 4THLY, 5THLY AND 6THLY ABOVE DESCRIBED) THE SPACE AT THE REAR OF THE BUILDINGS NOW SITUATED UPON THE LANDS COMPRISED IN ABOVE PCL EXTENDING NLY FROM THE NLY LIMIT AND ITS PRODUCTION ELY AND WLY OF THE SAID BUILDINGS TO THE SLY LIMIT OF THE SAID ROW 3RDLY, 4THLY, 5THLY AND 6THLY. PROVIDED ALWAYS THAT THE RIGHTS THEREBY GRANTED SHALL BE EXERCISED IN SUCH MANNER AS NOT UNREASONABLY TO INTERFERE WITH THE REASONABLE AND PROPER USE OF THE SPACE AT THE REAR OF THE RESPECTIVE BUILDINGS AFORESAID BY THE OWNER AND/OR ANY TENANT OR OCCUPANT OF ANY OF THE SAID BUILDINGS RESPECTIVELY AND/OR BY PERSONS HAVING DEALINGS WITH SUCH OWNER AND/OR ANY SUCH TENANT OR OCCUPANT AS IN LT350268; 8. T/W THE RIGHT TO USE (FOR THE PURPOSE OF ACCESS AND INGRESS TO AND EGRESS FROM THE LANDS COMPRISED IN PCL 2665, SEC L TORONTO, OR ANY PT THEREOF AND/OR THE BUILDINGS THEREON FOR THE TURNING OF VEHICLES USING THE ROW DESCRIBED IN THE ABOVE 3RDLY, 4THLY, 5THLY AND 6THLY) THE SPACE AT THE REAR OF THE BUILDINGS NOW SITUATED UPON THE LANDS COMPRISED IN PCL 2664, SEC L TORONTO, EXTENDING NLY FROM THE NLY LIMIT OF THE SAID BUILDINGS TO THE SLY LIMIT OF THE SAID ROW DESCRIBED IN THE SAID 3RDLY, 4THLY, 5THLY AND 6THLY. PROVIDED ALWAYS THAT THE RIGHTS THEREBY GRANTED SHALL BE EXERCISED IN SUCH MANNER AS NOT UNREASONABLY TO INTERFERE WITH THE REASONABLE THE AND PROPER USE OF THE SPACE AT THE REAR OF THE RESPECTIVE BUILDINGS AFORESAID BY THE OWNER AND/OR ANY TENANT OR OCCUPANT OF ANY OF THE SAID BUILDINGS RESPECTIVELY AND/OR BY PERSONS HAVING DEALINGS WITH SUCH OWNER AND/OR ANY SUCH TENANT OR OCCUPANT; TORONTO; SUBJECT TO A TEMPORARY EASEMENT AS SET OUT IN EXPROPRIATION PLAN AS IN AT4214429; CITY OF TORONTO

Address

350 EGLINTON AVE W  
TORONTO



**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 MORGIS CORPORATION  
Address for Service 18 Doctors Lane, Suite 760, King City,  
ON., L7B 1G2

A person or persons with authority to bind the corporation has/have consented to the registration of this document.

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

<b>Party To(s)</b>	<b>Capacity</b>	<b>Share</b>
Name IMPERIO SA HOLDINGS	Tenants In Common	\$2,760,000.00 of \$4,500,000.00
Address for Service 8830 Jane Street, Vaughan ON., L4K 2M9		
Name CHEMIJ, RONALD	Joint Account, Right Of Survivorship	\$500,000.00 of \$4,500,000.00 with Mary Chemij
Address for Service 8830 Jane Street, Vaughan ON., L4K 2M9		
Name CHEMIJ, MARY	Joint Account, Right Of Survivorship	\$500,000.00 of \$4,500,000.00 with Ronald Chemij
Address for Service 8830 Jane Street, Vaughan ON., L4K 2M9		
Name CHEMIJ, TERRY	Joint Account, Right Of Survivorship	\$500,000.00 of \$4,500,000.00 with Luba Chemij
Address for Service 8830 Jane Street, Vaughan ON., L4K 2M9		
Name CHEMIJ, LUBA	Joint Account, Right Of Survivorship	\$500,000.00 of \$4,500,000.00 with Terry Chemij
Address for Service 8830 Jane Street, Vaughan ON., L4K 2M9		
Name IERFINO, DONALD	Tenants In Common	\$200,000.00 of \$4,500,000.00
Address for Service 8830 Jane Street, Vaughan ON., L4K 2M9		
Name TRILEND INC.	Tenants In Common	\$540,000.00 of \$4,500,000.00
Address for Service 8830 Jane Street, Vaughan ON., L4K 2M9		

**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, AT6297859 registered on 2023/03/17 to which this notice relates is deleted

Schedule: See Schedules

**Signed By**

Stefania Nicole Mariani 1000-120 Adelaide St. W. acting for Signed 2023 03 17  
Toronto Applicant(s)  
M5H 3V1

Tel 416-363-2211

Fax 416-363-0645

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

Stefania Nicole Mariani 1000-120 Adelaide St. W. acting for Signed 2023 03 17  
Toronto Party To(s)  
M5H 3V1

Tel 416-363-2211

**Signed By**

Fax 416-363-0645

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

**Submitted By**

Schneider Ruggiero Spencer Milburn LLP

1000-120 Adelaide St. W.  
Toronto  
M5H 3V1

2023 03 17

Tel 416-363-2211

Fax 416-363-0645

**Fees/Taxes/Payment**

Statutory Registration Fee \$69.00

Total Paid \$69.00

**File Number**

Party To Client File Number :

45056 GR/SM

## GENERAL ASSIGNMENT OF LEASES AND RENTS

TO: SCHNEIDER RUGGIERO SPENCER MILBURN LLP

AND TO: IMPERIO SA HOLDINGS, RONALD CHEMIJ, MARY CHEMIJ, TERRY CHEMIJ, LUBA CHEMIJ, DONALD IERFINO, TRILEND INC.

RE: Imperio SA Holdings, Ronald Chemij, Mary Chemij, Terry Chemij, Luba Chemij, Donald Ierfino, Trilend Inc. (collectively, the "**Lenders**") loan/ mortgage to 1000193772 Ontario Ltd., 1000195736 Ontario Ltd. and Morgis Corporation (collectively, the "**Borrowers**") as guaranteed by Christopher Morgis (the "**Guarantor**") pursuant to a commitment letter dated March 10, 2023 as it may be amended from time to time (the "**Commitment Letter**") on the security of a second charge/ mortgage against lands municipally known as 366 and 368 Eglinton Avenue West (the "**Subject Properties**") and a third charge/ mortgage against lands municipally known as 350-356 Eglinton Avenue West, Toronto, Ontario (the "**Collateral Properties**") (collectively, the "**Real Properties**")

FILE NO.: 45056

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### RECITALS

#### 1.1 Description of Underlying Obligation

The Lenders (the "**Chargees**") has or is about to extend a mortgage loan in the amount of \$4,500,000.00 (the "**Loan**") to the Borrower, (the "**Chargors**") of the Real Properties pursuant to the Commitment Letter. The Chargees require that the indebtedness of the Chargors pursuant to the Commitment Letter and under the Loan be further secured by a \$4,500,000.00 mortgage on the Real Properties (the "**Charged Premises**"), (the "**Charge**") and the presents hereinafter set out.

### 2. GRANTING CLAUSES

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

- (a) All oral and written leases, offers to lease with, or other agreements for use or occupancy made to or agreed to by any person or entity (including without limitation of the foregoing, Chargors and Chargees under the powers granted herein), and any and all amendments, extensions, renewals, modifications and replacements thereof pertaining to all or any part of the Charged Premises, whether such leases or other agreements have heretofore been made or as are in the future made or agreed to (such leases, offers to lease and other use or occupancy agreements being referred to as the "**Leases**");
- (b) The rents, issues and profits (collectively the "**Rents**") which may hereafter become due pursuant to any of the Leases pertaining to all or any part of the Charged Premises;
- (c) Subject to section 4.2, all rights, powers, privileges, options and other benefits (collectively the "**Rights**") of Chargors under the Leases, including without limitation the following:
  - (i) The immediate and continuing right to receive and collect all Rents, income, revenues, insurance proceeds, condemnation awards, moneys and security deposits or the like pursuant to any of the provisions thereof, whether as Rents or otherwise (except sums payable directly to any person other than the lessor thereunder);
  - (ii) The right to make all waivers and agreements, including waivers of obligations of lessees;
  - (iii) The right to give all notices, permissions, consents and releases, including consent to the subordination of the interest of a lessee;

- (iv) The right to take such action upon the happening of a default under the Leases (including the commencement, conduct and consummation of proceedings at law or in equity) as shall be permitted under any provisions of the Leases or by law;
- (v) The right to do any and all other things whatsoever which Chargor, as lessor, is or may become entitled to under the Leases;
- (vi) The right to exercise any option; and
- (d) Any and all guarantees (the "**Guarantees**") of any of the Leases, and the rights, powers, privileges and other benefits of the Chargors under the Guarantees;

and Chargors authorizes Chargees in the event of Chargors' Default hereunder:

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

### 3. COVENANTS, REPRESENTATIONS AND WARRANTIES

#### 3.1 Power Coupled with Interest

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

#### 3.2 Notice of Lessor's Default

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

#### 3.3 Chargees to be Creditor of Lessee

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

### 4. DEFAULTS AND REMEDIES

#### 4.1 Defaults

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

#### 4.2 Exercise of the Assignment of Leases and Rents

- (a) Until Default shall have been made in payment of any sum as provided in the Charge, and so long as that Default is not cured, the Chargors shall be entitled to receive all Rents and other amounts payable under the Leases and Guarantees;
- (b) In the event of Default, and so long as that Default is not cured, then in addition to the rights hereby assigned to the Chargees the Chargees may collect the Rents and/or manage the Charged Premises without regard to the adequacy of the security and without waiving such Default;
- (c) In the event Chargees elects to invoke any of its rights hereunder and thereafter, for any reason, relinquishes to the Chargors such rights, this Assignment of Leases and Rents shall in no respect be terminated but instead remain in full force and effect until the indebtedness represented by the Charge is paid in full, it being the intent of the parties that Chargees shall, from time to time upon the occurrence of any Default under this Assignment of Leases and Rents and/or the Charge, have all the rights granted hereby.

#### 4.3 Nature of Remedies

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

#### 4.4 Application of Rents

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

#### 4.5 Limitation of Chargees' Obligations

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

#### 4.6 Reimbursement

Chargors shall reimburse, indemnify and hold harmless Chargees for and from any and all expenses, losses, damages and liabilities which Chargees may

reasonably incur by reason of this Assignment, any of the Leases or expenses, losses, damages and liabilities incurred in exercising any of the rights granted in this Assignment.

4.7 Authorization to Lessees

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

4.8 Discharge

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

5. **MISCELLANEOUS**

5.1 Modification of Loan Terms

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

5.2 Successors and Assigns

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

5.3 No Merger

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

5.4 Notices

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

Chargee: TRILEND INC. on behalf of the Chargee  
8830 Jane St., Woodbridge, Ontario L4K 2M9

Chargor: 1000193772 Ontario Ltd. and 1000195736 Ontario Ltd.  
18 Doctor's Lane, Suite 760, King City, Ontario L7B 1A8

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

5.5 Governing Law

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

5.6 Severability

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

5.7 Captions

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

**TAB Z**



This is **Exhibit “Z”** referred to  
in the Affidavit of Donald Ierfino  
sworn before me, the 19th day of April, 2024.

A handwritten signature in blue ink, appearing to be 'Sara Mosadeq', written in a cursive style.

---

A Commissioner etc.

Sara Mosadeq  
LSO No.: 67864K

**Properties**

PIN 21169 - 0182 LT

Description PCL 1-3-A SEC M256; PT LT 1 BLK A PL M256 TORONTO COMM AT A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED BY BY-LAW # 11494 OF THE CORPORATION OF THE CITY OF TORONTO AT THE INTERSECTION WITH THE ELY LIMIT OF THE SAID LT 1. THENCE WLY ALONG THE SAID NLY LIMIT OF EGLINTON AV 34 FT 6 1/2 INCHES MORE OR LESS TO THE INTERSECTION WITH THE PRODUCTION SLY OF THE CENTRE LINE OF THE PARTY WALL BTN THE BUILDINGS ERECTED ON THESE LANDS AND ON LAND LYING WLY AND ADJACENT THERETO. THENCE NLY ALONG THE SAID PRODUCTION TO AND ALONG THE SAID CENTRE LINE OF WALL AND ITS PRODUCTION NLY IN ALL 96 FT. THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV 34 FT 6 1/2 INCHES TO THE INTERSECTION WITH THE SAID ELY LIMIT OF LT 1. THENCE SLY ALONG THE SAID ELY LIMIT OF LT 1, 96 FT TO THE FRONT OF COMMENCEMENT; T/W A ROW OVER PARTS OF LOTS 1 AND 2 IN BLK A ON PL M256; COMM AT A POINT IN THE ELY LIMIT OF LT 1 DISTANT 96 FT MEASURED NLY THEREON FROM THE SAID NLY LIMIT OF EGLINTON AV AS WIDENED. THENCE WLY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV AS WIDENED 125 FT. THENCE NLY PARALLEL TO THE SAID ELY LIMIT OF LT 1, 12 FT. THENCE ELY PARALLEL TO THE NLY LIMIT OF EGLINTON AV 125 FT TO ITS INTERSECTION WITH THE SAID ELY LIMIT OF LT 1. THENCE SLY ALONG THE SAID ELY LIMIT OF LT 1, 12 FT TO THE POC. PROVIDED THAT THE PROJECTIONS INCLUDING THE PROJECTIONS OF THE SECOND STORY OF THE BUILDING SITUATE ON THE LANDS DESCRIBED IN PCL 3021 SEC K TORONTO EXISTING AT THIS DATE JULY 5, 1943 T/W THE FIRE ESCAPE ERECTED IN CONNECTION HERewith OVER THE SAID ROW OR ANY PT THEREOF SHALL BE DEEMED NOT TO BE AN ENCROACHMENT UPON THE SAID ROW; T/W A ROW OVER THAT PT OF LT 125 ON PL M512; COMM AT A POINT IN THE ELY LIMIT OF LT 125 DISTANT 96 FT MEASURED NLY THEREON FROM THE SE ANGLE OF SAID LT. THENCE WLY PARALLEL TO THE SLY LIMIT OF SAID LT 22 FT 4 INCHES MORE OR LESS TO A POINT 77 FT 8 INCHES MEASURED ELY FROM THE WLY LIMIT OF LT 124 ON SAID PL. THENCE NLY IN A STRAIGHT LINE 14 FT MORE OR LESS TO A POINT IN THE NLY LIMIT OF THE SAID LT 125 DISTANT 77 FT 8 INCHES MEASURED ELY THEREON FROM THE NW ANGLE OF LT 124. THENCE ELY ALONG THE NLY LIMIT OF LT 125, 22 FT 4 INCHES MORE OR LESS TO THE NE ANGLE THEREOF. THENCE SLY ALONG THE ELY LIMIT OF LT 125 A DISTANCE OF 14 FT MORE OR LESS TO THE POB; T/W A ROW OVER THE WLY 4 FT 6 INCHES OF LT 90 AND THE ELY 5 FT 6 INCHES OF LT 91 ON PL M512; T/W A ROW OVER PARTS OF LOTS 1 AND 2 ON PL M380; COMM AT A POINT IN THE WLY LIMIT OF LT 1 DISTANT 96 FT NLY THEREON FROM EGLINTON AV AS WIDENED BY BY-LAW # 11494. THENCE NLY ALONG THE SAID WLY LIMIT OF LT 1, 18 FT MORE OR LESS TO THE N WLY ANGLE THEREOF. THENCE ELY ALONG THE NLY LIMIT OF LT 1, 48 FT 5 1/4 INCHES MORE OR LESS TO A POINT 1 FT 6 3/4 INCHES WLY THEREON FROM THE NE ANGLE OF SAID LT 1. THENCE SLY ALONG A LINE WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2 AT A POINT THEREIN DISTANT 5 FT ELY FROM THE SW ANGLE OF LT 2 A DISTANCE OF 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM THE POC. THENCE WLY ALONG THE SAID MENTIONED LINE 49 FT 4 3/4 INCHES MORE OR LESS TO THE POC; T/W A ROW OVER PARTS OF LOTS 1 AND 2 ON PL M380; COMM AT A POINT IN THE NLY LIMIT OF LT 1 DISTANT 1 FT 6 3/4 INCHES WLY THEREON FROM THE N ELY ANGLE OF LT 1. THENCE SLY ALONG A LINE WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2 AT A POINT THEREON 5 FT ELY FROM THE SW ANGLE OF LT 2 AT A DISTANCE OF 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM A POINT IN THE W LIMIT OF LT 1 DISTANT 96 FT NLY FROM THE N LIMIT OF EGLINTON AV AS WIDENED. THENCE N ELY IN A STRAIGHT LINE 19 FT 6 INCHES TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF LT 2 AND DISTANT 16 FT 1/2 AN INCH MEASURED ELY THEREON FROM THE N WLY ANGLE THEREOF TO A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED, DISTANT 25 FT MEASURED ELY THEREON FROM ITS INTERSECTION WITH THE WLY LIMIT OF LT 2, THE SAID POINT BEING DISTANT 10 FT 6 INCHES MORE OR LESS MEASURED SLY ON THE SAID LINE FROM THE SAID NLY LIMIT OF LT 2. THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF LT 2, 22 FT 3 1/2 INCHES MORE OR LESS TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED DISTANT 78 FT 10 INCHES MEASURED WLY FROM THE SE ANGLE OF LT 3 ON SAID PL TO A POINT IN THE N LIMIT OF SAID LT 2 DISTANT 80 FT 6 3/4 INCHES MEASURED WLY THEREON FROM THE NE ANGLE OF LT 3. THENCE NLY ALONG THE SAID LAST MENTIONED LINE 10 FT 6 INCHES MORE OR LESS TO THE NLY LIMIT OF LT 2. THENCE WLY ALONG THE NLY LIMIT OF SAID LT 2 AND 1, 39 FT 7 1/2 INCHES MORE OR LESS TO THE POC; CITY OF TORONTO

Address 366 EGLINTON AVENUE WEST  
TORONTO

**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

1000193772 ONTARIO LTD.

**Applicant(s)**

Address for Service 18 Doctors Lane, Suite 760, King City,  
ON., L7B 1A8

A person or persons with authority to bind the corporation has/have consented to the registration of this document.

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

Party To(s)	Capacity	Share
Name IMPERIO SA HOLDINGS	Tenants In Common	\$2,760,000.00 of \$4,500,000.00
Address for Service 8830 Jane Street, Vaughan ON., L4K 2M9		
Name CHEMIJ, RONALD	Joint Account, Right Of Survivorship	\$500,000.00 of \$4,500,000.00 with Mary Chemij
Address for Service 8830 Jane Street, Vaughan ON., L4K 2M9		
Name CHEMIJ, MARY	Joint Account, Right Of Survivorship	\$500,000.00 of \$4,500,000.00 with Ronald Chemij
Address for Service 8830 Jane Street, Vaughan ON., L4K 2M9		
Name CHEMIJ, TERRY	Joint Account, Right Of Survivorship	\$500,000.00 of \$4,500,000.00 with Luba Chemij
Address for Service 8830 Jane Street, Vaughan ON., L4K 2M9		
Name CHEMIJ, LUBA	Joint Account, Right Of Survivorship	\$500,000.00 of \$4,500,000.00 with Terry Chemij
Address for Service 8830 Jane Street, Vaughan ON., L4K 2M9		
Name IERFINO, DONALD	Tenants In Common	\$200,000.00 of \$4,500,000.00
Address for Service 8830 Jane Street, Vaughan ON., L4K 2M9		
Name TRILEND INC.	Tenants In Common	\$540,000.00 of \$4,500,000.00
Address for Service 8830 Jane Street, Vaughan ON., L4K 2M9		

**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, AT6297857 registered on 2023/03/17 to which this notice relates is deleted

Schedule: See Schedules

**Signed By**

Stefania Nicole Mariani 1000-120 Adelaide St. W. acting for Signed 2023 03 17  
Toronto Applicant(s)  
M5H 3V1

Tel 416-363-2211

Fax 416-363-0645

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

Stefania Nicole Mariani 1000-120 Adelaide St. W. acting for Signed 2023 03 17  
Toronto Party To(s)  
M5H 3V1

Tel 416-363-2211

Fax 416-363-0645

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

**Submitted By**

Schneider Ruggiero Spencer Milburn LLP

1000-120 Adelaide St. W.  
Toronto  
M5H 3V1

2023 03 17

Tel 416-363-2211

Fax 416-363-0645

**Fees/Taxes/Payment**

Statutory Registration Fee

\$69.00

Total Paid

\$69.00

**File Number**

Party To Client File Number :

45056 GR/SM

## GENERAL ASSIGNMENT OF LEASES AND RENTS

TO: SCHNEIDER RUGGIERO SPENCER MILBURN LLP

AND TO: IMPERIO SA HOLDINGS, RONALD CHEMIJ, MARY CHEMIJ, TERRY CHEMIJ, LUBA CHEMIJ, DONALD IERFINO, TRILEND INC.

RE: Imperio SA Holdings, Ronald Chemij, Mary Chemij, Terry Chemij, Luba Chemij, Donald Ierfino, Trilend Inc. (collectively, the "**Lenders**") loan/ mortgage to 1000193772 Ontario Ltd. and 1000195736 Ontario Ltd. (collectively, the "**Borrowers**") as guaranteed by Christopher Morgis (the "**Guarantor**") pursuant to a commitment letter dated March 10, 2023 as it may be amended from time to time (the "**Commitment Letter**") on the security of a second charge/ mortgage against lands municipally known as 366 and 368 Eglinton Avenue West (the "**Subject Properties**") and a third charge/ mortgage against lands municipally known as 350-356 Eglinton Avenue West, Toronto, Ontario (the "**Collateral Properties**") (collectively, the "**Real Properties**")

FILE NO.: 45056

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### RECITALS

#### 1.1 Description of Underlying Obligation

The Lenders (the "**Chargees**") has or is about to extend a mortgage loan in the amount of \$4,500,000.00 (the "**Loan**") to the Borrower, (the "**Chargors**") of the Real Properties pursuant to the Commitment Letter. The Chargees require that the indebtedness of the Chargors pursuant to the Commitment Letter and under the Loan be further secured by a \$4,500,000.00 mortgage on the Real Properties (the "**Charged Premises**"), (the "**Charge**") and the presents hereinafter set out.

### 2. GRANTING CLAUSES

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

- (a) All oral and written leases, offers to lease with, or other agreements for use or occupancy made to or agreed to by any person or entity (including without limitation of the foregoing, Chargors and Chargees under the powers granted herein), and any and all amendments, extensions, renewals, modifications and replacements thereof pertaining to all or any part of the Charged Premises, whether such leases or other agreements have heretofore been made or as are in the future made or agreed to (such leases, offers to lease and other use or occupancy agreements being referred to as the "**Leases**");
- (b) The rents, issues and profits (collectively the "**Rents**") which may hereafter become due pursuant to any of the Leases pertaining to all or any part of the Charged Premises;
- (c) Subject to section 4.2, all rights, powers, privileges, options and other benefits (collectively the "**Rights**") of Chargors under the Leases, including without limitation the following:
  - (i) The immediate and continuing right to receive and collect all Rents, income, revenues, insurance proceeds, condemnation awards, moneys and security deposits or the like pursuant to any of the provisions thereof, whether as Rents or otherwise (except sums payable directly to any person other than the lessor thereunder);
  - (ii) The right to make all waivers and agreements, including waivers of obligations of lessees;
  - (iii) The right to give all notices, permissions, consents and releases, including consent to the subordination of the interest of a lessee;

- (iv) The right to take such action upon the happening of a default under the Leases (including the commencement, conduct and consummation of proceedings at law or in equity) as shall be permitted under any provisions of the Leases or by law;
  - (v) The right to do any and all other things whatsoever which Chargor, as lessor, is or may become entitled to under the Leases;
  - (vi) The right to exercise any option; and
- (d) Any and all guarantees (the "**Guarantees**") of any of the Leases, and the rights, powers, privileges and other benefits of the Chargors under the Guarantees;

and Chargors authorizes Chargees in the event of Chargors' Default hereunder:

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

### 3. COVENANTS, REPRESENTATIONS AND WARRANTIES

#### 3.1 Power Coupled with Interest

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

#### 3.2 Notice of Lessor's Default

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

#### 3.3 Chargees to be Creditor of Lessee

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

### 4. DEFAULTS AND REMEDIES

#### 4.1 Defaults

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

#### 4.2 Exercise of the Assignment of Leases and Rents

- (a) Until Default shall have been made in payment of any sum as provided in the Charge, and so long as that Default is not cured, the Chargors shall be entitled to receive all Rents and other amounts payable under the Leases and Guarantees;
- (b) In the event of Default, and so long as that Default is not cured, then in addition to the rights hereby assigned to the Chargees the Chargees may collect the Rents and/or manage the Charged Premises without regard to the adequacy of the security and without waiving such Default;
- (c) In the event Chargees elects to invoke any of its rights hereunder and thereafter, for any reason, relinquishes to the Chargors such rights, this Assignment of Leases and Rents shall in no respect be terminated but instead remain in full force and effect until the indebtedness represented by the Charge is paid in full, it being the intent of the parties that Chargees shall, from time to time upon the occurrence of any Default under this Assignment of Leases and Rents and/or the Charge, have all the rights granted hereby.

#### 4.3 Nature of Remedies

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

#### 4.4 Application of Rents

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

#### 4.5 Limitation of Chargees' Obligations

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

#### 4.6 Reimbursement

Chargors shall reimburse, indemnify and hold harmless Chargees for and from any and all expenses, losses, damages and liabilities which Chargees may

reasonably incur by reason of this Assignment, any of the Leases or expenses, losses, damages and liabilities incurred in exercising any of the rights granted in this Assignment.

4.7 Authorization to Lessees

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

4.8 Discharge

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

5. **MISCELLANEOUS**

5.1 Modification of Loan Terms

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

5.2 Successors and Assigns

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

5.3 No Merger

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

5.4 Notices

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

Chargee: TRILEND INC. on behalf of the Chargee  
8830 Jane St., Woodbridge, Ontario L4K 2M9

Chargor: 1000193772 Ontario Ltd. and 1000195736 Ontario Ltd.  
18 Doctor's Lane, Suite 760, King City, Ontario L7B 1A8

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

5.5 Governing Law

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



5.6 Severability

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

5.7 Captions

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

**TAB AA**

This is **Exhibit “AA”** referred to  
in the Affidavit of Donald Ierfino  
sworn before me, the 19th day of April, 2024.



---

A Commissioner etc.

Sara Mosadeq  
LSO No.: 67864K

**Properties**

PIN 21169 - 0181 LT

**Description**

PCL 1-1-A SEC M256; PT LT 1 N/S EGLINTON AV BLK A PL M256 TORONTO; PT LT 2 N/S EGLINTON AV BLK A PL M256 TORONTO COMM AT A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED BY BY-LAW 11494 DISTANT 34 FT 6 1/2 INCHES MORE OR LESS WLY FROM ITS INTERSECTION WITH THE E LIMIT OF SAID LT 1; THENCE WLY ALONG SAID NLY LIMIT OF EGLINTON AV A DISTANCE OF 90 FT 5 1/2 INCHES MORE OR LESS TO A POINT; THENCE NLY PARALLEL TO THE LINE BTN SAID LOTS 1 AND 2 A DISTANCE OF 109 FT 11 INCHES MORE OR LESS TO A POINT DISTANT 120 FT NLY FROM THE SLY LIMIT OF SAID LT 2; THENCE ELY PARALLEL WITH THE SAID S LIMITS OF SAID LOTS 1 AND 2 A DISTANCE OF 125 FT MORE OR LESS TO THE E LIMIT OF SAID LT 1; THENCE SLY ALONG THE LAST MENTIONED LIMIT A DISTANCE OF 13 FT 11 INCHES MORE OR LESS TO A POINT; THENCE WLY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV A DISTANCE OF 34 FT 6 1/2 INCHES MORE OR LESS TO ITS INTERSECTION WITH THE PRODUCTION NLY OF THE CENTRE LINE OF THE PARTY WALL BTN THE BUILDINGS ERECTED ON THIS LAND AND ON LAND LYING ELY AND ADJACENT THERETO; THENCE SLY ALONG SAID PRODUCTION TO AND ALONG SAID CENTRE LINE OF WALL AND ITS PRODUCTION SLY IN ALL 96 FT MORE OR LESS TO THE POC; S/T A FREE AND UNINTERRUPTED ROW INGRESS AND EGRESS FOR PERSONS, ANIMALS AND VEHICLES THROUGH, ALONG AND UPON THAT CERTAIN PCL OF LAND DESCRIBED AS FOLLOWS: PARTS OF LOTS 1 AND 2 ON BLK A ON PL M256 AS FOLLOWS: COMM AT A POINT IN THE E LIMIT OF LT 1, 96 FT NLY FROM THE NLY LIMIT OF EGLINTON AV AS WIDENED BY BY-LAW 11494; THENCE WLY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV AS WIDENED 125 FT; THENCE NLY PARALLEL TO THE E LIMIT OF LT 1, 12 FT; THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV AS WIDENED 125 FT TO THE E LIMIT OF LT 1; THENCE SLY ALONG THE SAID E LIMIT 12 FT TO THE POC; PROVIDED THAT THE PROJECTIONS INCLUDING THE PROJECTION OF THE SECOND STOREY BUILDINGS SITUATE ON THE ABOVE PCL EXISTING ON THIS DATE AND A FIRE ESCAPE TO BE ERECTED IN CONNECTION THEREWITH OVER THE SAID ROW OR ANY PT THEREOF SHALL BE DEEMED NOT TO BE AN ENCROACHMENT UPON THE SAID ROW; T/W A FREE AND UNINTERRUPTED ROW, INGRESS AND EGRESS, FOR PERSONS, ANIMALS AND VEHICLES THROUGH, ALONG AND OVER THAT PT OF LT 125 ON PL M512 (BOROUGH OF E YORK) DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE ELY LIMIT OF LT 125 DISTANT 96 FT NLY FROM THE SE ANGLE OF SAID LT; THENCE WLY PARALLEL TO THE SLY LIMIT OF SAID LT, 22 FT 4 INCHES MORE OR LESS TO A POINT 77 FT 8 INCHES ELY FROM THE WLY LIMIT OF LT 124 ON SAID PL; THENCE NLY IN A STRAIGHT LINE 14 FT MORE OR LESS TO A POINT IN THE NLY LIMIT OF LT 125, 77 FT 8 INCHES ELY FROM THE NW ANGLE OF SAID LT 124; THENCE ELY ALONG THE NLY LIMIT OF LT 125, 22 FT 4 INCHES MORE OR LESS TO THE N ELY ANGLE THEREOF; THENCE SLY ALONG THE ELY LIMIT OF LT 125, 14 FT MORE OR LESS TO THE POB; T/W A FREE AND UNINTERRUPTED ROW INGRESS AND EGRESS, FOR PERSONS, ANIMALS AND VEHICLES THROUGH ALONG AND OVER PT OF LOTS 1 AND 2 ON PL M380 (CITY OF TORONTO) DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE WLY LIMIT OF LT 1, 96 FT MEASURED NLY THEREON FROM EGLINTON AV AS WIDENED UNDER BY-LAW # 11494; THENCE NLY ALONG THE SAID WLY LIMIT OF LT 1, 18 FT MORE OR LESS TO THE N WLY ANGLE THEREOF; THENCE ELY ALONG THE NLY LIMIT OF SAID LT 1, 48 FT 5 1/4 INCHES MORE OR LESS TO A POINT 1 FT 6 3/4 INCHES WLY FROM THE NE ANGLE OF LT 1; THENCE SLY ALONG A LINE WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2 AT A POINT 5 FT ELY FROM THE SW ANGLE OF LT 2 A DISTANCE OF 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM THE POC; THENCE WLY ALONG THE SAID MENTIONED LINE 49 FT 4 3/4 INCHES MORE OR LESS TO THE POC; T/W A FREE AND UNINTERRUPTED ROW INGRESS AND EGRESS FOR PERSONS, ANIMALS AND VEHICLES THROUGH OVER AND ALONG THOSE PARTS OF LOTS 1 AND 2 ON PL M380 (CITY OF TORONTO) DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE NLY LIMIT OF LT 1, 1 FT 6 3/4 INCHES WLY THEREON FROM THE N ELY ANGLE OF LT 1; THENCE SLY ALONG A LINE WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2 AT A POINT THEREIN 5 FT ELY FROM THE SW ANGLE OF LT 2, 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM A POINT IN THE W LIMIT OF LT 1, 96 FT NLY FROM THE N LIMIT OF EGLINTON AV AS WIDENED; THENCE N ELY IN A STRAIGHT LINE 19 FT 6 INCHES TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF LT 2 AND DISTANT 16 FT 1/2 INCH ELY THEREON FROM THE N WLY ANGLE THEREOF TO A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED DISTANT 25 FT ELY THEREON FROM ITS INTERSECTION WITH THE WLY LIMIT OF LT 2; THE SAID POINT BEING 10 FT 6 INCHES MORE OR LESS SLY ON THE SAID LINE FROM THE SAID NLY LIMIT OF LT 2; THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF LT 2, 22 FT 3 1/2 INCHES MORE OR LESS TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED 78 FT 10 INCHES WLY FROM THE SE ANGLE OF LT 3 ON SAID PL TO A POINT IN THE N LIMIT OF LT 2 DISTANT 80 FT 6 3/4 INCHES WLY THEREON FROM THE NE ANGLE OF LT 3; THENCE NLY ALONG THE SAID LAST MENTIONED LINE 10 FT 6 INCHES MORE OR LESS TO THE NLY LIMIT OF LT 2; THENCE WLY ALONG THE NLY LIMIT OF LOTS 2 AND 1, 39 FT 7 1/2 INCHES MORE OR LESS TO THE POC; TORONTO, CITY OF TORONTO

**Address** 368 378 EGLINTON AVE WEST  
TORONTO

**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 1000195736 ONTARIO LTD.

Address for Service 18 Doctors Lane, Suite 760, King City,  
ON., L7B 1A8

A person or persons with authority to bind the corporation has/have consented to the registration of this document.

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

<b>Party To(s)</b>	<b>Capacity</b>	<b>Share</b>
Name IMPERIO SA HOLDINGS	Tenants In Common	\$2,760,000.00 of \$4,500,000.00
Address for Service 8830 Jane Street, Vaughan ON., L4K 2M9		
Name CHEMIJ, RONALD	Joint Account, Right Of Survivorship	\$500,000.00 of \$4,500,000.00 with Mary Chemij
Address for Service 8830 Jane Street, Vaughan ON., L4K 2M9		
Name CHEMIJ, MARY	Joint Account, Right Of Survivorship	\$500,000.00 of \$4,500,000.00 with Ronald Chemij
Address for Service 8830 Jane Street, Vaughan ON., L4K 2M9		
Name CHEMIJ, TERRY	Joint Account, Right Of Survivorship	\$500,000.00 of \$4,500,000.00 with Luba Chemij
Address for Service 8830 Jane Street, Vaughan ON., L4K 2M9		
Name CHEMIJ, LUBA	Joint Account, Right Of Survivorship	\$500,000.00 of \$4,500,000.00 with Terry Chemij
Address for Service 8830 Jane Street, Vaughan ON., L4K 2M9		
Name IERFINO, DONALD	Tenants In Common	\$200,000.00 of \$4,500,000.00
Address for Service 8830 Jane Street, Vaughan ON., L4K 2M9		
Name TRILEND INC.	Tenants In Common	\$540,000.00 of \$4,500,000.00
Address for Service 8830 Jane Street, Vaughan ON., L4K 2M9		

**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, AT6297855 registered on 2023/03/17 to which this notice relates is deleted

Schedule: See Schedules

**Signed By**

Stefania Nicole Mariani 1000-120 Adelaide St. W. acting for Signed 2023 03 17  
Toronto Applicant(s)  
M5H 3V1

Tel 416-363-2211

Fax 416-363-0645

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

Stefania Nicole Mariani 1000-120 Adelaide St. W. acting for Signed 2023 03 17  
Toronto Party To(s)  
M5H 3V1

Tel 416-363-2211

**Signed By**

Fax 416-363-0645

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

**Submitted By**

Schneider Ruggiero Spencer Milburn LLP

1000-120 Adelaide St. W.  
Toronto  
M5H 3V1

2023 03 17

Tel 416-363-2211

Fax 416-363-0645

**Fees/Taxes/Payment**

Statutory Registration Fee \$69.00

Total Paid \$69.00

**File Number**

Party To Client File Number :

45056 GR/SM

## GENERAL ASSIGNMENT OF LEASES AND RENTS

TO: SCHNEIDER RUGGIERO SPENCER MILBURN LLP

AND TO: IMPERIO SA HOLDINGS, RONALD CHEMIJ, MARY CHEMIJ, TERRY CHEMIJ, LUBA CHEMIJ, DONALD IERFINO, TRILEND INC.

RE: Imperio SA Holdings, Ronald Chemij, Mary Chemij, Terry Chemij, Luba Chemij, Donald Ierfino, Trilend Inc. (collectively, the "**Lenders**") loan/ mortgage to 1000193772 Ontario Ltd. and 1000195736 Ontario Ltd. (collectively, the "**Borrowers**") as guaranteed by Christopher Morgis (the "**Guarantor**") pursuant to a commitment letter dated March 10, 2023 as it may be amended from time to time (the "**Commitment Letter**") on the security of a second charge/ mortgage against lands municipally known as 366 and 368 Eglinton Avenue West (the "**Subject Properties**") and a third charge/ mortgage against lands municipally known as 350-356 Eglinton Avenue West, Toronto, Ontario (the "**Collateral Properties**") (collectively, the "**Real Properties**")

FILE NO.: 45056

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### RECITALS

#### 1.1 Description of Underlying Obligation

The Lenders (the "**Chargees**") has or is about to extend a mortgage loan in the amount of \$4,500,000.00 (the "**Loan**") to the Borrower, (the "**Chargors**") of the Real Properties pursuant to the Commitment Letter. The Chargees require that the indebtedness of the Chargors pursuant to the Commitment Letter and under the Loan be further secured by a \$4,500,000.00 mortgage on the Real Properties (the "**Charged Premises**"), (the "**Charge**") and the presents hereinafter set out.

### 2. GRANTING CLAUSES

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

- (a) All oral and written leases, offers to lease with, or other agreements for use or occupancy made to or agreed to by any person or entity (including without limitation of the foregoing, Chargors and Chargees under the powers granted herein), and any and all amendments, extensions, renewals, modifications and replacements thereof pertaining to all or any part of the Charged Premises, whether such leases or other agreements have heretofore been made or as are in the future made or agreed to (such leases, offers to lease and other use or occupancy agreements being referred to as the "**Leases**");
- (b) The rents, issues and profits (collectively the "**Rents**") which may hereafter become due pursuant to any of the Leases pertaining to all or any part of the Charged Premises;
- (c) Subject to section 4.2, all rights, powers, privileges, options and other benefits (collectively the "**Rights**") of Chargors under the Leases, including without limitation the following:
  - (i) The immediate and continuing right to receive and collect all Rents, income, revenues, insurance proceeds, condemnation awards, moneys and security deposits or the like pursuant to any of the provisions thereof, whether as Rents or otherwise (except sums payable directly to any person other than the lessor thereunder);
  - (ii) The right to make all waivers and agreements, including waivers of obligations of lessees;
  - (iii) The right to give all notices, permissions, consents and releases, including consent to the subordination of the interest of a lessee;

- (iv) The right to take such action upon the happening of a default under the Leases (including the commencement, conduct and consummation of proceedings at law or in equity) as shall be permitted under any provisions of the Leases or by law;
- (v) The right to do any and all other things whatsoever which Chargor, as lessor, is or may become entitled to under the Leases;
- (vi) The right to exercise any option; and
- (d) Any and all guarantees (the "**Guarantees**") of any of the Leases, and the rights, powers, privileges and other benefits of the Chargors under the Guarantees;

and Chargors authorizes Chargees in the event of Chargors' Default hereunder:

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

### 3. COVENANTS, REPRESENTATIONS AND WARRANTIES

#### 3.1 Power Coupled with Interest

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

#### 3.2 Notice of Lessor's Default

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

#### 3.3 Chargees to be Creditor of Lessee

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

### 4. DEFAULTS AND REMEDIES

#### 4.1 Defaults

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



#### 4.2 Exercise of the Assignment of Leases and Rents

- (a) Until Default shall have been made in payment of any sum as provided in the Charge, and so long as that Default is not cured, the Chargors shall be entitled to receive all Rents and other amounts payable under the Leases and Guarantees;
- (b) In the event of Default, and so long as that Default is not cured, then in addition to the rights hereby assigned to the Chargees the Chargees may collect the Rents and/or manage the Charged Premises without regard to the adequacy of the security and without waiving such Default;
- (c) In the event Chargees elects to invoke any of its rights hereunder and thereafter, for any reason, relinquishes to the Chargors such rights, this Assignment of Leases and Rents shall in no respect be terminated but instead remain in full force and effect until the indebtedness represented by the Charge is paid in full, it being the intent of the parties that Chargees shall, from time to time upon the occurrence of any Default under this Assignment of Leases and Rents and/or the Charge, have all the rights granted hereby.

#### 4.3 Nature of Remedies

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

#### 4.4 Application of Rents

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

#### 4.5 Limitation of Chargees' Obligations

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

#### 4.6 Reimbursement

Chargors shall reimburse, indemnify and hold harmless Chargees for and from any and all expenses, losses, damages and liabilities which Chargees may

reasonably incur by reason of this Assignment, any of the Leases or expenses, losses, damages and liabilities incurred in exercising any of the rights granted in this Assignment.

4.7 Authorization to Lessees

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

4.8 Discharge

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

5. **MISCELLANEOUS**

5.1 Modification of Loan Terms

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

5.2 Successors and Assigns

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

5.3 No Merger

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

5.4 Notices

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

Chargee: TRILEND INC. on behalf of the Chargee  
8830 Jane St., Woodbridge, Ontario L4K 2M9

Chargor: 1000193772 Ontario Ltd. and 1000195736 Ontario Ltd.  
18 Doctor's Lane, Suite 760, King City, Ontario L7B 1A8

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

5.5 Governing Law

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

5.6 Severability

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

5.7 Captions

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

**TAB BB**

This is **Exhibit “BB”** referred to  
in the Affidavit of Donald Ierfino  
sworn before me, the 19th day of April, 2024.



---

A Commissioner etc.

Sara Mosadeq  
LSO No.: 67864K

## GUARANTEE

TO: SCHNEIDER RUGGIERO SPENCER MILBURN LLP

AND TO: IMPERIO SA HOLDINGS, RONALD CHEMIJ, MARY CHEMIG, TERRY CHEMIJ, LUBA CHEMIG, DONALD IERFINO, TRILEND INC.

RE: Imperio SA Holdings, Ronald Chemij, Mary Chemig, Terry Chemij, Luba Chemig, Donald Ierfino, Trilend Inc. (collectively, the "**Lenders**") loan/ mortgage to 1000193772 Ontario Ltd. and 1000195736 Ontario Ltd. (collectively, the "**Borrowers**") as guaranteed by Christopher Morgis (the "**Guarantor**") pursuant to a commitment letter dated March 10, 2023 as it may be amended from time to time (the "**Commitment Letter**") on the security of a second charge/ mortgage against lands municipally known as 366 and 368 Eglinton Avenue West (the "**Subject Properties**") and a third charge/ mortgage against lands municipally known as 350-356 Eglinton Avenue West, Toronto, Ontario (the "**Collateral Properties**") (collectively, the "**Real Properties**")

FILE NO.: 45056

IN CONSIDERATION of **Lenders** dealing with the **Borrowers**, the undersigned and each of them, if more than one, hereby jointly and severally guarantee payment to the Lenders of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Borrowers to the Lenders or remaining unpaid by the Borrowers to the Lenders, whether arising from dealings between the Borrowers and the Lenders or from any other dealings by which the Borrowers may become in any manner whatever liable to the Lenders either alone or jointly with any other corporation, person or persons or otherwise including all costs and disbursements incurred by the Lenders with a view to recovering or attempting to recover said debts and liabilities (such debts and liabilities being herein called the "**Guaranteed Liabilities**") provided that the liability of the undersigned and of each of them, if more than one, is limited to \$33,000,000.00 of the loan amounts together with all costs, charges, expenses and interest accruing from date of demand for payment at the rate of 9.85% per annum.

AND THE UNDERSIGNED and each of them, if more than one, hereby, jointly and severally agrees with the Lenders as follows:

1. In this guarantee the word "**Guarantor**" shall mean the undersigned and, if there is more than one guarantor, it shall mean each of them.
2. This guarantee shall be a continuing guarantee of one hundred percent (100%) of the **Guaranteed Liabilities** and shall apply to and secure any ultimate balance due or remaining unpaid to the Lenders and this guarantee shall not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Lenders.
3. The Lenders shall not be bound to exhaust its recourse against the Borrowers or others or any security or other guarantees before being entitled to payment from the Guarantor of the **Guaranteed Liabilities** and it shall not be obliged to deliver its security before its whole claim has been paid.
4. The Guarantor's liability to make payment under this guarantee shall arise forthwith after demand for payment has been made in writing on the undersigned or any one of them, if more than one, and such demand shall be deemed to have been duly made when delivered to or served at the address of the undersigned or such one of them last known to the Lenders, on the third business day following posting if sent by regular mail, postage prepaid, to such address, or on the business day next following if sent by facsimile transmission.
5. In addition to the Lender's right to demand payment at any time, upon default in payment of any sum owing by the Borrowers to the Lenders at any time, the Lenders may treat all **Guaranteed Liabilities** as due and payable and may forthwith collect from the Guarantor the total amount hereby guaranteed and may apply the sum so collected upon the **Guaranteed Liabilities** or may place it to the credit of a special account. A written statement of the Lenders as to the amount remaining unpaid to the Lenders at any time by the Borrowers shall, if agreed to by the Borrowers, be conclusive evidence and shall, in any event, be prima facie evidence against the Guarantor as to the amount remaining unpaid to the Lenders at such time by the Borrowers.



6. This guarantee shall be in addition to and not in substitution for any other guarantees or other security which the Lenders may now or hereafter hold in respect of the Guaranteed Liabilities and the Lenders shall be under no obligation to marshal in favour of the Guarantor any other guarantees or other security or any moneys or other assets which the Lenders may be entitled to receive or may have a claim upon and no loss of or in respect of or unenforceability of any other guarantees or other security which the Lenders may now or hereafter hold in respect of the Guaranteed Liabilities, whether occasioned by the fault of the Lenders or otherwise, shall in any way limit or lessen the Guarantor's liability.
7. Without prejudice to or in any way limiting or lessening the Guarantor's liability and without obtaining the consent of or giving notice to the Guarantor, the Lenders may discontinue, reduce, increase or otherwise vary the credit of the Borrowers, may grant time, renewals, extensions, indulgences, releases and discharges to and accept compositions from or otherwise deal with the Borrowers and others, including the Guarantor and any other guarantor as the Lenders may see fit, and the Lenders may apply all money received from the Borrowers or others or from security or guarantees upon such parts of the Guaranteed Liabilities as the Lenders may see fit and change any such application in whole or in part from time to time.
8. Until repayment in full of all the Guaranteed Liabilities, all dividends, compositions, proceeds of security, security valued or payments received by the Lenders from the Borrowers or others or from estates in respect of the Guaranteed Liabilities shall be regarded for all purposes as payments in gross without any right on the part of the Guarantor to claim the benefit thereof in reduction of the liability under this guarantee, and the Guarantor shall not claim any set-off or counterclaim against the Borrowers in respect of any liability of the Borrowers to the Guarantor, claim or prove in the Bankruptcy or insolvency of the Borrowers in competition with the Lenders or have any right to be subrogated to the Lenders.
9. This guarantee shall not be discharged or otherwise affected by the death or loss of capacity of the Borrowers, by any change in the name of the Borrowers, or in the membership of the Borrowers, if a partnership, or in the objects, capital structure or constitution of the Borrowers, if a corporation, or by the sale of the Borrower's business or any part thereof or by the Borrowers amalgamating with a corporation, but shall, notwithstanding any such event, continue to apply to all Guaranteed Liabilities whether theretofore or thereafter incurred and in the case of a change in the membership of a Borrowers which is a partnership or in the case of liabilities of the resulting partnership or corporation, the term "**Borrowers**" shall include each such resulting partnership and corporation.
10. The Guarantor represents and warrants to the Lenders that it is fully aware of the financial condition of the Borrowers and agrees to monitor changes in the financial condition of the Borrowers. The Guarantor acknowledges that the Lenders has made no representations or warranties regarding the financial condition of the Borrowers, that the Lenders expressly disclaims any obligation to advise the Guarantor of any changes in the financial condition of the Borrowers and hereby releases the Lenders from any liability arising therefrom.
11. All advances, renewals and credits made or granted by the Lenders to or for the Borrowers after the death, loss of capacity, Bankruptcy or insolvency of the Borrowers, but before the Lenders has received notice thereof shall be deemed to form part of the Guaranteed Liabilities and all advances, renewals and credits obtained from the Lenders by or on behalf of the Borrowers shall be deemed to form part of the Guaranteed Liabilities notwithstanding any lack or limitation of power, incapacity or disability of the Borrowers or of the directors, partners or agents thereof, or that the Borrowers may not be a legal or suable entity, or any irregularity, defect or informality in the obtaining of such advances, renewals or credits, whether or not the Lenders had knowledge thereof; and any such advance, renewal or credit which may not be recoverable from the undersigned as guarantor(s) shall be recoverable from the undersigned and each of them, if more than one, jointly and severally as principal debtor(s) in respect thereof and shall be paid to the Lenders on demand.
12. All debts and liabilities, present and future, of the Borrowers to the Guarantor are hereby assigned to the Lenders and postponed to the Guaranteed Liabilities and all money received by the Guarantor in respect thereof shall be received in trust for the Lenders and forthwith upon receipt shall be paid over to the Lenders, the whole without in any way lessening or limiting the liability of the Guarantor under this guarantee; and this assignment and postponement is independent of the guarantee and shall remain in full force and effect until repayment in full to the Lenders of all the Guaranteed Liabilities,

notwithstanding that the liability of the undersigned or any of them under this guarantee may have been discharged or terminated.

13. This guarantee embodies all the agreements between the parties hereto relative to the guarantee, assignment and postponement and none of the parties shall be bound by any representation or promise made by any person relative thereto which is not embodied herein and it is specifically agreed that the Lenders shall not be bound by any representations or promises made by the Borrowers to the Guarantor. Possession of this instrument by the Lenders shall be conclusive evidence against the Guarantor that the instrument was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been fulfilled.
14. This guarantee shall be binding upon every signatory hereof notwithstanding the non-execution hereof or of a similar guarantee by any other proposed signatory or signatories.
15. This guarantee shall not be discharged or affected by the death of the undersigned or any of them, if more than one, and shall enure to the benefit of and be binding upon the Lenders, its successors and assigns, and the Guarantor, its heirs, executors, administrators, successors and assigns.
16. This guarantee shall be governed in all respects by the laws of the Province of Ontario and the laws of Canada applicable therein.
17. The undersigned are domiciled at the locations disclosed on identification presented to the Lenders and/ or Lender's counsel and will not change such domicile without providing the Lenders with prior written notice setting forth its new domicile and the effective date of the change.
18. The Guarantor acknowledges having read this guarantee before signing it and declares that he/she/it understands the terms, conditions and undertakings contained herein. The Guarantor acknowledges receipt of a fully executed copy of this guarantee hereby waives any right to receive a copy of any financing statement, financing change statement or verification statement filed at any time in connection with this guarantee.

DATED this 17 day of March 2023

Witness:

GORDON H. HUNTER



Christopher Morgis



**TAB CC**

This is **Exhibit “CC”** referred to  
in the Affidavit of Donald Ierfino  
sworn before me, the 19th day of April, 2024.



---

A Commissioner etc.

Sara Mosadeq  
LSO No.: 67864K

## Omni Baroi

---

**From:** Donald Ierfino <donaId@trilend.com>  
**Sent:** May 30, 2023 2:13 PM  
**To:** Chris Morgis  
**Cc:** Bryce Coates; tcpizzardi@gmail.com; gpizz@hotmail.com  
**Subject:** Trilend Mortgage #1115, 2744746 Ontario Ltd., 346, 350, 352, 356 Eglinton Ave W and Trilend Mortgage #1131, 1000193772 Ontario Ltd., 366, 368 Eglinton Ave W

Hi Chris,

Hope you are keeping well.

We would like to notify you that your mortgages on 346, 350, 352, 356, 366, and 368 Eglinton Ave W, with Trilend Inc. are coming due on September 1, 2023.

We will not be in position to offer renewal and would require repayment of the mortgage at maturity.

This email is being issued at this point to ensure that you have ample time to arrange an alternative source of financing.

Can you please contact Bryce Coates (289-981-8286), and let him know your plan for payout.

Best regards,

Donald Ierfino



8830 Jane Street  
Vaughan, Ontario L4K2M9

**O: (905) 851-5565 x 206**  
**C: (647) 839-5656**  
[donaId@trilend.com](mailto:donaId@trilend.com)

**Agent #M20000090**  
**FSCO Brokerage #12788**  
**FSCO Administration #12832**

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**TAB DD**

This is **Exhibit “DD”** referred to  
in the Affidavit of Donald Ierfino  
sworn before me, the 19th day of April, 2024.



---

A Commissioner etc.

Sara Mosadeq  
LSO No.: 67864K

## ACKNOWLEDGEMENT AND DIRECTION

TO: SCHNEIDER RUGGIERO SPENCER MILBURN LLP

AND TO: 1599285 ONTARIO LIMITED and RICK BERWICK FAMILY TRUST and 2702749 ONTARIO INC. and PETER & CROCETTA ADAMO and A-ONE AUTO INVESTMENTS INC. and CINZIA SORRENTI and ELCRM HOLDINGS INC. and SERGIO MOLELLA and DONALD IERFINO and SALISI INVESTMENTS INC. and CARMEN ANTONINI and TINA BETTI and ANTHONY & GIUSEPPINA BONDI and C.P.M.C. MARQUEZ HOLDINGS INC. and AMOND MANAGEMENT INC. and PIZZARDI INVESTMENTS and ANJAY LIMITED and NINA ROCCA and GABRIELE PIZZARDI and ANTONIO PIZZARDI

RE: 1599285 Ontario Limited and Rick Berwick Family Trust and 2702749 Ontario Inc. and Peter & Crocetta Adamo and A-One Auto Investments Inc. and Cinzia Sorrenti and ELCRM Holdings Inc. and Sergio Molella and Donald Ierfino and Salisi Investments Inc. and Carmine Antonini and Tina Betti and Anthony & Giuseppina Bondi and C.P.M.C. Marquez Holdings Inc. and Amond Management Inc. and Pizzardi Investments and Anjay Limited and Nina Rocca and Gabriele Pizzardi and Antonio Pizzardi (the "**Lender**") loan/mortgage to 2744746 Ontario Ltd. (the "**Borrower**") as guaranteed by Christopher Morgis and Morgis Group (the "**Guarantor**"), pursuant a commitment letter dated 6<sup>th</sup> of April 2021 as it may be amended from time to time (the "**Commitment**") on the security of a first charge/ mortgage against those lands and premises municipally known as 346-350 Eglinton Avenue W., Toronto ON and 352-356 Eglinton Avenue W., Toronto ON and legally described in PIN 21169-0183 (LT) and PIN 21169-0184 (LT) ("**Real Property**")

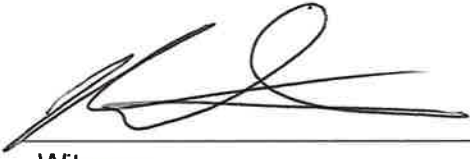
FILE NO.: 42919

This will confirm that:

1. The undersigned have reviewed the information contained on the document(s) attached hereto for identification purposes and confirms this information is accurate;
2. You are authorized and directed to register electronically on our behalf the following documents, copies of which are attached hereto for identification purposes:
  - (i) Notice re Amending Charge of the First Priority Charge/ Mortgage of the Real Property and Collateral Property in favour of **THE LENDER** in the principal amount of \$15,500,000.00;
3. The effect of the electronic Document(s) described in this Acknowledgment and Direction has been fully explained to the undersigned and understand that it is a party to and is bound by the terms and provisions of the electronic Document(s) to the same extent as if the undersigned had signed this Acknowledgment and Direction;
4. You are hereby authorized and directed to insert any information that may be required in the Document(s) that may not be available to you at the time of execution of this Acknowledgment and Direction;
5. You are hereby authorized to make any minor, non-material alterations that may be required to effect certification of the Document(s) by the Land Registry Office;
6. In the event of any investigation by the Director of Land Registration appointed under subsection 6(1) of the *Registry Act* (the "**Director**") regarding suspected fraudulent or unlawful activity or registration in connection with the Document(s), the undersigned hereby consents to you releasing to the Director a true copy of this Acknowledgement and Direction, upon request by the Director;
7. The undersigned are, in fact, the party named in the electronic Document(s) described in this Acknowledgment and Direction and the undersigned have not misrepresented their identity to you; and
8. You are hereby authorized to rely on a telefaxed or electronically transmitted executed copy of this Acknowledgment and Direction as if it was an originally signed copy.

9. This document may be executed in multiple counterparts, each of which shall be deemed to be an original document and all of which shall constitute one document. All counterparts shall be construed together and shall constitute one and the same document.

DATED this 7<sup>th</sup> day of September 2023



Witness:

**2744746 ONTARIO LTD. (Borrower)**

Per:



Name:

Title:

I have authority to bind the corporation

**MORGIS GROUP (Guarantor)**

Per:



Name:

Title:

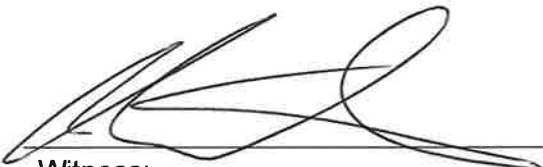
I have authority to bind the corporation



**Christopher Morgis (Guarantor)**



Witness:



Witness:

## AGREEMENT AMENDING CHARGE

### WHEREAS:

- (A) By a Charge of land registered in the Land Registry Office for the Land Titles Division of the City of Toronto (No. 80) on 16 July 2021 as Instrument No. AT5801727.

2744746 ONTARIO LTD and MORGIS GROUP (the “**Chargor**”)

gave a Charge upon the lands described therein (the “**Real Property**”) in favour of

1599285 ONTARIO LIMITED and RICK BERWICK FAMILY TRUST and 2702749 ONTARIO INC. and PETER & CROSETTA ADAMO and A-ONE AUTO INVESTMENTS INC. and CINZIA SORRENTI and ELCRM HOLDINGS INC. and SERGIO MOLELLA and DONALD IERFINO and SALISI INVESTMENTS INC. and CARMEN ANTONINI and TINA BETTI and ANTHONY & GIUSEPPINA BONDI and C.P.M.C. MARQUEZ HOLDINGS INC. and AMOND MANAGEMENT INC. and PIZZARDI INVESTMENTS and ANJAY LIMITED and NINA ROCCA and GABRIELE PIZZARDI and ANTONIO PIZZARDI

(the “**Chargee**”)

as guaranteed by CHRISTOPHER MORGIS

to secure the payment of the principal sum of **FIFTEEN MILLION FIVE HUNDRED THOUSAND DOLLARS (\$15,500,000.00)** with interest as therein set out upon the terms therein mentioned;

- (B) The parties hereto signing as Chargor, Chargee and Guarantor have agreed to vary certain terms of the Charge as hereinafter set out.

**NOW THEREFORE** in consideration of the mutual covenants and agreements as set out herein, the Charge is hereby amended from and including the 1<sup>st</sup> day of September 2023 (the “**Effective Date**”) as follows:

1. The term is extended for one (1) month to 1<sup>st</sup> of October 2023
2. The interest rate for the term of the extension is 10.00% per annum, calculated monthly and payable by way of a one (1) month interest reserve;
3. A renewal fee in the amount of half a percent (0.50%) of the principal sum outstanding for the term of the extension or any partial month thereof, of the principal amount is deemed earned and received by Trilend Inc. on September 1, 2023;
4. All legal costs associated with the deferral and amending agreement are to be collected at discharge of the Charge;
5. Confirmation of ability to pay by way of 6 months of current bank statements.
6. Confirmation that all CRA accounts are up to date and in good standing;
7. Confirmation that property taxes are up to date and in good standing;
8. In all other respects the parties hereto confirm the terms and conditions contained in the aforesaid Charge and all other security documents related to or given in conjunction with the Charge which security documents shall continue in full force and effect in all respects.
9. The Chargor and Guarantor hereby covenants with the Chargee to pay the said principal and interest at the rate and in the manner hereinbefore mentioned, and well and truly to keep, observe, perform and fulfill all the covenants, provisos and agreements in the said Charge contained.
10. Provided further that nothing herein contained shall create any merger or alter the rights of the Chargee as against any subsequent encumbrancer or other person interested in the Real Property, nor affect the liability of any person not a party hereto who may be liable to pay the said mortgage money or the rights of any such person all of which rights are hereby reserved.
11. In construing this document, the words “Chargor”, “Chargee” and “Guarantor” and all personal pronouns shall be read as the number and gender of the party or parties referred requires and all necessary grammatical changes, as the context requires, shall be deemed to be made.
12. The provisions of this document shall enure to and be binding upon the executors, administrators, successors and assigns of each party and all covenants, liabilities and obligations shall be joint and several.



DATED this 7<sup>th</sup> day of September 2023

2744746 ONTARIO LTD. (Borrower)

Per:



---

Name:

Title:

I have authority to bind the corporation

MORGIS GROUP (Guarantor)

Per:



---

Name:

Title:

I have authority to bind the corporation



---

Christopher Morgis (Guarantor)



## ACKNOWLEDGEMENT AND DIRECTION

TO: SCHNEIDER RUGGIERO SPENCER MILBURN LLP

AND TO: IMPERIO SA HOLDINGS INC, and RONALD CHEMIJ and MARY CHEMIJ and TERRY CHEMIJ and LUBA CHEMIJ and DONALD IERFINO and TRILEND INC.

RE: Imperio SA Holdings Inc. and Ronald Chemij and Mary Chemij and Terry Chemij and Luba Chemij and Donald Ierfino and TriLend Inc. (the "**Borrower**") as guaranteed by Christopher Morgis and Morgis Group (the "**Guarantor**"), pursuant a commitment letter dated 3<sup>rd</sup> of March 2023 as it may be amended from time to time (the "**Commitment**") on the security of a first charge/ mortgage against those lands and premises municipally known as 346-350 Eglinton Avenue W., Toronto ON and 352-356 Eglinton Avenue W., Toronto ON and 366,368 Eglinton Avenue W., Toronto ON and legally described in PIN 21169-0181 (LT) ("**Real Property**")

FILE NO.: 45056

This will confirm that:

1. The undersigned have reviewed the information contained on the document(s) attached hereto for identification purposes and confirms this information is accurate;
2. You are authorized and directed to register electronically on our behalf the following documents, copies of which are attached hereto for identification purposes:
  - (i) Notice re Amending Charge of the First Priority Charge/ Mortgage of the Real Property and Collateral Property in favour of **THE LENDER** in the principal amount of \$4,500,000.00;
3. The effect of the electronic Document(s) described in this Acknowledgment and Direction has been fully explained to the undersigned and understand that it is a party to and is bound by the terms and provisions of the electronic Document(s) to the same extent as if the undersigned had signed this Acknowledgment and Direction;
4. You are hereby authorized and directed to insert any information that may be required in the Document(s) that may not be available to you at the time of execution of this Acknowledgment and Direction;
5. You are hereby authorized to make any minor, non-material alterations that may be required to effect certification of the Document(s) by the Land Registry Office;
6. In the event of any investigation by the Director of Land Registration appointed under subsection 6(1) of the *Registry Act* (the "**Director**") regarding suspected fraudulent or unlawful activity or registration in connection with the Document(s), the undersigned hereby consents to you releasing to the Director a true copy of this Acknowledgement and Direction, upon request by the Director;
7. The undersigned are, in fact, the party named in the electronic Document(s) described in this Acknowledgment and Direction and the undersigned have not misrepresented their identity to you; and
8. You are hereby authorized to rely on a telefaxed or electronically transmitted executed copy of this Acknowledgment and Direction as if it was an originally signed copy.
9. This document may be executed in multiple counterparts, each of which shall be deemed to be an original document and all of which shall constitute one document. All counterparts shall be construed together and shall constitute one and the same document.

DATED this 7<sup>th</sup> day of September 2023

**2744746 ONTARIO LTD. (Borrower)**

  
Witness:

Per:

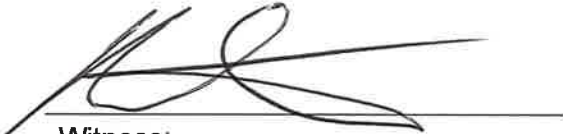


Name:

Title:

I have authority to bind the corporation

**MORGIS GROUP (Guarantor)**

  
Witness:

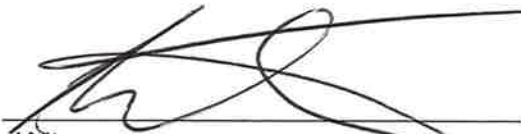
Per:



Name:

Title:

I have authority to bind the corporation

  
Witness:



**Christopher Morgis** (Guarantor)

## AGREEMENT AMENDING CHARGE

### WHEREAS:

- (A) By a Charge of land registered in the Land Registry Office for the Land Titles Division of the City of Toronto (No. 80) on 17<sup>th</sup> of March 2023 as Instrument No. AT6297855.

2744746 ONTARIO LTD and MORGIS GROUP (the “**Chargor**”)

gave a Charge upon the lands described therein (the “**Real Property**”) in favour of

IMPERIO SA HOLDINGS INC, and RONALD CHEMIJ and MARY CHEMIJ and TERRY CHEMIJ and LUBA CHEMIJ and DONALD IERFINO and TRILEND INC. (the “**Chargee**”)

as guaranteed by CHRISTOPHER MORGIS

to secure the payment of the principal sum of **FOUR MILLION FIVE HUNDRED THOUSAND DOLLARS (\$4,500,000.00)** with interest as therein set out upon the terms therein mentioned;

- (B) The parties hereto signing as Chargor, Chargee and Guarantor have agreed to vary certain terms of the Charge as hereinafter set out.

**NOW THEREFORE** in consideration of the mutual covenants and agreements as set out herein, the Charge is hereby amended from and including the 1<sup>st</sup> day of September 2023 (the “**Effective Date**”) as follows:

1. The term is extended for one (1) month to 1<sup>st</sup> of October 2023
2. The interest rate for the term of the extension is 12.50% per annum, calculated monthly and payable by way of a one (1) month interest reserve;
3. A renewal fee in the amount of half a percent (50%) of the principal sum outstanding for the term of the extension or any partial month thereof, of the principal amount is deemed earned and received by Trilend Inc. on September 1, 2023;
4. All legal costs associated with the deferral and amending agreement are to be collected at discharge of the Charge;
5. Confirmation of ability to pay by way of 6 months of current bank statements.
6. Confirmation that all CRA accounts are up to date and in good standing;
7. Confirmation that property taxes are up to date and in good standing;
8. In all other respects the parties hereto confirm the terms and conditions contained in the aforesaid Charge and all other security documents related to or given in conjunction with the Charge which security documents shall continue in full force and effect in all respects.
9. The Chargor and Guarantor hereby covenants with the Chargee to pay the said principal and interest at the rate and in the manner hereinbefore mentioned, and well and truly to keep, observe, perform and fulfill all the covenants, provisos and agreements in the said Charge contained.
10. Provided further that nothing herein contained shall create any merger or alter the rights of the Chargee as against any subsequent encumbrancer or other person interested in the Real Property, nor affect the liability of any person not a party hereto who may be liable to pay the said mortgage money or the rights of any such person all of which rights are hereby reserved.
11. In construing this document, the words “Chargor”, “Chargee” and “Guarantor” and all personal pronouns shall be read as the number and gender of the party or parties referred requires and all necessary grammatical changes, as the context requires, shall be deemed to be made.
12. The provisions of this document shall enure to and be binding upon the executors, administrators, successors and assigns of each party and all covenants, liabilities and obligations shall be joint and several.

DATED this 7<sup>th</sup> day of September 2023

2744746 ONTARIO LTD. (Borrower)

Per:



---

Name:

Title:

I have authority to bind the corporation

MORGIS GROUP (Guarantor)

Per:



---

Name:

Title:

I have authority to bind the corporation



---

Christopher Morgis (Guarantor)



## ACKNOWLEDGEMENT AND DIRECTION

TO: SCHNEIDER RUGGIERO SPENCER MILBURN LLP

AND TO: FREDY ROSSI and 2438747 ONTARIO LIMITED and 2205633 ONTARIO LIMITED and 1620375 ONTARIO LIMITED and 1288601 ONTARIO LIMITED and AMSTEL MANUFACTURING (1993) INC. and BRUCE MCKINLAY and SALISI INVESTMENTS LTD., and M ANTONINI HOLDINGS INC. and GABRIELE PIZZARDI

RE: Fredy Rossi and 2438747 Ontario Limited and 2205633 Ontario Limited and 1620375 Ontario Limited and 1288601 Ontario Limited and Amstel Manufacturing (1993) Inc. and Bruce McKinlay and Salisi Investments Ltd., and M Antonini Holdings Inc. and Gabriele Pizzardi (the "**Lender**") loan/mortgage to 1000195736 Ontario Ltd. (the "**Borrower**") as guaranteed by Christopher Morgis (the "**Guarantor**"), pursuant a commitment letter dated 6<sup>th</sup> of April 2022 as it may be amended from time to time (the "**Commitment**") on the security of a first charge/ mortgage against those lands and premises municipally known as 366 and 368 Eglinton Ave. W., Toronto ON and on the security of a second charge/mortgage against those lands and premises municipally known as 346-350 Eglinton Avenue W., Toronto ON and 352-356 Eglinton Avenue W., Toronto ON and legally described in PIN 21169-0181 (LT) and PIN 21169-0183 (LT) and PIN 21169-0184 (LT) ("**Real Property**")


FILE NO.: 44072

This will confirm that:

1. The undersigned have reviewed the information contained on the document(s) attached hereto for identification purposes and confirms this information is accurate;
2. You are authorized and directed to register electronically on our behalf the following documents, copies of which are attached hereto for identification purposes:
  - (i) Notice re Amending Charge of the First Priority Charge/ Mortgage of the Real Property and Collateral Property in favour of **THE LENDER** in the principal amount of \$33,000,000.00;
3. The effect of the electronic Document(s) described in this Acknowledgment and Direction has been fully explained to the undersigned and understand that it is a party to and is bound by the terms and provisions of the electronic Document(s) to the same extent as if the undersigned had signed this Acknowledgment and Direction;
4. You are hereby authorized and directed to insert any information that may be required in the Document(s) that may not be available to you at the time of execution of this Acknowledgment and Direction;
5. You are hereby authorized to make any minor, non-material alterations that may be required to effect certification of the Document(s) by the Land Registry Office;
6. In the event of any investigation by the Director of Land Registration appointed under subsection 6(1) of the *Registry Act* (the "**Director**") regarding suspected fraudulent or unlawful activity or registration in connection with the Document(s), the undersigned hereby consents to you releasing to the Director a true copy of this Acknowledgement and Direction, upon request by the Director;
7. The undersigned are, in fact, the party named in the electronic Document(s) described in this Acknowledgment and Direction and the undersigned have not misrepresented their identity to you; and
8. You are hereby authorized to rely on a telefaxed or electronically transmitted executed copy of this Acknowledgment and Direction as if it was an originally signed copy.
9. This document may be executed in multiple counterparts, each of which shall be deemed to be an original document and all of which shall constitute one document. All counterparts shall be construed together and shall constitute one and the same document.



DATED this 7<sup>th</sup> day of September 2023

  
Witness

**1000195736 ONTARIO LTD. (Borrower)**

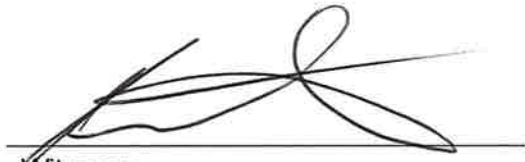
Per:



Name:

Title:

I have authority to bind the corporation

  
Witness:

**2744746 ONTARIO LTD. (Borrower)**

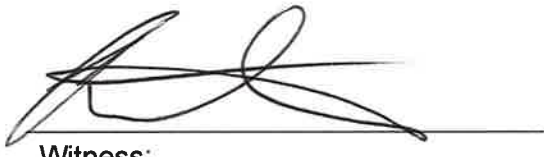
Per:



Name:

Title:

I have authority to bind the corporation

  
Witness:

**MORGIS GROUP (Guarantor)**


Per:



Name:

Title:

I have authority to bind the corporation

  
Witness:

**Christopher Morgis (Guarantor)**

## AGREEMENT AMENDING CHARGE

### WHEREAS:

- (A) By a Charge of land registered in the Land Registry Office for the Land Titles Division of the City of Toronto (No. 80) on 18<sup>th</sup> of May 2022 as Instrument No. AT6082633.

1000195736 Ontario Ltd. (the “**Chargor**”)

gave a Charge upon the lands described therein (the “**Real Property**”) in favour of

FREDY ROSSI and 2438747 ONTARIO LIMITED and 2205633 ONTARIO LIMITED and 1620375 ONTARIO LIMITED and 1288601 ONTARIO LIMITED and AMSTEL MANUFACTURING (1993) INC. and BRUCE MCKINLAY and SALISI INVESTMENTS LTD., and M ANTONINI HOLDINGS INC. and GABRIELE PIZZARDI

(the “**Chargee**”)

as guaranteed by CHRISTOPHER MORGIS

to secure the payment of the principal sum of **THIRTY THREE MILLION (\$33,000,000.00)** with interest as therein set out upon the terms therein mentioned;

- (B) The parties hereto signing as Chargor, Chargee and Guarantor have agreed to vary certain terms of the Charge as hereinafter set out.

**NOW THEREFORE** in consideration of the mutual covenants and agreements as set out herein, the Charge is hereby amended from and including the 1<sup>st</sup> day of September 2023 (the “**Effective Date**”) as follows:

1. The term is extended for ONE (1) month to 1st day of October 2023;
2. The interest rate for the term of the extension is 10.50% per annum, calculated monthly and payable by way of a one (1) month interest reserve;
3. A renewal fee in the amount of half a percent (0.50%) of the principal sum outstanding for the term of the extension or any partial month thereof of the principal amount is deemed earned and received by Trilend Inc. on September 1, 2023;
4. All legal costs associated with the deferral and amending agreement are to be collected at discharge of the Charge;
5. Confirmation of ability to pay by way of 6 months of current bank statements.
6. Confirmation that all CRA accounts are up to date and in good standing;
7. Confirmation that property taxes are up to date and in good standing;
8. In all other respects the parties hereto confirm the terms and conditions contained in the aforesaid Charge and all other security documents related to or given in conjunction with the Charge which security documents shall continue in full force and effect in all respects.
9. The Chargor and Guarantor hereby covenants with the Chargee to pay the said principal and interest at the rate and in the manner hereinbefore mentioned, and well and truly to keep, observe, perform and fulfill all the covenants, provisos and agreements in the said Charge contained.
10. Provided further that nothing herein contained shall create any merger or alter the rights of the Chargee as against any subsequent encumbrancer or other person interested in the Real Property, nor affect the liability of any person not a party hereto who may be liable to pay the said mortgage money or the rights of any such person all of which rights are hereby reserved.
11. In construing this document, the words “Chargor”, “Chargee” and “Guarantor” and all personal pronouns shall be read as the number and gender of the party or parties referred requires and all necessary grammatical changes, as the context requires, shall be deemed to be made.
12. The provisions of this document shall enure to and be binding upon the executors, administrators, successors and assigns of each party and all covenants, liabilities and obligations shall be joint and several.

DATED this 7<sup>th</sup> day of September 2023

1000195736 ONTARIO LTD. (Borrower)

Per:



Name:

Title:

I have authority to bind the corporation

2744746 ONTARIO LTD. (Borrower)

Per:



Name:

Title:

I have authority to bind the corporation

MORGIS GROUP (Guarantor)

Per:



Name:

Title:

I have authority to bind the corporation



Christopher Morgis (Guarantor)

# TABLE

This is **Exhibit “EE”** referred to  
in the Affidavit of Donald Ierfino  
sworn before me, the 19th day of April, 2024.



---

A Commissioner etc.

Sara Mosadeq  
LSO No.: 67864K

## AGREEMENT AMENDING CHARGE

### WHEREAS:

- (A) By a Charge of land registered in the Land Registry Office for the Land Titles Division of the City of Toronto (No. 80) on 16 July 2021 as Instrument No. AT5801727.

2744746 ONTARIO LTD and MORGIS GROUP (the "Chargor")

gave a Charge upon the lands described therein (the "Real Property") in favour of

1599285 ONTARIO LIMITED and RICK BERWICK FAMILY TRUST and 2702749 ONTARIO INC. and PETER & CROCETTA ADAMO and A-ONE AUTO INVESTMENTS INC. and CINZIA SORRENTI and ELCRM HOLDINGS INC. and SERGIO MOLELLA and DONALD IERFINO and SALISI INVESTMENTS INC. and CARMEN ANTONINI and TINA BETTI and ANTHONY & GIUSEPPINA BONDI and C.P.M.C. MARQUEZ HOLDINGS INC. and AMOND MANAGEMENT INC. and PIZZARDI INVESTMENTS and ANJAY LIMITED and NINA ROCCA and GABRIELE PIZZARDI and ANTONIO PIZZARDI

(the "Chargee")

as guaranteed by CHRISTOPHER MORGIS

to secure the payment of the principal sum of **FIFTEEN MILLION FIVE HUNDRED THOUSAND DOLLARS (\$15,500,000.00)** with interest as therein set out upon the terms therein mentioned;

- (B) The parties hereto signing as Chargor, Chargee and Guarantor have agreed to vary certain terms of the Charge as hereinafter set out.

**NOW THEREFORE** in consideration of the mutual covenants and agreements as set out herein, the Charge is hereby amended from and including the 1<sup>st</sup> day of October 2023 (the "Effective Date") as follows:

1. The term is extended for two (2) months to 1<sup>st</sup> of December 2023
2. The interest rate for the term of the extension is 10.00% per annum, calculated monthly and payable by way of a one (1) month interest reserve;
3. A renewal fee in the amount of half a percent (0.50%) of the principal sum outstanding for the term of the extension or any partial month thereof, of the principal amount is deemed earned and received by Trilend Inc. on October 1, 2023;
4. All legal costs associated with the deferral and amending agreement are to be collected at discharge of the Charge;
5. Confirmation of ability to pay by way of 6 months of current bank statements.
6. Confirmation that all CRA accounts are up to date and in good standing;
7. Confirmation that property taxes are up to date and in good standing;
8. In all other respects the parties hereto confirm the terms and conditions contained in the aforesaid Charge and all other security documents related to or given in conjunction with the Charge which security documents shall continue in full force and effect in all respects.
9. The Chargor and Guarantor hereby covenants with the Chargee to pay the said principal and interest at the rate and in the manner hereinbefore mentioned, and well and truly to keep, observe, perform and fulfill all the covenants, provisos and agreements in the said Charge contained.
10. Provided further that nothing herein contained shall create any merger or alter the rights of the Chargee as against any subsequent encumbrancer or other person interested in the Real Property, nor affect the liability of any person not a party hereto who may be liable to pay the said mortgage money or the rights of any such person all of which rights are hereby reserved.
11. In construing this document, the words "Chargor", "Chargee" and "Guarantor" and all personal pronouns shall be read as the number and gender of the party or parties referred requires and all necessary grammatical changes, as the context requires, shall be deemed to be made.
12. The provisions of this document shall enure to and be binding upon the executors, administrators, successors and assigns of each party and all covenants, liabilities and obligations shall be joint and several.

DATED this 5<sup>th</sup> day of October . 2023

2744746 ONTARIO LTD. (Borrower)

Per:



Name:

Title:

I have authority to bind the corporation

MORGIS GROUP (Guarantor)

Per:



Name:

Title:

I have authority to bind the corporation



Christopher Morgis (Guarantor)

## ACKNOWLEDGEMENT AND DIRECTION

TO: SCHNEIDER RUGGIERO SPENCER MILBURN LLP

AND TO: 1599285 ONTARIO LIMITED and RICK BERWICK FAMILY TRUST and 2702749 ONTARIO INC. and PETER & CROCETTA ADAMO and A-ONE AUTO INVESTMENTS INC. and CINZIA SORRENTI and ELCRM HOLDINGS INC. and SERGIO MOLELLA and DONALD IERFINO and SALISI INVESTMENTS INC. and CARMEN ANTONINI and TINA BETTI and ANTHONY & GIUSEPPINA BONDI and C.P.M.C. MARQUEZ HOLDINGS INC. and AMOND MANAGEMENT INC. and PIZZARDI INVESTMENTS and ANJAY LIMITED and NINA ROCCA and GABRIELE PIZZARDI and ANTONIO PIZZARDI

RE: 1599285 Ontario Limited and Rick Berwick Family Trust and 2702749 Ontario Inc. and Peter & Crocetta Adamo and A-One Auto Investments Inc. and Cinzia Sorrenti and ELCRM Holdings Inc. and Sergio Molella and Donald Ierfino and Salisi Investments Inc. and Carmine Antonini and Tina Betti and Anthony & Giuseppina Bondi and C.P.M.C. Marquez Holdings Inc. and Amond Management Inc. and Pizzardi Investments and Anjay Limited and Nina Rocca and Gabriele Pizzardi and Antonio Pizzardi (the "**Lender**") loan/mortgage to 2744746 Ontario Ltd. (the "**Borrower**") as guaranteed by Christopher Morgis and Morgis Group (the "**Guarantor**"), pursuant a commitment letter dated 6<sup>th</sup> of April 2021 as it may be amended from time to time (the "**Commitment**") on the security of a first charge/ mortgage against those lands and premises municipally known as 346-350 Eglinton Avenue W., Toronto ON and 352-356 Eglinton Avenue W., Toronto ON and legally described in PIN 21169-0183 (LT) and PIN 21169-0184 (LT) ("**Real Property**")

FILE NO.: 42919

This will confirm that:

1. The undersigned have reviewed the information contained on the document(s) attached hereto for identification purposes and confirms this information is accurate;
2. You are authorized and directed to register electronically on our behalf the following documents, copies of which are attached hereto for identification purposes:
  - (i) Notice re Amending Charge of the First Priority Charge/ Mortgage of the Real Property and Collateral Property in favour of **THE LENDER** in the principal amount of \$15,500,000.00;
3. The effect of the electronic Document(s) described in this Acknowledgment and Direction has been fully explained to the undersigned and understand that it is a party to and is bound by the terms and provisions of the electronic Document(s) to the same extent as if the undersigned had signed this Acknowledgment and Direction;
4. You are hereby authorized and directed to insert any information that may be required in the Document(s) that may not be available to you at the time of execution of this Acknowledgment and Direction;
5. You are hereby authorized to make any minor, non-material alterations that may be required to effect certification of the Document(s) by the Land Registry Office;
6. In the event of any investigation by the Director of Land Registration appointed under subsection 6(1) of the *Registry Act* (the "**Director**") regarding suspected fraudulent or unlawful activity or registration in connection with the Document(s), the undersigned hereby consents to you releasing to the Director a true copy of this Acknowledgment and Direction, upon request by the Director;
7. The undersigned are, in fact, the party named in the electronic Document(s) described in this Acknowledgment and Direction and the undersigned have not misrepresented their identity to you; and
8. You are hereby authorized to rely on a telefaxed or electronically transmitted executed copy of this Acknowledgment and Direction as if it was an originally signed copy.




9. This document may be executed in multiple counterparts, each of which shall be deemed to be an original document and all of which shall constitute one document. All counterparts shall be construed together and shall constitute one and the same document.

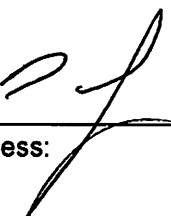
DATED this 5<sup>th</sup> day of October 2023


**2744746 ONTARIO LTD. (Borrower)**

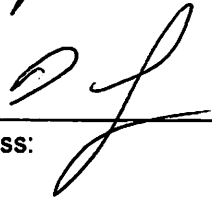
  
\_\_\_\_\_  
Witness:


Per:   
\_\_\_\_\_  
Name:  
Title:  
I have authority to bind the corporation

**MORGIS GROUP (Guarantor)**

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

Per:   
\_\_\_\_\_  
Name:  
Title:  
I have authority to bind the corporation

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

  
\_\_\_\_\_  
**Christopher Morgis (Guarantor)**



## **AGREEMENT AMENDING CHARGE**

### **WHEREAS:**

- (A) By a Charge of land registered in the Land Registry Office for the Land Titles Division of the City of Toronto (No. 80) on 18<sup>th</sup> of May 2022 as Instrument No. AT6082633.

1000195736 Ontario Ltd. (the "**Chargor**")

gave a Charge upon the lands described therein (the "**Real Property**") in favour of

FREDY ROSSI and 2438747 ONTARIO LIMITED and 2205633 ONTARIO LIMITED and 1620375 ONTARIO LIMITED and 1288601 ONTARIO LIMITED and AMSTEL MANUFACTURING (1993) INC. and BRUCE MCKINLAY and SALISI INVESTMENTS LTD., and M ANTONINI HOLDINGS INC. and GABRIELE PIZZARDI

(the "**Chargee**")

as guaranteed by CHRISTOPHER MORGIS

to secure the payment of the principal sum of **THIRTY THREE MILLION (\$33,000,000.00)** with interest as therein set out upon the terms therein mentioned;

- (B) The parties hereto signing as Chargor, Chargee and Guarantor have agreed to vary certain terms of the Charge as hereinafter set out.

**NOW THEREFORE** in consideration of the mutual covenants and agreements as set out herein, the Charge is hereby amended from and including the 1<sup>st</sup> day of October 2023 (the "**Effective Date**") as follows:

1. The term is extended for Two (2) months to 1st day of December 2023;
2. The interest rate for the term of the extension is 10.50% per annum, calculated monthly and payable by way of a one (1) month interest reserve;
3. A renewal fee in the amount of half a percent (0.50%) of the principal sum outstanding for the term of the extension or any partial month thereof of the principal amount is deemed earned and received by Trilend Inc. on October 1, 2023;
4. All legal costs associated with the deferral and amending agreement are to be collected at discharge of the Charge;
5. Confirmation of ability to pay by way of 6 months of current bank statements.
6. Confirmation that all CRA accounts are up to date and in good standing;
7. Confirmation that property taxes are up to date and in good standing;
8. In all other respects the parties hereto confirm the terms and conditions contained in the aforesaid Charge and all other security documents related to or given in conjunction with the Charge which security documents shall continue in full force and effect in all respects.
9. The Chargor and Guarantor hereby covenants with the Chargee to pay the said principal and interest at the rate and in the manner hereinbefore mentioned, and well and truly to keep, observe, perform and fulfill all the covenants, provisos and agreements in the said Charge contained.
10. Provided further that nothing herein contained shall create any merger or alter the rights of the Chargee as against any subsequent encumbrancer or other person interested in the Real Property, nor affect the liability of any person not a party hereto who may be liable to pay the said mortgage money or the rights of any such person all of which rights are hereby reserved.
11. In construing this document, the words "Chargor", "Chargee" and "Guarantor" and all personal pronouns shall be read as the number and gender of the party or parties referred requires and all necessary grammatical changes, as the context requires, shall be deemed to be made.
12. The provisions of this document shall enure to and be binding upon the executors, administrators, successors and assigns of each party and all covenants, liabilities and obligations shall be joint and several.

DATED this 5<sup>th</sup> day of October 2023

1000195736 ONTARIO LTD. (Borrower)

Per:



Name:

Title:

I have authority to bind the corporation

2744746 ONTARIO LTD. (Borrower)

Per:



Name:

Title:

I have authority to bind the corporation

MORGIS GROUP (Guarantor)

Per:



Name:

Title:

I have authority to bind the corporation



Christopher Morgis (Guarantor)

## ACKNOWLEDGEMENT AND DIRECTION

TO: SCHNEIDER RUGGIERO SPENCER MILBURN LLP

AND TO: FREDY ROSSI and 2438747 ONTARIO LIMITED and 2205633 ONTARIO LIMITED and 1620375 ONTARIO LIMITED and 1288601 ONTARIO LIMITED and AMSTEL MANUFACTURING (1993) INC. and BRUCE MCKINLAY and SALISI INVESTMENTS LTD., and M ANTONINI HOLDINGS INC. and GABRIELE PIZZARDI


RE: Fredy Rossi and 2438747 Ontario Limited and 2205633 Ontario Limited and 1620375 Ontario Limited and 1288601 Ontario Limited and Amstel Manufacturing (1993) Inc. and Bruce McKinlay and Salisi Investments Ltd., and M Antonini Holdings Inc. and Gabriele Pizzardi (the "**Lender**") loan/mortgage to 1000195736 Ontario Ltd. (the "**Borrower**") as guaranteed by Christopher Morgis (the "**Guarantor**"), pursuant a commitment letter dated 6<sup>th</sup> of April 2022 as it may be amended from time to time (the "**Commitment**") on the security of a first charge/mortgage against those lands and premises municipally known as 366 and 368 Eglinton Ave. W., Toronto ON and on the security of a second charge/mortgage against those lands and premises municipally known as 346-350 Eglinton Avenue W., Toronto ON and 352-356 Eglinton Avenue W., Toronto ON and legally described in PIN 21169-0181 (LT) and PIN 21169-0183 (LT) and PIN 21169-0184 (LT) ("**Real Property**")

FILE NO.: 44072


This will confirm that:

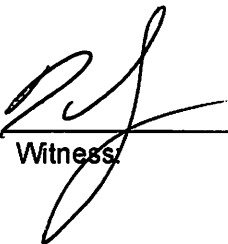
1. The undersigned have reviewed the information contained on the document(s) attached hereto for identification purposes and confirms this information is accurate;
2. You are authorized and directed to register electronically on our behalf the following documents, copies of which are attached hereto for identification purposes:
  - (i) Notice re Amending Charge of the First Priority Charge/ Mortgage of the Real Property and Collateral Property in favour of **THE LENDER** in the principal amount of \$33,000,000.00;
3. The effect of the electronic Document(s) described in this Acknowledgment and Direction has been fully explained to the undersigned and understand that it is a party to and is bound by the terms and provisions of the electronic Document(s) to the same extent as if the undersigned had signed this Acknowledgment and Direction;
4. You are hereby authorized and directed to insert any information that may be required in the Document(s) that may not be available to you at the time of execution of this Acknowledgment and Direction;
5. You are hereby authorized to make any minor, non-material alterations that may be required to effect certification of the Document(s) by the Land Registry Office;
6. In the event of any investigation by the Director of Land Registration appointed under subsection 6(1) of the *Registry Act* (the "**Director**") regarding suspected fraudulent or unlawful activity or registration in connection with the Document(s), the undersigned hereby consents to you releasing to the Director a true copy of this Acknowledgment and Direction, upon request by the Director;
7. The undersigned are, in fact, the party named in the electronic Document(s) described in this Acknowledgment and Direction and the undersigned have not misrepresented their identity to you; and
8. You are hereby authorized to rely on a telefaxed or electronically transmitted executed copy of this Acknowledgment and Direction as if it was an originally signed copy.
9. This document may be executed in multiple counterparts, each of which shall be deemed to be an original document and all of which shall constitute one document. All counterparts shall be construed together and shall constitute one and the same document.

DATED this 5<sup>th</sup> day of October 2023


  
\_\_\_\_\_  
Witness

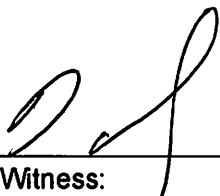
~~1000195736~~ **ONTARIO LTD. (Borrower)**

Per:   
\_\_\_\_\_  
Name:  
Title:  
I have authority to bind the corporation


  
\_\_\_\_\_  
Witness


**2744746 ONTARIO LTD. (Borrower)**


Per:   
\_\_\_\_\_  
Name:  
Title:  
I have authority to bind the corporation

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

**MORGIS GROUP (Guarantor)**

Per:   
\_\_\_\_\_  
Name:  
Title:  
I have authority to bind the corporation

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

  
\_\_\_\_\_  
**Christopher Morgis (Guarantor)**



## **AGREEMENT AMENDING CHARGE**

### **WHEREAS:**

- (A) By a Charge of land registered in the Land Registry Office for the Land Titles Division of the City of Toronto (No. 80) on 17<sup>th</sup> of March 2023 as Instrument No. AT6297855.

1000195736 ONTARIO LTD, 2744746 ONTARIO LTD and MORGIS GROUP (the "Chargor")

gave a Charge upon the lands described therein (the "Real Property") in favour of

IMPERIO SA HOLDINGS INC, and RONALD CHEMIJ and MARY CHEMIJ and TERRY CHEMIJ and LUBA CHEMIJ and DONALD IERFINO and TRILEND INC. (the "Chargee")

as guaranteed by CHRISTOPHER MORGIS

to secure the payment of the principal sum of **FOUR MILLION FIVE HUNDRED THOUSAND DOLLARS (\$4,500,000.00)** with interest as therein set out upon the terms therein mentioned;

- (B) The parties hereto signing as Chargor, Chargee and Guarantor have agreed to vary certain terms of the Charge as hereinafter set out.

**NOW THEREFORE** in consideration of the mutual covenants and agreements as set out herein, the Charge is hereby amended from and including the 1<sup>st</sup> day of October 2023 (the "Effective Date") as follows:

1. The term is extended for two (2) months to 1<sup>st</sup> of December 2023
2. The interest rate for the term of the extension is 12.50% per annum, calculated monthly and payable by way of a one (1) month interest reserve;
3. A renewal fee in the amount of half a percent (0.50%) of the principal sum outstanding for the term of the extension or any partial month thereof, of the principal amount is deemed earned and received by Trilend Inc. on October 1, 2023;
4. All legal costs associated with the deferral and amending agreement are to be collected at discharge of the Charge;
5. Confirmation of ability to pay by way of 6 months of current bank statements.
6. Confirmation that all CRA accounts are up to date and in good standing;
7. Confirmation that property taxes are up to date and in good standing;
8. In all other respects the parties hereto confirm the terms and conditions contained in the aforesaid Charge and all other security documents related to or given in conjunction with the Charge which security documents shall continue in full force and effect in all respects.
9. The Chargor and Guarantor hereby covenants with the Chargee to pay the said principal and interest at the rate and in the manner hereinbefore mentioned, and well and truly to keep, observe, perform and fulfill all the covenants, provisos and agreements in the said Charge contained.
10. Provided further that nothing herein contained shall create any merger or alter the rights of the Chargee as against any subsequent encumbrancer or other person interested in the Real Property, nor affect the liability of any person not a party hereto who may be liable to pay the said mortgage money or the rights of any such person all of which rights are hereby reserved.
11. In construing this document, the words "Chargor", "Chargee" and "Guarantor" and all personal pronouns shall be read as the number and gender of the party or parties referred requires and all necessary grammatical changes, as the context requires, shall be deemed to be made.
12. The provisions of this document shall enure to and be binding upon the executors, administrators, successors and assigns of each party and all covenants, liabilities and obligations shall be joint and several.



DATED this 5<sup>th</sup> day of October 2023

1000195736 ONTARIO LTD. (Borrower)

Per:



---

Name:

Title:

I have authority to bind the corporation

2744746 ONTARIO LTD. (Borrower)

Per:



---

Name:

Title:

I have authority to bind the corporation

MORGIS GROUP (Borrower)

Per:



---

Name:

Title:

I have authority to bind the corporation



---

Christopher Morgis (Guarantor)

## ACKNOWLEDGEMENT AND DIRECTION

TO: SCHNEIDER RUGGIERO SPENCER MILBURN LLP

AND TO: IMPERIO SA HOLDINGS INC, and RONALD CHEMIJ and MARY CHEMIJ and TERRY CHEMIJ and LUBA CHEMIJ and DONALD IERFINO and TRILEND INC.

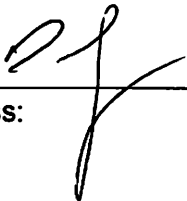
RE: Imperio SA Holdings Inc. and Ronald Chemij and Mary Chemij and Terry Chemij and Luba Chemij and Donald Ierfino and TriLend Inc. (the "**Borrower**") as guaranteed by Christopher Morgis and Morgis Group (the "**Guarantor**"), pursuant a commitment letter dated 3<sup>rd</sup> of March 2023 as it may be amended from time to time (the "**Commitment**") on the security of a first charge/ mortgage against those lands and premises municipally known as 346-350 Eglinton Avenue W., Toronto ON and 352-356 Eglinton Avenue W., Toronto ON and 366,368 Eglinton Avenue W., Toronto ON and legally described in PIN 21169-0181 (LT) ("**Real Property**")


FILE NO.: 45056

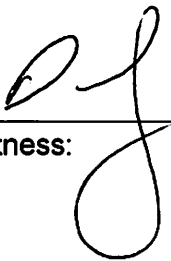
This will confirm that:


1. The undersigned have reviewed the information contained on the document(s) attached hereto for identification purposes and confirms this information is accurate;
2. You are authorized and directed to register electronically on our behalf the following documents, copies of which are attached hereto for identification purposes:
  - (i) Notice re Amending Charge of the First Priority Charge/ Mortgage of the Real Property and Collateral Property in favour of **THE LENDER** in the principal amount of \$4,500,000.00;
3. The effect of the electronic Document(s) described in this Acknowledgment and Direction has been fully explained to the undersigned and understand that it is a party to and is bound by the terms and provisions of the electronic Document(s) to the same extent as if the undersigned had signed this Acknowledgment and Direction;
4. You are hereby authorized and directed to insert any information that may be required in the Document(s) that may not be available to you at the time of execution of this Acknowledgment and Direction;
5. You are hereby authorized to make any minor, non-material alterations that may be required to effect certification of the Document(s) by the Land Registry Office;
6. In the event of any investigation by the Director of Land Registration appointed under subsection 6(1) of the *Registry Act* (the "**Director**") regarding suspected fraudulent or unlawful activity or registration in connection with the Document(s), the undersigned hereby consents to you releasing to the Director a true copy of this Acknowledgement and Direction, upon request by the Director;
7. The undersigned are, in fact, the party named in the electronic Document(s) described in this Acknowledgment and Direction and the undersigned have not misrepresented their identity to you; and
8. You are hereby authorized to rely on a telefaxed or electronically transmitted executed copy of this Acknowledgment and Direction as if it was an originally signed copy.
9. This document may be executed in multiple counterparts, each of which shall be deemed to be an original document and all of which shall constitute one document. All counterparts shall be construed together and shall constitute one and the same document.

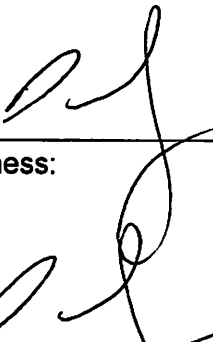
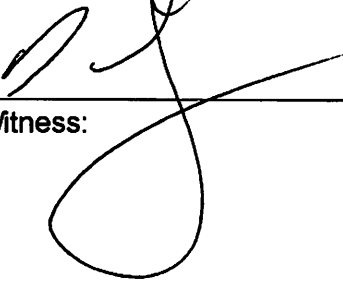
DATED this 5<sup>th</sup> day of October 2023



Witness: 

1000195736 ONTARIO LTD. (Borrower)  
Per:   
Name:  
Title:  
I have authority to bind the corporation

Witness: 

2744746 ONTARIO LTD. (Borrower)  
Per:   
Name:  
Title:  
I have authority to bind the corporation

Witness:   
Witness: 

MORGIS GROUP (Borrower)  
Per:   
Name:  
Title:  
I have authority to bind the corporation  
  
Christopher Morgis (Guarantor)

**TAB FF**

This is **Exhibit “FF”** referred to  
in the Affidavit of Donald Ierfino  
sworn before me, the 19th day of April, 2024.



---

A Commissioner etc.

Sara Mosadeq  
LSO No.: 67864K

November 3, 2023

**DELIVERED via EMAIL and REGISTERED MAIL and REGULAR MAIL**

**1000195736 ONTARIO LTD.**

18 Doctors Lane, Suite 760  
King City, Ontario  
L7B 1A8

**CHRISTOPHER MORGIS**

18 Doctors Lane, Suite 760  
King City, Ontario  
L7B 1A8

Email: [cmorgis@morgis.ca](mailto:cmorgis@morgis.ca)

**MORGIS CORPORATION formerly known as 2744746 ONTARIO LTD.**

18 Doctors Lane, Suite 760  
King City, Ontario  
L7B 1A8

**MORGIS GROUP**

18 Doctors Lane, Suite 760  
King City, Ontario  
L7B 1A8

Re: Imperio SA Holdings Inc., Ronald Chemij, Mary Chemij, Terry Chemij, Luba Chemij, Donald Ierfino, and Taxmart Inc. (collectively the **"Lender"**) mortgage loan to 1000195736 Ontario Ltd. and Morgis Corporation formerly known as 2744746 Ontario Ltd. (collectively the **"Borrower"**) as guaranteed by Christopher Morgis and the Morgis Group (collectively the **"Guarantor"**) pursuant to Commitment Letter dated March 1, 2023 with any amendments thereto (the **"Commitment Letter"**) secured by Charge Instrument No. AT6297855 (the **"Security"**).

---

We are the lawyers for the Lender.

Pursuant to the Commitment Letter and any amendments thereto, the above noted loan has been in default as of October 1, 2023 for failure to remit the monthly interest payments. In that regard, the

Borrower is in breach of the Commitment Letter. Accordingly, the Lender requires payment of all amounts owing under the loan which are calculated as follows:

Principal Balance	\$4,500,000.00
Interest for September, October 2023	\$93,750.00
Interest from Nov 1, 2023 – November 3, 2023	\$4,623.29
Unpaid Lender Fee	\$67,500.00
Other Fees	\$750.00
Legal Fees	\$2,500.00
Disbursements	\$250.00
HST on legal fees + disbursements	\$357.50
<b>TOTAL</b>	<b>\$4,669,730.79</b>

Per diem: \$1,541.10

Unless we receive payment in the amount of \$4,669,730.79 together with the required per diem to the date of payment, on or before November 14, 2023, the Lender shall take such steps as it deems necessary to recover payment of the Borrower's indebtedness in full, which may include enforcement of the Security. Funds received after 1:00 p.m. shall be deemed to have been paid and received on the next business day and the Lender shall be entitled to the additional per diem interest of \$1,541.10.

Enclosed please find the Lender's Notice of Intention to Enforce Security, which is served upon you pursuant to section 244(1) of the *Bankruptcy and Insolvency Act*.

Yours truly,

**RAR LITIGATION LAWYERS**



Sara Mosadeq  
SM/ds

Encl.

## **NOTICE OF INTENTION TO ENFORCE A SECURITY**

**(given pursuant to section 244 of the *Bankruptcy and Insolvency Act*)**

To: **1000195736 ONTARIO LTD.**, an insolvent person  
**CHRISTOPHER MORGIS**, an insolvent person  
**MORGIS CORPORATION formerly known as 2744746 ONTARIO LTD.**,  
an insolvent person  
**MORGIS GROUP**, an insolvent person

Take notice that:

1. Imperio SA Holdings Inc., Ronald Chemij, Mary Chemij, Terry Chemij, Luba Chemij, Donald Ierfino, and Taxmart Inc., the secured creditor, intends to enforce his security on all of the present and after-acquired property of 1000195736 Ontario Ltd., Christopher Morgis, Morgis Corporation formerly known as 2744746 Ontario Ltd., and Morgis Group as described in Schedule "A" attached hereto.
2. The security that is to be enforced includes, a Charge/Mortgage in the principal amount of \$4,500,000.00 registered on the lands described in Schedule "A" (the "Property") as instrument no. AT6297855 on March 17, 2023, and any other guarantees, assignment of rents agreements, general security agreements and any other security documents (the "Security").
3. The total amount of the indebtedness secured by the Security as of November 3, 2023 is \$4,666,623.29 inclusive of principal, interest, and fees (excluding legal costs) with respect to a loan made to 1000195736 Ontario Ltd., Morgis Corporation formerly known as 2744746 Ontario Ltd., and as guaranteed by Morgis Group and Christopher Morgis pursuant to the Commitment Letter dated March 1, 2023.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

Dated at Oakville, this 3<sup>rd</sup> day of November, 2023

**IMPERIO SA HOLDINGS INC., RONALD CHEMIJ,  
MARY CHEMIJ, TERRY CHEMIJ, LUBA CHEMIJ,  
DONALD IERFINO, and TAXMART INC.,**

By their lawyers, RAR Litigation Lawyers





Per: \_\_\_\_\_  
**Sara Mosadeq**

**RAR LITIGATION LAWYERS**

1 West Pearce Street, Suite 505  
Richmond Hill, Ontario  
L4B 3K3

Tel: 905-731-8100 ext. 213

Fax: 866-751-5134

Email: [sara@rarlitigation.com](mailto:sara@rarlitigation.com)

### Schedule "A"

PIN: 21169-0181 (LT)

Description: PCL 1-1-A SEC M256; PT LT 1 N/S EGLINTON AV BLK A PL M256 TORONTO; PT LT 2 N/S EGLINTON AV BLK A PL M256 TORONTO COMM AT A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED BY BY-LAW 11494 DISTANT 34 FT 6 1/2 INCHES MORE OR LESS WLY FROM ITS INTERSECTION WITH THE E LIMIT OF SAID LT 1; THENCE WLY ALONG SAID NLY LIMIT OF EGLINTON AV A DISTANCE OF 90 FT 5 1/2 INCHES MORE OR LESS TO A POINT; THENCE NLY PARALLEL TO THE LINE BTN SAID LOTS 1 AND 2 A DISTANCE OF 109 FT 11 INCHES MORE OR LESS TO A POINT DISTANT 120 FT NLY FROM THE SLY LIMIT OF SAID LT 2; THENCE ELY PARALLEL WITH THE SAID S LIMITS OF SAID LOTS 1 AND 2 A DISTANCE OF 125 FT MORE OR LESS TO THE E LIMIT OF SAID LT 1; THENCE SLY ALONG THE LAST MENTIONED LIMIT A DISTANCE OF 13 FT 11 INCHES MORE OR LESS TO A POINT; THENCE WLY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV A DISTANCE OF 34 FT 6 1/2 INCHES MORE OR LESS TO ITS INTERSECTION WITH THE PRODUCTION NLY OF THE CENTRE LINE OF THE PARTY WALL BTN THE BUILDINGS ERECTED ON THIS LAND AND ON LAND LYING ELY AND ADJACENT THERETO; THENCE SLY ALONG SAID PRODUCTION TO AND ALONG SAID CENTRE LINE OF WALL AND ITS PRODUCTION SLY IN ALL 96 FT MORE OR LESS TO THE POC; S/T A FREE AND UNINTERRUPTED ROW INGRESS AND EGRESS FOR PERSONS, ANIMALS AND VEHICLES THROUGH, ALONG AND UPON THAT CERTAIN PCL OF LAND DESCRIBED AS FOLLOWS: PARTS OF LOTS 1 AND 2 ON BLK A ON PL M256 AS FOLLOWS: COMM AT A POINT IN THE E LIMIT OF LT 1, 96 FT NLY FROM THE NLY LIMIT OF EGLINTON AV AS WIDENED BY BY-LAW 11494; THENCE WLY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV AS WIDENED 125 FT; THENCE NLY PARALLEL TO THE E LIMIT OF LT 1, 12 FT; THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV AS WIDENED 125 FT TO THE E LIMIT OF LT 1; THENCE SLY ALONG THE SAID E LIMIT 12 FT TO THE POC; PROVIDED THAT THE PROJECTIONS INCLUDING THE PROJECTION OF THE SECOND STOREY BUILDINGS SITUATE ON THE ABOVE PCL EXISTING ON THIS DATE AND A FIRE ESCAPE TO BE ERECTED IN CONNECTION THEREWITH OVER THE SAID ROW OR ANY PT THEREOF SHALL BE DEEMED NOT TO BE AN ENCROACHMENT UPON THE SAID ROW; T/W A FREE AND UNINTERRUPTED ROW, INGRESS AND EGRESS, FOR PERSONS, ANIMALS AND VEHICLES THROUGH, ALONG AND OVER THAT PT OF LT 125 ON PL M512 (BOROUGH OF E YORK) DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE ELY LIMIT OF LT 125 DISTANT 96 FT NLY FROM THE SE

ANGLE OF SAID LT; THENCE WLY PARALLEL TO THE SLY LIMIT OF SAID LT, 22 FT 4 INCHES MORE OR LESS TO A POINT 77 FT 8 INCHES ELY FROM THE WLY LIMIT OF LT 124 ON SAID PL; THENCE NLY IN A STRAIGHT LINE 14 FT MORE OR LESS TO A POINT IN THE NLY LIMIT OF LT 125, 77 FT 8 INCHES ELY FROM THE NW ANGLE OF SAID LT 124; THENCE ELY ALONG THE NLY LIMIT OF LT 125, 22 FT 4 INCHES MORE OR LESS TO THE N ELY ANGLE THEREOF; THENCE SLY ALONG THE ELY LIMIT OF LT 125, 14 FT MORE OR LESS TO THE POB; T/W A FREE AND UNINTERRUPTED ROW INGRESS AND EGRESS, FOR PERSONS, ANIMALS AND VEHICLES THROUGH AND OVER PT OF LOTS 1 AND 2 ON PL M380 (CITY OF TORONTO) DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE WLY LIMIT OF LT 1, 96 FT MEASURED NLY THEREON FROM EGLINTON AV AS WIDENED UNDER BY-LAW # 11494; THENCE NLY ALONG THE SAID WLY LIMIT OF LT 1, 18 FT MORE OR LESS TO THE N WLY ANGLE THEREOF; THENCE ELY ALONG THE NLY LIMIT OF SAID LT 1, 48 FT 5 1/4 INCHES MORE OR LESS TO A POINT 1 FT 6 3/4 INCHES WLY FROM THE NE ANGLE OF LT 1; THENCE SLY ALONG A LINE WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2 AT A POINT 5 FT ELY FROM THE SW ANGLE OF LT 2 A DISTANCE OF 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM THE POC; THENCE WLY ALONG THE SAID MENTIONED LINE 49 FT 4 3/4 INCHES MORE OR LESS TO THE POC; T/W A FREE AND UNINTERRUPTED ROW INGRESS AND EGRESS FOR PERSONS, ANIMALS AND VEHICLES THROUGH OVER AND ALONG THOSE PARTS OF LOTS 1 AND 2 ON PL M380 (CITY OF TORONTO) DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE NLY LIMIT OF LT 1, 1 FT 6 3/4 INCHES WLY THEREON FROM THE N ELY ANGLE OF LT 1; THENCE SLY ALONG A LINE WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2 AT A POINT THEREIN 5 FT ELY FROM THE SW ANGLE OF LT 2, 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM A POINT IN THE W LIMIT OF LT 1, 96 FT NLY FROM THE N LIMIT OF EGLINTON AV AS WIDENED; THENCE N ELY IN A STRAIGHT LINE 19 FT 6 INCHES TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF LT 2 AND DISTANT 16 FT 1/2 INCH ELY THEREON FROM THE N WLY ANGLE THEREOF TO A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED DISTANT 25 FT ELY THEREON FROM ITS INTERSECTION WITH THE WLY LIMIT OF LT 2; THE SAID POINT BEING 10 FT 6 INCHES MORE OR LESS SLY ON THE SAID LINE FROM THE SAID NLY LIMIT OF LT 2; THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF LT 2, 22 FT 3 1/2 INCHES MORE OR LESS TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED 78 FT 10 INCHES WLY FROM THE SE ANGLE OF LT 3 ON SAID PL TO A POINT IN THE N LIMIT OF

LT 2 DISTANT 80 FT 6 3/4 INCHES WLY THEREON FROM THE NE  
ANGLE OF LT 3; THENCE NLY ALONG THE SAID LAST MENTIONED  
LINE 10 FT 6 INCHES MORE OR LESS TO THE NLY LIMIT OF LT 2;  
THENCE WLY ALONG THE NLY LIMIT OF LOTS 2 AND 1, 39 FT 7 1/2  
INCHES MORE OR LESS TO THE POC; TORONTO, CITY OF TORONTO

Address: 368, 378 Eglinton Avenue West, Toronto, Ontario

**TAB GG**

This is **Exhibit “GG”** referred to  
in the Affidavit of Donald Ierfino  
sworn before me, the 19th day of April, 2024.



---

A Commissioner etc.

Sara Mosadeq  
LSO No.: 67864K

## AGREEMENT AMENDING CHARGE

### WHEREAS:

- (A) By a Charge of land registered in the Land Registry Office for the Land Titles Division of the City of Toronto (No. 80) on 16 July 2021 as Instrument No. AT5801727.

2744746 ONTARIO LTD and MORGIS GROUP (the “**Chargor**”)

gave a Charge upon the lands described therein (the “**Real Property**”) in favour of

1599285 ONTARIO LIMITED and RICK BERWICK FAMILY TRUST and 2702749 ONTARIO INC. and PETER & CROCETTA ADAMO and A-ONE AUTO INVESTMENTS INC. and CINZIA SORRENTI and ELCRM HOLDINGS INC. and SERGIO MOLELLA and DONALD IERFINO and SALISI INVESTMENTS INC. and CARMEN ANTONINI and TINA BETTI and ANTHONY & GIUSEPPINA BONDI and C.P.M.C. MARQUEZ HOLDINGS INC. and AMOND MANAGEMENT INC. and PIZZARDI INVESTMENTS and ANJAY LIMITED and NINA ROCCA and GABRIELE PIZZARDI and ANTONIO PIZZARDI

(the “**Chargee**”)

as guaranteed by CHRISTOPHER MORGIS

to secure the payment of the principal sum of **FIFTEEN MILLION FIVE HUNDRED THOUSAND DOLLARS (\$15,500,000.00)** with interest as therein set out upon the terms therein mentioned;

- (B) The parties hereto signing as Chargor, Chargee and Guarantor have agreed to vary certain terms of the Charge as hereinafter set out.

**NOW THEREFORE** in consideration of the mutual covenants and agreements as set out herein, the Charge is hereby amended from and including the 1<sup>st</sup> day of December 2023 (the “**Effective Date**”) as follows:

1. The term is extended for two (2) months to 1<sup>st</sup> of February 2024
2. The interest rate for the term of the extension is 10.00% per annum, calculated monthly and payable by way of a one (1) month interest reserve;
3. A renewal fee in the amount of half a percent (0.50%) of the principal sum outstanding for the term of the extension or any partial month thereof, of the principal amount is deemed earned and received by Trilend Inc. on December 1, 2023;
4. All legal costs associated with the deferral and amending agreement are to be collected at discharge of the Charge;
5. Confirmation of ability to pay by way of 6 months of current bank statements.
6. Confirmation that all CRA accounts are up to date and in good standing;
7. Confirmation that property taxes are up to date and in good standing;
8. In all other respects the parties hereto confirm the terms and conditions contained in the aforesaid Charge and all other security documents related to or given in conjunction with the Charge which security documents shall continue in full force and effect in all respects.
9. The Chargor and Guarantor hereby covenants with the Chargee to pay the said principal and interest at the rate and in the manner hereinbefore mentioned, and well and truly to keep, observe, perform and fulfill all the covenants, provisos and agreements in the said Charge contained.
10. Provided further that nothing herein contained shall create any merger or alter the rights of the Chargee as against any subsequent encumbrancer or other person interested in the Real Property, nor affect the liability of any person not a party hereto who may be liable to pay the said mortgage money or the rights of any such person all of which rights are hereby reserved.
11. In construing this document, the words “Chargor”, “Chargee” and “Guarantor” and all personal pronouns shall be read as the number and gender of the party or parties referred requires and all necessary grammatical changes, as the context requires, shall be deemed to be made.
12. The provisions of this document shall enure to and be binding upon the executors, administrators, successors and assigns of each party and all covenants, liabilities and obligations shall be joint and several.

DATED this \_\_\_\_\_ day of December 2023

2744746 ONTARIO LTD. (Borrower)

Per:



---

Name:

Title:

I have authority to bind the corporation

MORGIS GROUP (Guarantor)

Per:



---

Name:

Title:

I have authority to bind the corporation



---

Christopher Morgis (Guarantor)





## AGREEMENT AMENDING CHARGE

### WHEREAS:

- (A) By a Charge of land registered in the Land Registry Office for the Land Titles Division of the City of Toronto (No. 80) on 18<sup>th</sup> of May 2022 as Instrument No. AT6082633.

1000195736 Ontario Ltd. (the “**Chargor**”)

gave a Charge upon the lands described therein (the “**Real Property**”) in favour of

FREDY ROSSI and 2438747 ONTARIO LIMITED and 2205633 ONTARIO LIMITED and 1620375 ONTARIO LIMITED and 1288601 ONTARIO LIMITED and AMSTEL MANUFACTURING (1993) INC. and BRUCE MCKINLAY and SALISI INVESTMENTS LTD., and M ANTONINI HOLDINGS INC. and GABRIELE PIZZARDI

(the “**Chargee**”)

as guaranteed by CHRISTOPHER MORGIS

to secure the payment of the principal sum of **THIRTY THREE MILLION (\$33,000,000.00)** with interest as therein set out upon the terms therein mentioned;

- (B) The parties hereto signing as Chargor, Chargee and Guarantor have agreed to vary certain terms of the Charge as hereinafter set out.

**NOW THEREFORE** in consideration of the mutual covenants and agreements as set out herein, the Charge is hereby amended from and including the 1<sup>st</sup> day of December 2023 (the “**Effective Date**”) as follows:

1. The term is extended for Two (2) months to 1st day of February 2024;
2. The interest rate for the term of the extension is 10.50% per annum, calculated monthly and payable by way of a one (1) month interest reserve;
3. A renewal fee in the amount of half a percent (0.50%) of the principal sum outstanding for the term of the extension or any partial month thereof of the principal amount is deemed earned and received by Trilend Inc. on December 1, 2023;
4. All legal costs associated with the deferral and amending agreement are to be collected at discharge of the Charge;
5. Confirmation of ability to pay by way of 6 months of current bank statements.
6. Confirmation that all CRA accounts are up to date and in good standing;
7. Confirmation that property taxes are up to date and in good standing;
8. In all other respects the parties hereto confirm the terms and conditions contained in the aforesaid Charge and all other security documents related to or given in conjunction with the Charge which security documents shall continue in full force and effect in all respects.
9. The Chargor and Guarantor hereby covenants with the Chargee to pay the said principal and interest at the rate and in the manner hereinbefore mentioned, and well and truly to keep, observe, perform and fulfill all the covenants, provisos and agreements in the said Charge contained.
10. Provided further that nothing herein contained shall create any merger or alter the rights of the Chargee as against any subsequent encumbrancer or other person interested in the Real Property, nor affect the liability of any person not a party hereto who may be liable to pay the said mortgage money or the rights of any such person all of which rights are hereby reserved.
11. In construing this document, the words “Chargor”, “Chargee” and “Guarantor” and all personal pronouns shall be read as the number and gender of the party or parties referred requires and all necessary grammatical changes, as the context requires, shall be deemed to be made.
12. The provisions of this document shall enure to and be binding upon the executors, administrators, successors and assigns of each party and all covenants, liabilities and obligations shall be joint and several.

DATED this \_\_\_\_\_ day of December 2023

1000195736 ONTARIO LTD. (Borrower)

Per: 

\_\_\_\_\_  
Name:

Title:

I have authority to bind the corporation

2744746 ONTARIO LTD. (Borrower)

Per: 

\_\_\_\_\_  
Name:

Title:

I have authority to bind the corporation

MORGIS GROUP (Guarantor)

Per: 

\_\_\_\_\_  
Name:

Title:

I have authority to bind the corporation



\_\_\_\_\_  
Christopher Morgis (Guarantor)



## AGREEMENT AMENDING CHARGE

### WHEREAS:

- (A) By a Charge of land registered in the Land Registry Office for the Land Titles Division of the City of Toronto (No. 80) on 17<sup>th</sup> of March 2023 as Instrument No. AT6297855.

1000195736 ONTARIO LTD, 2744746 ONTARIO LTD and MORGIS GROUP (the “**Chargor**”)

gave a Charge upon the lands described therein (the “**Real Property**”) in favour of

IMPERIO SA HOLDINGS INC, and RONALD CHEMIJ and MARY CHEMIJ and TERRY CHEMIJ and LUBA CHEMIJ and DONALD IERFINO and TRILEND INC. (the “**Chargee**”)

as guaranteed by CHRISTOPHER MORGIS

to secure the payment of the principal sum of **FOUR MILLION FIVE HUNDRED THOUSAND DOLLARS (\$4,500,000.00)** with interest as therein set out upon the terms therein mentioned;

- (B) The parties hereto signing as Chargor, Chargee and Guarantor have agreed to vary certain terms of the Charge as hereinafter set out.

**NOW THEREFORE** in consideration of the mutual covenants and agreements as set out herein, the Charge is hereby amended from and including the 1<sup>st</sup> day of December 2023 (the “**Effective Date**”) as follows:

1. The term is extended for two (2) months to 1<sup>st</sup> of February 2024
2. The interest rate for the term of the extension is 12.50% per annum, calculated monthly and payable by way of a one (1) month interest reserve;
3. A renewal fee in the amount of half a percent (0.50%) of the principal sum outstanding for the term of the extension or any partial month thereof, of the principal amount is deemed earned and received by Trilend Inc. on December 1, 2023;
4. All legal costs associated with the deferral and amending agreement are to be collected at discharge of the Charge;
5. Confirmation of ability to pay by way of 6 months of current bank statements.
6. Confirmation that all CRA accounts are up to date and in good standing;
7. Confirmation that property taxes are up to date and in good standing;
8. In all other respects the parties hereto confirm the terms and conditions contained in the aforesaid Charge and all other security documents related to or given in conjunction with the Charge which security documents shall continue in full force and effect in all respects.
9. The Chargor and Guarantor hereby covenants with the Chargee to pay the said principal and interest at the rate and in the manner hereinbefore mentioned, and well and truly to keep, observe, perform and fulfill all the covenants, provisos and agreements in the said Charge contained.
10. Provided further that nothing herein contained shall create any merger or alter the rights of the Chargee as against any subsequent encumbrancer or other person interested in the Real Property, nor affect the liability of any person not a party hereto who may be liable to pay the said mortgage money or the rights of any such person all of which rights are hereby reserved.
11. In construing this document, the words “Chargor”, “Chargee” and “Guarantor” and all personal pronouns shall be read as the number and gender of the party or parties referred requires and all necessary grammatical changes, as the context requires, shall be deemed to be made.
12. The provisions of this document shall enure to and be binding upon the executors, administrators, successors and assigns of each party and all covenants, liabilities and obligations shall be joint and several.

DATED this \_\_\_\_\_ day of December 2023

1000195736 ONTARIO LTD. (Borrower)

Per:



---

Name:

Title:

I have authority to bind the corporation

2744746 ONTARIO LTD. (Borrower)

Per:



---

Name:

Title:

I have authority to bind the corporation

MORGIS GROUP (Borrower)

Per:



---

Name:

Title:

I have authority to bind the corporation



---

Christopher Morgis (Guarantor)

**ТАВ НН**

This is **Exhibit “HH”** referred to  
in the Affidavit of Donald Ierfino  
sworn before me, the 19th day of April, 2024.



---

A Commissioner etc.

Sara Mosadeq  
LSO No.: 67864K



February 5, 2024

**DELIVERED via EMAIL and REGISTERED MAIL and REGULAR MAIL**

**MORGIS CORPORATION**

18 Doctors Lane, Suite 760  
King City, Ontario  
L7B 1A8

**CHRISTOPHER MORGIS**

18 Doctors Lane, Suite 760  
King City, Ontario  
L7B 1A8

**Email: [cmorgis@morgis.ca](mailto:cmorgis@morgis.ca)**

Re: 1599285 Ontario Limited., Rick Berwick, 2702749 Ontario Inc., Peter Adamo, Crocetta Adamo, Anjay Limited, A-One Auto Investments Inc., Cinzia Sorrenti, ELCRM Holdings Inc., Sergio Molella, Donald Ierfino, Pierina Pizzardi, Pizzardi Investments, Amond Management Inc., Salisi Investments Inc., Lorenzo Antonini, Carmen Antonini, Tina Betti, Anthony Bondi, Giuseppa Bondi, and C.P.M.C Marquez Holdings Inc. (collectively the “**Lender**”) mortgage loan to Morgis Corporation (collectively the “**Borrower**”) as guaranteed by Christopher Morgis (the “**Guarantor**”) pursuant to Commitment Letter dated April 6, 2021 with all amendments thereto (the “**Commitment Letter**”) secured by Charge Instrument No. AT5801727 (the “**Security**”).

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We are the lawyers for the Lender.

Pursuant to the Commitment Letter and any amendments thereto, the above noted loan has been in default as of September 1, 2023 for failure to remit the monthly interest payments. In that regard, the Borrower is in breach of the Commitment Letter. Accordingly, the Lender requires payment of all amounts owing under the loan which are calculated as follows:

Principal Balance	\$15,500,000.00
Interest for September, October, November, December 2023 and January 2024	\$645,833.33
Interest from Feb 1, 2024 – Feb 5, 2024	\$21,232.90
Unpaid Renewal Fee	\$387,500.00

Other Fees	\$750.00
Legal Fees	\$2,500.00
Disbursements	\$250.00
HST on legal fees + disbursements	\$357.50
<b>TOTAL</b>	<b>\$16,558,423.73</b>

Per diem: \$4,246.58

Unless we receive payment in the amount of \$16,558,423.73 together with the required per diem to the date of payment, on or before February 16, 2024, the Lender shall take such steps as it deems necessary to recover payment of the Borrower's indebtedness in full, which may include enforcement of the Security. Funds received after 1:00 p.m. shall be deemed to have been paid and received on the next business day and the Lender shall be entitled to the additional per diem interest of \$4,246.58.

Enclosed please find the Lender's Notice of Intention to Enforce Security, which is served upon you pursuant to section 244(1) of the *Bankruptcy and Insolvency Act*.

Yours truly,

**RAR LITIGATION LAWYERS**



Sara Mosadeq  
SM/fs

Encl.

## NOTICE OF INTENTION TO ENFORCE A SECURITY

(given pursuant to section 244 of the *Bankruptcy and Insolvency Act*)

To: **MORGIS CORPORATION**, an insolvent person  
**CHRISTOPHER MORGIS**, an insolvent person

Take notice that:

1. 1599285 Ontario Limited., Rick Berwick, 2702749 Ontario Inc., Peter Adamo, Crocetta Adamo, Anjay Limited, A-One Auto Investments Inc., Cinzia Sorrenti, ELCRM Holdings Inc., Sergio Molella, Donald Ierfino, Pierina Pizzardi, Pizzardi Investments, Amond Management Inc., Salisi Investments Inc., Lorenzo Antonini, Carmen Antonini, Tina Betti, Anthony Bondi, Giuseppa Bondi, and C.P.M.C Marquez Holdings Inc. the secured creditor, intends to enforce its security on all of the present and after-acquired property of Morgis Corporation and Christopher Morgis as described in Schedule "A" attached hereto.
2. The security that is to be enforced includes, a Charge/Mortgage in the principal amount of \$15,500,000.00 registered on the lands described in Schedule "A" (the "Property") as instrument no. AT5801727 on July 16, 2021 and any other guarantees, assignment of rents agreements, general security agreements and any other security documents (the "Security").
3. The total amount of the indebtedness secured by the Security as of February 5, 2024 is \$16,553,316.23 inclusive of principal, interest, and fees (excluding legal costs) with respect to a loan made to Morgis Corporation, and as guaranteed by Christopher Morgis pursuant to the Commitment Letter dated April 6, 2021.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

Dated at Oakville, this 5<sup>th</sup> day of February, 2024

1599285 Ontario Limited., Rick Berwick, 2702749 Ontario Inc., Peter Adamo, Crocetta Adamo, Anjay Limited, A-One Auto Investments Inc., Cinzia Sorrenti, ELCRM Holdings Inc., Sergio Molella, Donald Ierfino, Pierina Pizzardi, Pizzardi Investments, Amond Management Inc., Salisi Investments Inc., Lorenzo Antonini, Carmen Antonini, Tina Betti, Anthony Bondi, Giuseppa Bondi, and C.P.M.C Marquez Holdings Inc.

By their lawyers, RAR Litigation Lawyers



Per: \_\_\_\_\_  
**Sara Mosadeq**

**RAR LITIGATION LAWYERS**  
1 West Pearce Street, Suite 505  
Richmond Hill, Ontario  
L4B 3K3

Tel: 905-731-8100 ext. 213  
Fax: 866-751-5134  
Email: [sara@rarlitigation.com](mailto:sara@rarlitigation.com)

**Schedule "A"**

PIN: 21169-0183 (LT)

Description: PCL 1-2 SEC M380; PT LT 1 PL M380 TORONTO; PT LT 2 PL M380 TORONTO COMM AT THE S WLY ANGLE OF SAID LT 1; THENCE ELY ALONG THE SLY LIMITS OF LOTS 1 AND 2 - 55 FT MORE OR LESS TO A POINT IN THE SAID SLY LIMIT OF SAID LT 2 DISTANT 5 FT MEASURED ELY THEREON FROM THE S WLY ANGLE OF SAID LT 2; THENCE NLY IN A STRAIGHT LINE 113 FT 5 3/4 INCHES MORE OR LESS TO A POINT IN THE NLY LIMIT OF SAID LT 1 DISTANT 1 FT 6 3/4 INCHES MEASURED WLY THEREON FROM THE N ELY ANGLE OF SAID LT; THENCE WLY ALONG THE NLY LIMIT OF SAID LT 1 - 48 FT 5 1/4 INCHES MORE OR LESS TO THE N WLY ANGLE OF SAID LT; THENCE SLY ALONG THE WLY LIMIT OF SAID LT 1 - 114 FT MORE OR LESS TO THE POC; S/T LT345020; T/W LT345020; S/T LT346559; T/W LT346559 (S/T LT263283); S/T LT350268; T/W LT350268; TORONTO ; SUBJECT TO A TEMPORARY EASEMENT AS SET IN EXPROPRIATION PLAN AS IN AT4214430; CITY OF TORONTO

Address: 356 Eglinton Avenue, West, Toronto, Ontario

PIN: 21169-0184 (LT)

Description: PCL 1-1 SEC M380; PT LT 1 PL M380 TORONTO; PT LT 2 PL M380 TORONTO; PT LT 3 PL M380 TORONTO , IF ANY, COMM AT A POINT IN THE SLY LIMIT OF SAID LT 2 DISTANT 5 FT MEASURED ELY THEREON FROM THE S WLY ANGLE OF SAID LT; THENCE ELY ALONG THE SLY LIMIT OF SAID LT 2, BEING THE NLY LIMIT OF EGLINTON AV W, 45 FT MORE OR LESS TO A POINT DISTANT 78 FT 10 INCHES MEASURED WLY FROM THE SE ANGLE OF LT 3 ON SAID PL; THENCE NLY IN A STRAIGHT LINE 113 FT 4 1/2 INCHES MORE OR LESS TO A POINT IN THE NLY LIMIT OF SAID LT 2 DISTANT 80 FT 6 3/4 INCHES MEASURED WLY THEREON FROM THE N ELY ANGLE OF SAID LT 3; THENCE WLY ALONG THE NLY LIMITS OF SAID LOTS 2 AND 1, 39 FT 7 1/2 INCHES MORE OR LESS TO A POINT IN THE SAID NLY LIMIT OF SAID LT 1 DISTANT 1 FT 6 3/4 INCHES MEASURED WLY THEREON FROM THE N ELY ANGLE OF SAID LT; THENCE SLY IN A STRAIGHT LINE 113 FT 5 3/4 INCHES MORE OR LESS TO THE POC; 1. S/T THE RIGHT OF THE OWNERS OF PCL 2664, SEC L TORONTO, TO USE THE WLY WALL OF THE BRICK STORE BUILDINGS, INCLUDING THE FOOTINGS THEREOF SITUATED ON THE LANDS IN THE ABOVE PCL OR ANY PT THEREOF AS A PARTY WALL , TO FORM THE ELY

WALL OR A PT THEREOF OF ANY BUILDING OR BUILDINGS WHICH ARE NOW OR MAY HEREAFTER BE ERECTED ON THE LANDS KNOWN AS PCL 2664, SEC L TORONTO, CONTIGUOUS WITH THE SAID WLY WALL OR ANY PT THEREOF; 2. T/W THE RIGHT TO MAINTAIN THE WLY WALL OF THE BRICK STORE BUILDINGS (INCLUDING THE FOOTINGS THEREOF) SITUATE ON THE LANDS IN THE ABOVE PCL OVER THE LANDS IMMEDIATELY ADJOINING TO THE W OF THESE LANDS IN THE POSITION NOW OCCUPIED BY THE SAID WLY WALL; THE OWNER OR OWNERS FROM TIME TO TIME EITHER OF THE PARCELS AFOREMENTIONED MAY EXTEND THE SAID WLY WALL IN A NLY DIRECTION OR ADD TO THE HEIGHT THEREOF, AND MAY REBUILD THE SAME IN CASE OF THE PARTIAL OR TOTAL DESTRUCTION THEREOF AND WHEN ALL OR ANY PORTION OF THE SAID WLY WALL INCLUDING ANY EXT THEREOF AND ADDITION THERETO, SHALL BE USED BY SUCH AN OWNER OR OWNERS BY WHOM OR BY ANY OF WHOSE PREDECESSORS IN TITLE, THE PROPER SHARE OF THE COSTS OF CONSTRUCTION OF THE PORTION OF THE WALL SO USED WAS NOT PAID, HE, SHE OR THEY SHALL PAY TO THE PERSON OR PERSONS WHO CONSTRUCTED THE SAME OR TO HIS, OR THEIR HER, OR THEIR HEIRS, EXECUTORS, ADMINISTRATORS OR ASSIGNS, ONE-HALF OF THE VALUE AT THE TIME OF SUCH USE AND THEREAFTER ONE-HALF OF THE COST OF MAINTENANCE OF THE WHOLE THICKNESS OF THE PORTION OF SUCH WALL SO USED BY HIM, HER OR THEM, AND THE SUM SO TO BE PAID SHALL, UNTIL PAID, REMAIN A CHARGE UPON THE LAND OF THE PERSON OR PERSONS LIABLE TO PAY THE SAME. AND IT IS AGREED THAT THE COVENANTS HEREIN CONTAINED SHALL RUN WITH THE LAND, BUT NO COVENANT HEREIN CONTAINED SHALL BE PERSONALLY BINDING ON ANY PERSON EXCEPT IN RESPECT OF BREACHES, DURING HIS, HER OR THEIR SEISEN OR TITLE TO THE SAID LANDS; AND IT IS FURTHER AGREED THAT WHENEVER THE SAID WLY WALL SHALL BE EXTENDED IN HEIGHT THE CHIMNEYS, IF ANY, PREVIOUSLY BUILT IN SUCH WALL SHALL BE CARRIED UP TO A PROPER HEIGHT AND ANY INJURY CAUSED BY SUCH EXT SHALL BE MADE GOOD AND SUCH EXT OF THE WALL AND CHIMNEYS SHALL BE AT THE EXPENSE OF THE PARTY MAKING THE EXT. AND IT IS AGREED THAT IF THE PARTIES CANNOT AGREE AS TO ANY VALUE ABOVE MENTIONED, THE AMOUNT THEREOF SHALL BE REFERRED TO THREE DISINTERESTED PERSONS AS VALUATORS OF WHOM THE OWNER OR OWNERS FROM TIME TO TIME OF EACH OF THE SAID PARCELS SHALL APPOINT ONE AND THESE TWO VALUATORS SHALL APPOINT A THIRD AND THE DECISION OF THE THREE SAID VALUATORS OR OF ANY TWO OF THEM IN WRITING UNDER THEIR HANDS SHALL BE BINDING ON THE PARTIES HERETO, THEIR RESPECTIVE HEIRS, EXECUTORS, ADMINISTRATORS AND ASSIGNS;

AND IT IS FURTHER AGREED THAT ANY REPAIRS, ADDITIONS OR EXTENSIONS TO THE SAID WLY WALL SHALL BE OF GOOD MATERIALS AND WORKMANSHIP AND WHEN BUILT SHALL BE AND REMAIN A PARTY WALL; 3. S/T A FREE AND UNINTERRUPTED ROW FOR THE USE OF THE OWNER OF PARCELS 2664, SEC L TORONTO, 3887, SEC K TORONTO AND 1-1-A, SEC M256, THEIR HEIRS AND ASSIGNS, INGRESS AND EGRESS FOR PERSONS, ANIMALS AND VEHICLES, THROUGH OVER AND ALONG THOSE PARTS OF LOTS 1 AND 2 ON PL M380, DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE NLY LIMIT OF LT 1, 1 FT 6 3/4 INCHES WLY FROM THE N ELY ANGLE OF LT 1; THENCE SLY ALONG A LINE, WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2 AT A POINT 5 FT ELY FROM THE SW ANGLE OF LT 2, 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM A POINT IN THE W LIMIT OF LT 1 DISTANT 96 FT NLY FROM THE N LIMIT OF EGLINTON AV AS WIDENED; THENCE N ELY IN A STRAIGHT LINE 19 FT 6 INCHES TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF LT 2 AND DISTANT 16 FT 01/2 INCH ELY FROM THE N WLY ANGLE THEREOF TO A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED 25 FT ELY FROM ITS INTERSECTION WITH THE WLY LIMIT OF LT 2, THE SAID POINT BEING 10 FT 6 INCHES MORE OR LESS SLY ON THE SAID LINE FROM THE SAID NLY LIMIT OF LT 2; THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF LT 2, 22 FT 3 1/2 INCHES MORE OR LESS TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED 78 FT 10 INCHES WLY FROM THE SE ANGLE OF LT 3 ON SAID PL TO A POINT IN THE N LIMIT OF LT 2, 80 FT 6 3/4 INCHES WLY FROM THE NE ANGLE OF LT 3; THENCE NLY ALONG THE SAID LAST MENTIONED LINE 10 FT 6 INCHES MORE OR LESS TO THE NLY LIMIT OF LT 2; THENCE WLY ALONG THE NLY LIMIT OF LOTS 2 AND 1, 39 FT 7 1/2 INCHES MORE OR LESS TO THE POC AS IN LT346559; 4. T/W A FREE AND UNINTERRUPTED ROW, INGRESS AND EGRESS, FOR PERSONS, ANIMALS AND VEHICLES, THROUGH, ALONG AND OVER THOSE PARTS OF LOTS 1 AND 2 BLK 'A', PL M256, DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE E LIMIT OF LT 1, 96 FT NLY THEREON FROM THE NLY LIMIT OF EGLINTON AV AS WIDENED BY BY-LAW 11494; THENCE WLY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV AS WIDENED 125 FT; THENCE NLY PARALLEL TO THE E LIMIT OF LT 1, 12 FT; THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV AS WIDENED 125 FT TO THE SAID E LIMIT OF LT 1; THENCE SLY ALONG THE SAID E LIMIT 12 FT TO THE POC; PROVIDED THAT THE PROJECTIONS, INCLUDING THE PROJECTION OF THE SECOND STOREY OF THE BUILDING SITUATE ON PCL 1-1-A, SEC M256, EXISTING ON THIS DATE AND A FIRE ESCAPE TO BE ERECTED IN CONNECTION THEREWITH, OVER THE SAID ROW OR ANY PT

THEREOF SHALL BE DEEMED NOT TO BE AN ENCROACHMENT UPON THE SAID ROW; 5. T/W A FREE AND UNINTERRUPTED ROW, INGRESS AND EGRESS, FOR PERSONS ANIMALS AND VEHICLES, THROUGH, ALONG AND OVER THOSE PARTS OF LOTS 1 AND 2 ON PL M380, DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE WLY LIMIT OF SAID LT 1 DISTANT 96 FT NLY THEREON FROM EGLINTON AV AS WIDENED UNDER BY-LAW 11494; THENCE NLY ALONG THE SAID WLY LIMIT OF LT 1, 18 FT MORE OR LESS TO THE N WLY ANGLE THEREOF; THENCE ELY ALONG THE NLY LIMIT OF LT 1, 48 FT 5 1/4 INCHES MORE OR LESS TO A POINT 1 FT 6 3/4 INCHES WLY THEREON FROM THE NE ANGLE OF LT 1; THENCE SLY ALONG A LINE, WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2 AT A POINT THEREIN DISTANT 5 FT ELY FROM THE SW ANGLE OF LT 2, A DISTANCE OF 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM THE POC; THENCE WLY ALONG THE SAID MENTIONED LINE 49 FT 4 3/4 INCHES MORE OR LESS TO THE POC; 6. T/W A FREE AND UNINTERRUPTED ROW OVER THE WLY 4 FT 6 INCHES OF LT 90 AND THE ELY 5 FT 6 INCHES OF LT 91 ON PL M512; 7. S/T THE RIGHT OF THE OWNER OF PCL 2664, SEC L TORONTO, TO USE (FOR THE PURPOSE OF ACCESS AND INGRESS TO AND EGRESS FROM THE LANDS COMPRISED IN SAID PCL 2664 OR ANY PT THEREOF, AND/OR THE BUILDINGS THEREON AND FOR THE TURNING OF VEHICLES USING THE ROW 3RDLY, 4THLY, 5THLY AND 6THLY ABOVE DESCRIBED) THE SPACE AT THE REAR OF THE BUILDINGS NOW SITUATED UPON THE LANDS COMPRISED IN ABOVE PCL EXTENDING NLY FROM THE NLY LIMIT AND ITS PRODUCTION ELY AND WLY OF THE SAID BUILDINGS TO THE SLY LIMIT OF THE SAID ROW 3RDLY, 4THLY, 5THLY AND 6THLY. PROVIDED ALWAYS THAT THE RIGHTS THEREBY GRANTED SHALL BE EXERCISED IN SUCH MANNER AS NOT UNREASONABLY TO INTERFERE WITH THE REASONABLE AND PROPER USE OF THE SPACE AT THE REAR OF THE RESPECTIVE BUILDINGS AFORESAID BY THE OWNER AND/OR ANY TENANT OR OCCUPANT OF ANY OF THE SAID BUILDINGS RESPECTIVELY AND/OR BY PERSONS HAVING DEALINGS WITH SUCH OWNER AND/OR ANY SUCH TENANT OR OCCUPANT AS IN LT350268; 8. T/W THE RIGHT TO USE (FOR THE PURPOSE OF ACCESS AND INGRESS TO AND EGRESS FROM THE LANDS COMPRISED IN PCL 2665, SEC L TORONTO, OR ANY PT THEREOF AND/OR THE BUILDINGS THEREON FOR THE TURNING OF VEHICLES USING THE ROW DESCRIBED IN THE ABOVE 3RDLY, 4THLY, 5THLY AND 6THLY) THE SPACE AT THE REAR OF THE BUILDINGS NOW SITUATED UPON THE LANDS COMPRISED IN PCL 2664, SEC L TORONTO, EXTENDING NLY FROM THE NLY LIMIT OF THE SAID BUILDINGS TO THE SLY LIMIT OF THE SAID ROW DESCRIBED IN THE SAID 3RDLY, 4THLY, 5THLY AND 6THLY. PROVIDED ALWAYS THAT



THE RIGHTS THEREBY GRANTED SHALL BE EXERCISED IN SUCH MANNER AS NOT UNREASONABLY TO INTERFERE WITH THE REASONABLE THE AND PROPER USE OF THE SPACE AT THE REAR OF THE RESPECTIVE BUILDINGS AFORESAID BY THE OWNER AND/OR ANY TENANT OR OCCUPANT OF ANY OF THE SAID BUILDINGS RESPECTIVELY AND/OR BY PERSONS HAVING DEALINGS WITH SUCH OWNER AND/OR ANY SUCH TENANT OR OCCUPANT; TORONTO ; SUBJECT TO A TEMPORARY EASEMENT AS SET OUT IN EXPROPRIATION PLAN AS IN AT4214429; CITY OF TORONTO

# TAB II

This is **Exhibit “II”** referred to  
in the Affidavit of Donald Ierfino  
sworn before me, the 19th day of April, 2024.



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A Commissioner etc.

Sara Mosadeq  
LSO No.: 67864K

February 5, 2024

**DELIVERED via EMAIL and REGISTERED MAIL and REGULAR MAIL**

**1000193772 ONTARIO LTD.**  
18 Doctors Lane, Suite 760  
King, Ontario  
L7B 1A8

**1000195736 ONTARIO LTD.**  
18 Doctors Lane, Suite 760  
King, Ontario  
L7B 1A8

**MORGIS CORPORATION**  
18 Doctors Lane, Suite 760  
King, Ontario  
L7B 1A8

**CHRISTOPHER MORGIS**  
18 Doctors Lane, Suite 760  
King City, Ontario  
L7B 1A8

**Email: [cmorgis@morgis.ca](mailto:cmorgis@morgis.ca)**

Re: Fredy Rossi, 2438747 Ontario Limited, 2205633 Ontario Limited, 1620375 Ontario Limited, 1288601 Ontario Limited, Amstel Manufacturing (1993) Inc., Bruce McKinlay, Salisi Investments Ltd., M Antonini Holdings Inc. and Gabriele Pizzardi (collectively the **"Lender"**) mortgage loan to Morgis Group, 1000193772 Ontario Ltd., 1000195736 Ontario Ltd. and Morgis Corporation (collectively the **"Borrower"**) as guaranteed by Christopher Morgis (the **"Guarantor"**) pursuant to Commitment Letter dated April 6, 2022 with all amendments thereto (the **"Commitment Letter"**) secured by Charge Instrument No. AT6082633, AT6078517, and AT6078076, (the **"Security"**).

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We are the lawyers for the Lender.

Pursuant to the Commitment Letter and any amendments thereto, the above noted loan has been in default as of September 1, 2023 for failure to remit the monthly interest payments. In that regard, the

Borrower is in breach of the Commitment Letter. Accordingly, the Lender requires payment of all amounts owing under the loan which are calculated as follows:

Principal Balance	\$33,000,000.00
Interest for September, October, November, December 2023 and January 2024	\$1,443,750.00
Interest from February 1 – February 5, 2024	\$47,465.75
Unpaid Renewal Fees	\$825,000.00
Other Fees	\$750.00
Legal Fees	\$2,500.00
Disbursements	\$250.00
HST on legal fees + disbursements	\$357.50
<b>TOTAL</b>	<b>\$35,320,073.25</b>

Per diem: \$9,493.15

Unless we receive payment in the amount of \$35,320,073.25 together with the required per diem to the date of payment, on or before February 16, 2024, the Lender shall take such steps as it deems necessary to recover payment of the Borrower's indebtedness in full, which may include enforcement of the Security. Funds received after 1:00 p.m. shall be deemed to have been paid and received on the next business day and the Lender shall be entitled to the additional per diem interest of \$9,493.15.

Enclosed please find the Lender's Notice of Intention to Enforce Security, which is served upon you pursuant to section 244(1) of the *Bankruptcy and Insolvency Act*.

Yours truly,

**RAR LITIGATION LAWYERS**



Sara Mosadeq  
SM/ds

Encl.

## **NOTICE OF INTENTION TO ENFORCE A SECURITY**

**(given pursuant to section 244 of the *Bankruptcy and Insolvency Act*)**

To:           **1000195736 ONTARIO LTD.**, an insolvent person  
                 **1000193772 ONTARIO LTD.**, an insolvent person  
                 **MORGIS CORPORATION**, an insolvent person  
                 **CHRISTOPHER MORGIS**, an insolvent person

Take notice that:

1. Fredy Rossi, 2438747 Ontario Limited, 2205633 Ontario Limited, 1620375 Ontario Limited, 1288601 Ontario Limited, Amstel Manufacturing (1993) Inc., Bruce McKinlay, Salisi Investments Ltd., M Antonini Holdings Inc. and Gabriele Pizzardi, the secured creditor, intends to enforce its security on all of the present and after-acquired property of 1000195736 Ontario Ltd., 1000193772 Ontario Ltd., Morgis Corporation, and Christopher Morgis as described in Schedule "A" attached hereto.
2. The security that is to be enforced includes, a Charge/Mortgage in the principal amount of \$33,000,000.00 registered on the lands described in Schedule "A" (the "Property") as instrument no. AT6082633 on May 18, 2022, AT6078517 on May 13, 2022, and AT6078076 and on May 13, 2022, and any other guarantees, assignment of rents agreements, general security agreements and any other security documents (the "Security").
3. The total amount of the indebtedness secured by the Security as of February 5<sup>th</sup>, 2024 is \$35,316,965.75 inclusive of principal, interest, and fees (excluding legal costs) with respect to a loan made to 1000195736 Ontario Ltd., 1000193772 Ontario Ltd., and Morgis Corporation and as guaranteed by Christopher Morgis pursuant to the Commitment Letter dated April 6, 2022.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

Dated at Oakville, this 5<sup>th</sup> day of February, 2024

Fredy Rossi, 2438747 Ontario Limited, 2205633  
Ontario Limited, 1620375 Ontario Limited, 1288601  
Ontario Limited, Amstel Manufacturing (1993) Inc.,

Bruce McKinlay, Salisi Investments Ltd., M Antonini Holdings Inc., and Gabriele Pizzardi

By their lawyers, RAR Litigation Lawyers



Per: \_\_\_\_\_  
**Sara Mosadeq**

**RAR LITIGATION LAWYERS**

1 West Pearce Street, Suite 505  
Richmond Hill, Ontario  
L4B 3K3

Tel: 905-731-8100 ext. 213

Fax: 866-751-5134

Email: [sara@rarlitigation.com](mailto:sara@rarlitigation.com)

### Schedule "A"

PIN: 21169-0181 (LT)

Description: PCL 1-1-A SEC M256; PT LT 1 N/S EGLINTON AV BLK A PL M256 TORONTO; PT LT 2 N/S EGLINTON AV BLK A PL M256 TORONTO COMM AT A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED BY BY-LAW 11494 DISTANT 34 FT 6 1/2 INCHES MORE OR LESS WLY FROM ITS INTERSECTION WITH THE E LIMIT OF SAID LT 1; THENCE WLY ALONG SAID NLY LIMIT OF EGLINTON AV A DISTANCE OF 90 FT 5 1/2 INCHES MORE OR LESS TO A POINT; THENCE NLY PARALLEL TO THE LINE BTN SAID LOTS 1 AND 2 A DISTANCE OF 109 FT 11 INCHES MORE OR LESS TO A POINT DISTANT 120 FT NLY FROM THE SLY LIMIT OF SAID LT 2; THENCE ELY PARALLEL WITH THE SAID S LIMITS OF SAID LOTS 1 AND 2 A DISTANCE OF 125 FT MORE OR LESS TO THE E LIMIT OF SAID LT 1; THENCE SLY ALONG THE LAST MENTIONED LIMIT A DISTANCE OF 13 FT 11 INCHES MORE OR LESS TO A POINT; THENCE WLY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV A DISTANCE OF 34 FT 6 1/2 INCHES MORE OR LESS TO ITS INTERSECTION WITH THE PRODUCTION NLY OF THE CENTRE LINE OF THE PARTY WALL BTN THE BUILDINGS ERECTED ON THIS LAND AND ON LAND LYING ELY AND ADJACENT THERETO; THENCE SLY ALONG SAID PRODUCTION TO AND ALONG SAID CENTRE LINE OF WALL AND ITS PRODUCTION SLY IN ALL 96 FT MORE OR LESS TO THE POC; S/T A FREE AND UNINTERRUPTED ROW INGRESS AND EGRESS FOR PERSONS, ANIMALS AND VEHICLES THROUGH, ALONG AND UPON THAT CERTAIN PCL OF LAND DESCRIBED AS FOLLOWS: PARTS OF LOTS 1 AND 2 ON BLK A ON PL M256 AS FOLLOWS: COMM AT A POINT IN THE E LIMIT OF LT 1, 96 FT NLY FROM THE NLY LIMIT OF EGLINTON AV AS WIDENED BY BY-LAW 11494; THENCE WLY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV AS WIDENED 125 FT; THENCE NLY PARALLEL TO THE E LIMIT OF LT 1, 12 FT; THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV AS WIDENED 125 FT TO THE E LIMIT OF LT 1; THENCE SLY ALONG THE SAID E LIMIT 12 FT TO THE POC; PROVIDED THAT THE PROJECTIONS INCLUDING THE PROJECTION OF THE SECOND STOREY BUILDINGS SITUATE ON THE ABOVE PCL EXISTING ON THIS DATE AND A FIRE ESCAPE TO BE ERECTED IN CONNECTION THEREWITH OVER THE SAID ROW OR ANY PT THEREOF SHALL BE DEEMED NOT TO BE AN ENCROACHMENT UPON THE SAID ROW; T/W A FREE AND UNINTERRUPTED ROW, INGRESS AND EGRESS, FOR PERSONS, ANIMALS AND VEHICLES THROUGH, ALONG AND OVER THAT PT OF LT 125 ON PL M512 (BOROUGH OF E YORK) DESCRIBED AS FOLLOWS: COMM AT A



POINT IN THE ELY LIMIT OF LT 125 DISTANT 96 FT NLY FROM THE SE ANGLE OF SAID LT; THENCE WLY PARALLEL TO THE SLY LIMIT OF SAID LT, 22 FT 4 INCHES MORE OR LESS TO A POINT 77 FT 8 INCHES ELY FROM THE WLY LIMIT OF LT 124 ON SAID PL; THENCE NLY IN A STRAIGHT LINE 14 FT MORE OR LESS TO A POINT IN THE NLY LIMIT OF LT 125, 77 FT 8 INCHES ELY FROM THE NW ANGLE OF SAID LT 124; THENCE ELY ALONG THE NLY LIMIT OF LT 125, 22 FT 4 INCHES MORE OR LESS TO THE N ELY ANGLE THEREOF; THENCE SLY ALONG THE ELY LIMIT OF LT 125, 14 FT MORE OR LESS TO THE POB; T/W A FREE AND UNINTERRUPTED ROW INGRESS AND EGRESS, FOR PERSONS, ANIMALS AND VEHICLES THROUGH AND OVER PT OF LOTS 1 AND 2 ON PL M380 (CITY OF TORONTO) DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE WLY LIMIT OF LT 1, 96 FT MEASURED NLY THEREON FROM EGLINTON AV AS WIDENED UNDER BY-LAW # 11494; THENCE NLY ALONG THE SAID WLY LIMIT OF LT 1, 18 FT MORE OR LESS TO THE N WLY ANGLE THEREOF; THENCE ELY ALONG THE NLY LIMIT OF SAID LT 1, 48 FT 5 1/4 INCHES MORE OR LESS TO A POINT 1 FT 6 3/4 INCHES WLY FROM THE NE ANGLE OF LT 1; THENCE SLY ALONG A LINE WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2 AT A POINT 5 FT ELY FROM THE SW ANGLE OF LT 2 A DISTANCE OF 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM THE POC; THENCE WLY ALONG THE SAID MENTIONED LINE 49 FT 4 3/4 INCHES MORE OR LESS TO THE POC; T/W A FREE AND UNINTERRUPTED ROW INGRESS AND EGRESS FOR PERSONS, ANIMALS AND VEHICLES THROUGH OVER AND ALONG THOSE PARTS OF LOTS 1 AND 2 ON PL M380 (CITY OF TORONTO) DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE NLY LIMIT OF LT 1, 1 FT 6 3/4 INCHES WLY THEREON FROM THE N ELY ANGLE OF LT 1; THENCE SLY ALONG A LINE WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2 AT A POINT THEREIN 5 FT ELY FROM THE SW ANGLE OF LT 2, 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM A POINT IN THE W LIMIT OF LT 1, 96 FT NLY FROM THE N LIMIT OF EGLINTON AV AS WIDENED; THENCE N ELY IN A STRAIGHT LINE 19 FT 6 INCHES TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF LT 2 AND DISTANT 16 FT 1/2 INCH ELY THEREON FROM THE N WLY ANGLE THEREOF TO A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED DISTANT 25 FT ELY THEREON FROM ITS INTERSECTION WITH THE WLY LIMIT OF LT 2; THE SAID POINT BEING 10 FT 6 INCHES MORE OR LESS SLY ON THE SAID LINE FROM THE SAID NLY LIMIT OF LT 2; THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF LT 2, 22 FT 3 1/2 INCHES MORE OR LESS TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED 78 FT 10 INCHES WLY FROM

THE SE ANGLE OF LT 3 ON SAID PL TO A POINT IN THE N LIMIT OF LT 2 DISTANT 80 FT 6 3/4 INCHES WLY THEREON FROM THE NE ANGLE OF LT 3; THENCE NLY ALONG THE SAID LAST MENTIONED LINE 10 FT 6 INCHES MORE OR LESS TO THE NLY LIMIT OF LT 2; THENCE WLY ALONG THE NLY LIMIT OF LOTS 2 AND 1, 39 FT 7 1/2 INCHES MORE OR LESS TO THE POC; TORONTO, CITY OF TORONTO

Address: 368, 378 Eglinton Avenue West, Toronto, Ontario

PIN: 21169-0182 (LT)

Description: PCL 1-3-A SEC M256; PT LT 1 BLK A PL M256 TORONTO COMM AT A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED BY BY-LAW # 11494 OF THE CORPORATION OF THE CITY OF TORONTO AT THE INTERSECTION WITH THE ELY LIMIT OF THE SAID LT 1. THENCE WLY ALONG THE SAID NLY LIMIT OF EGLINTON AV 34 FT 6 1/2 INCHES MORE OR LESS TO THE INTERSECTION WITH THE PRODUCTION SLY OF THE CENTRE LINE OF THE PARTY WALL BTN THE BUILDINGS ERECTED ON THESE LANDS AND ON LAND LYING WLY AND ADJACENT THERETO. THENCE NLY ALONG THE SAID PRODUCTION TO AND ALONG THE SAID CENTRE LINE OF WALL AND ITS PRODUCTION NLY IN ALL 96 FT. THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV 34 FT 6 1/2 INCHES TO THE INTERSECTION WITH THE SAID ELY LIMIT OF LT 1. THENCE SLY ALONG THE SAID ELY LIMIT OF LT 1, 96 FT TO THE FRONT OF COMMENCEMENT; T/W A ROW OVER PARTS OF LOTS 1 AND 2 IN BLK A ON PL M256; COMM AT A POINT IN THE ELY LIMIT OF LT 1 DISTANT 96 FT MEASURED NLY THEREON FROM THE SAID NLY LIMIT OF EGLINTON AV AS WIDENED. THENCE WLY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV AS WIDENED 125 FT. THENCE NLY PARALLEL TO THE SAID ELY LIMIT OF LT 1, 12 FT. THENCE ELY PARALLEL TO THE NLY LIMIT OF EGLINTON AV 125 FT TO ITS INTERSECTION WITH THE SAID ELY LIMIT OF LT 1. THENCE SLY ALONG THE SAID ELY LIMIT OF LT 1, 12 FT TO THE POC. PROVIDED THAT THE PROJECTIONS INCLUDING THE PROJECTIONS OF THE SECOND STORY OF THE BUILDING SITUATE ON THE LANDS DESCRIBED IN PCL 3021 SEC K TORONTO EXISTING AT THIS DATE JULY 5, 1943 T/W THE FIRE ESCAPE ERECTED IN CONNECTION HERewith OVER THE SAID ROW OR ANY PT THEREOF SHALL BE DEEMED NOT TO BE AN ENCROACHMENT UPON THE SAID ROW; T/W A ROW OVER THAT PT OF LT 125 ON PL M512; COMM AT A POINT IN THE ELY LIMIT OF LT 125 DISTANT 96 FT MEASURED NLY THEREON FROM THE SE ANGLE OF SAID LT. THENCE WLY PARALLEL TO THE SLY LIMIT OF SAID LT 22 FT 4 INCHES MORE OR LESS TO A POINT 77 FT 8 INCHES MEASURED ELY FROM THE WLY LIMIT OF LT 124 ON

SAID PL. THENCE NLY IN A STRAIGHT LINE 14 FT MORE OR LESS TO A POINT IN THE NLY LIMIT OF THE SAID LT 125 DISTANT 77 FT 8 INCHES MEASURED ELY THEREON FROM THE NW ANGLE OF LT 124. THENCE ELY ALONG THE NLY LIMIT OF LT 125, 22 FT 4 INCHES MORE OR LESS TO THE NE ANGLE THEREOF. THENCE SLY ALONG THE ELY LIMIT OF LT 125 A DISTANCE OF 14 FT MORE OR LESS TO THE POB; T/W A ROW OVER THE WLY 4 FT 6 INCHES OF LT 90 AND THE ELY 5 FT 6 INCHES OF LT 91 ON PL M512; T/W A ROW OVER PARTS OF LOTS 1 AND 2 ON PL M380; COMM AT A POINT IN THE WLY LIMIT OF LT 1 DISTANT 96 FT NLY THEREON FROM EGLINTON AV AS WIDENED BY BY-LAW # 11494. THENCE NLY ALONG THE SAID WLY LIMIT OF LT 1, 18 FT MORE OR LESS TO THE N WLY ANGLE THEREOF. THENCE ELY ALONG THE NLY LIMIT OF LT 1, 48 FT 5 1/4 INCHES MORE OR LESS TO A POINT 1 FT 6 3/4 INCHES WLY THEREON FROM THE NE ANGLE OF SAID LT 1. THENCE SLY ALONG A LINE WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2 AT A POINT THEREIN DISTANT 5 FT ELY FROM THE SW ANGLE OF LT 2 A DISTANCE OF 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM THE POC. THENCE WLY ALONG THE SAID MENTIONED LINE 49 FT 4 3/4 INCHES MORE OR LESS TO THE POC; T/W A ROW OVER PARTS OF LOTS 1 AND 2 ON PL M380; COMM AT A POINT IN THE NLY LIMIT OF LT 1 DISTANT 1 FT 6 3/4 INCHES WLY THEREON FROM THE N ELY ANGLE OF LT 1. THENCE SLY ALONG A LINE WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2 AT A POINT THEREON 5 FT ELY FROM THE SW ANGLE OF LT 2 AT A DISTANCE OF 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM A POINT IN THE W LIMIT OF LT 1 DISTANT 96 FT NLY FROM THE N LIMIT OF EGLINTON AV AS WIDENED. THENCE N ELY IN A STRAIGHT LINE 19 FT 6 INCHES TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF LT 2 AND DISTANT 16 FT 1/2 AN INCH MEASURED ELY THEREON FROM THE N WLY ANGLE THEREOF TO A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED, DISTANT 25 FT MEASURED ELY THEREON FROM ITS INTERSECTION WITH THE WLY LIMIT OF LT 2, THE SAID POINT BEING DISTANT 10 FT 6 INCHES MORE OR LESS MEASURED SLY ON THE SAID LINE FROM THE SAID NLY LIMIT OF LT 2. THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF LT 2, 22 FT 3 1/2 INCHES MORE OR LESS TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED DISTANT 78 FT 10 INCHES MEASURED WLY FROM THE SE ANGLE OF LT 3 ON SAID PL TO A POINT IN THE N LIMIT OF SAID LT 2 DISTANT 80 FT 6 3/4 INCHES MEASURED WLY THEREON FROM THE NE ANGLE OF LT 3. THENCE NLY ALONG THE SAID LAST MENTIONED LINE 10 FT 6 INCHES MORE OR LESS TO THE NLY LIMIT

OF LT 2. THENCE WLY ALONG THE NLY LIMIT OF SAID LT 2 AND 1, 39 FT 7 1/2 INCHES MORE OR LESS TO THE POC; CITY OF TORONTO

Address: 366 Eglinton Avenue West, Toronto, Ontario

PIN: 21169-0183 (LT)

Description: PCL 1-2 SEC M380; PT LT 1 PL M380 TORONTO; PT LT 2 PL M380 TORONTO COMM AT THE S WLY ANGLE OF SAID LT 1; THENCE ELY ALONG THE SLY LIMITS OF LOTS 1 AND 2 - 55 FT MORE OR LESS TO A POINT IN THE SAID SLY LIMIT OF SAID LT 2 DISTANT 5 FT MEASURED ELY THEREON FROM THE S WLY ANGLE OF SAID LT 2; THENCE NLY IN A STRAIGHT LINE 113 FT 5 3/4 INCHES MORE OR LESS TO A POINT IN THE NLY LIMIT OF SAID LT 1 DISTANT 1 FT 6 3/4 INCHES MEASURED WLY THEREON FROM THE N ELY ANGLE OF SAID LT; THENCE WLY ALONG THE NLY LIMIT OF SAID LT 1 - 48 FT 5 1/4 INCHES MORE OR LESS TO THE N WLY ANGLE OF SAID LT; THENCE SLY ALONG THE WLY LIMIT OF SAID LT 1 - 114 FT MORE OR LESS TO THE POC; S/T LT345020; T/W LT345020; S/T LT346559; T/W LT346559 (S/T LT263283); S/T LT350268; T/W LT350268; TORONTO ; SUBJECT TO A TEMPORARY EASEMENT AS SET IN EXPROPRIATION PLAN AS IN AT4214430; CITY OF TORONTO

Address: 356 Eglinton Avenue, West, Toronto, Ontario

PIN: 21169-0184 (LT)

Description: PCL 1-1 SEC M380; PT LT 1 PL M380 TORONTO; PT LT 2 PL M380 TORONTO; PT LT 3 PL M380 TORONTO , IF ANY, COMM AT A POINT IN THE SLY LIMIT OF SAID LT 2 DISTANT 5 FT MEASURED ELY THEREON FROM THE S WLY ANGLE OF SAID LT; THENCE ELY ALONG THE SLY LIMIT OF SAID LT 2, BEING THE NLY LIMIT OF EGLINTON AV W, 45 FT MORE OR LESS TO A POINT DISTANT 78 FT 10 INCHES MEASURED WLY FROM THE SE ANGLE OF LT 3 ON SAID PL; THENCE NLY IN A STRAIGHT LINE 113 FT 4 1/2 INCHES MORE OR LESS TO A POINT IN THE NLY LIMIT OF SAID LT 2 DISTANT 80 FT 6 3/4 INCHES MEASURED WLY THEREON FROM THE N ELY ANGLE OF SAID LT 3; THENCE WLY ALONG THE NLY LIMITS OF SAID LOTS 2 AND 1, 39 FT 7 1/2 INCHES MORE OR LESS TO A POINT IN THE SAID NLY LIMIT OF SAID LT 1 DISTANT 1 FT 6 3/4 INCHES MEASURED WLY THEREON FROM THE N ELY ANGLE OF SAID LT; THENCE SLY IN A STRAIGHT LINE 113 FT 5 3/4 INCHES MORE OR LESS TO THE POC; 1. S/T THE RIGHT OF THE OWNERS OF PCL 2664, SEC L TORONTO, TO

USE THE WLY WALL OF THE BRICK STORE BUILDINGS, INCLUDING THE FOOTINGS THEREOF SITUATED ON THE LANDS IN THE ABOVE PCL OR ANY PT THEREOF AS A PARTY WALL , TO FORM THE ELY WALL OR A PT THEREOF OF ANY BUILDING OR BUILDINGS WHICH ARE NOW OR MAY HEREAFTER BE ERECTED ON THE LANDS KNOWN AS PCL 2664, SEC L TORONTO, CONTIGUOUS WITH THE SAID WLY WALL OR ANY PT THEREOF; 2. T/W THE RIGHT TO MAINTAIN THE WLY WALL OF THE BRICK STORE BUILDINGS (INCLUDING THE FOOTINGS THEREOF) SITUATE ON THE LANDS IN THE ABOVE PCL OVER THE LANDS IMMEDIATELY ADJOINING TO THE W OF THESE LANDS IN THE POSITION NOW OCCUPIED BY THE SAID WLY WALL; THE OWNER OR OWNERS FROM TIME TO TIME EITHER OF THE PARCELS AFOREMENTIONED MAY EXTEND THE SAID WLY WALL IN A NLY DIRECTION OR ADD TO THE HEIGHT THEREOF, AND MAY REBUILD THE SAME IN CASE OF THE PARTIAL OR TOTAL DESTRUCTION THEREOF AND WHEN ALL OR ANY PORTION OF THE SAID WLY WALL INCLUDING ANY EXT THEREOF AND ADDITION THERETO, SHALL BE USED BY SUCH AN OWNER OR OWNERS BY WHOM OR BY ANY OF WHOSE PREDECESSORS IN TITLE, THE PROPER SHARE OF THE COSTS OF CONSTRUCTION OF THE PORTION OF THE WALL SO USED WAS NOT PAID, HE, SHE OR THEY SHALL PAY TO THE PERSON OR PERSONS WHO CONSTRUCTED THE SAME OR TO HIS, OR THEIR HER, OR THEIR HEIRS, EXECUTORS, ADMINISTRATORS OR ASSIGNS, ONE-HALF OF THE VALUE AT THE TIME OF SUCH USE AND THEREAFTER ONE-HALF OF THE COST OF MAINTENANCE OF THE WHOLE THICKNESS OF THE PORTION OF SUCH WALL SO USED BY HIM, HER OR THEM, AND THE SUM SO TO BE PAID SHALL, UNTIL PAID, REMAIN A CHARGE UPON THE LAND OF THE PERSON OR PERSONS LIABLE TO PAY THE SAME. AND IT IS AGREED THAT THE COVENANTS HEREIN CONTAINED SHALL RUN WITH THE LAND, BUT NO COVENANT HEREIN CONTAINED SHALL BE PERSONALLY BINDING ON ANY PERSON EXCEPT IN RESPECT OF BREACHES, DURING HIS, HER OR THEIR SEISEN OR TITLE TO THE SAID LANDS; AND IT IS FURTHER AGREED THAT WHENEVER THE SAID WLY WALL SHALL BE EXTENDED IN HEIGHT THE CHIMNEYS, IF ANY, PREVIOUSLY BUILT IN SUCH WALL SHALL BE CARRIED UP TO A PROPER HEIGHT AND ANY INJURY CAUSED BY SUCH EXT SHALL BE MADE GOOD AND SUCH EXT OF THE WALL AND CHIMNEYS SHALL BE AT THE EXPENSE OF THE PARTY MAKING THE EXT. AND IT IS AGREED THAT IF THE PARTIES CANNOT AGREE AS TO ANY VALUE ABOVE MENTIONED, THE AMOUNT THEREOF SHALL BE REFERRED TO THREE DISINTERESTED PERSONS AS VALUATORS OF WHOM THE OWNER OR OWNERS FROM TIME TO TIME OF EACH OF THE SAID PARCELS SHALL APPOINT ONE AND THESE TWO VALUATORS SHALL APPOINT A THIRD AND THE DECISION OF THE THREE SAID

VALUATORS OR OF ANY TWO OF THEM IN WRITING UNDER THEIR HANDS SHALL BE BINDING ON THE PARTIES HERETO, THEIR RESPECTIVE HEIRS, EXECUTORS, ADMINISTRATORS AND ASSIGNS; AND IT IS FURTHER AGREED THAT ANY REPAIRS, ADDITIONS OR EXTENSIONS TO THE SAID WLY WALL SHALL BE OF GOOD MATERIALS AND WORKMANSHIP AND WHEN BUILT SHALL BE AND REMAIN A PARTY WALL; 3. S/T A FREE AND UNINTERRUPTED ROW FOR THE USE OF THE OWNER OF PARCELS 2664, SEC L TORONTO, 3887, SEC K TORONTO AND 1-1-A, SEC M256, THEIR HEIRS AND ASSIGNS, INGRESS AND EGRESS FOR PERSONS, ANIMALS AND VEHICLES, THROUGH OVER AND ALONG THOSE PARTS OF LOTS 1 AND 2 ON PL M380, DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE NLY LIMIT OF LT 1, 1 FT 6 3/4 INCHES WLY FROM THE N ELY ANGLE OF LT 1; THENCE SLY ALONG A LINE, WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2 AT A POINT 5 FT ELY FROM THE SW ANGLE OF LT 2, 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM A POINT IN THE W LIMIT OF LT 1 DISTANT 96 FT NLY FROM THE N LIMIT OF EGLINTON AV AS WIDENED; THENCE N ELY IN A STRAIGHT LINE 19 FT 6 INCHES TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF LT 2 AND DISTANT 16 FT 01/2 INCH ELY FROM THE N WLY ANGLE THEREOF TO A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED 25 FT ELY FROM ITS INTERSECTION WITH THE WLY LIMIT OF LT 2, THE SAID POINT BEING 10 FT 6 INCHES MORE OR LESS SLY ON THE SAID LINE FROM THE SAID NLY LIMIT OF LT 2; THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF LT 2, 22 FT 3 1/2 INCHES MORE OR LESS TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED 78 FT 10 INCHES WLY FROM THE SE ANGLE OF LT 3 ON SAID PL TO A POINT IN THE N LIMIT OF LT 2, 80 FT 6 3/4 INCHES WLY FROM THE NE ANGLE OF LT 3; THENCE NLY ALONG THE SAID LAST MENTIONED LINE 10 FT 6 INCHES MORE OR LESS TO THE NLY LIMIT OF LT 2; THENCE WLY ALONG THE NLY LIMIT OF LOTS 2 AND 1, 39 FT 7 1/2 INCHES MORE OR LESS TO THE POC AS IN LT346559; 4. T/W A FREE AND UNINTERRUPTED ROW, INGRESS AND EGRESS, FOR PERSONS, ANIMALS AND VEHICLES, THROUGH, ALONG AND OVER THOSE PARTS OF LOTS 1 AND 2 BLK 'A', PL M256, DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE E LIMIT OF LT 1, 96 FT NLY THEREON FROM THE NLY LIMIT OF EGLINTON AV AS WIDENED BY BY-LAW 11494; THENCE WLY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV AS WIDENED 125 FT; THENCE NLY PARALLEL TO THE E LIMIT OF LT 1, 12 FT; THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV AS WIDENED 125 FT TO THE SAID E LIMIT OF LT 1; THENCE SLY ALONG THE SAID E LIMIT 12 FT TO THE POC; PROVIDED THAT THE PROJECTIONS, INCLUDING THE PROJECTION OF THE SECOND

STOREY OF THE BUILDING SITUATE ON PCL 1-1-A, SEC M256, EXISTING ON THIS DATE AND A FIRE ESCAPE TO BE ERECTED IN CONNECTION THEREWITH, OVER THE SAID ROW OR ANY PT THEREOF SHALL BE DEEMED NOT TO BE AN ENCROACHMENT UPON THE SAID ROW; 5. T/W A FREE AND UNINTERRUPTED ROW, INGRESS AND EGRESS, FOR PERSONS ANIMALS AND VEHICLES, THROUGH, ALONG AND OVER THOSE PARTS OF LOTS 1 AND 2 ON PL M380, DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE WLY LIMIT OF SAID LT 1 DISTANT 96 FT NLY THEREON FROM EGLINTON AV AS WIDENED UNDER BY-LAW 11494; THENCE NLY ALONG THE SAID WLY LIMIT OF LT 1, 18 FT MORE OR LESS TO THE N WLY ANGLE THEREOF; THENCE ELY ALONG THE NLY LIMIT OF LT 1, 48 FT 5 1/4 INCHES MORE OR LESS TO A POINT 1 FT 6 3/4 INCHES WLY THEREON FROM THE NE ANGLE OF LT 1; THENCE SLY ALONG A LINE, WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2 AT A POINT THEREIN DISTANT 5 FT ELY FROM THE SW ANGLE OF LT 2, A DISTANCE OF 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM THE POC; THENCE WLY ALONG THE SAID MENTIONED LINE 49 FT 4 3/4 INCHES MORE OR LESS TO THE POC; 6. T/W A FREE AND UNINTERRUPTED ROW OVER THE WLY 4 FT 6 INCHES OF LT 90 AND THE ELY 5 FT 6 INCHES OF LT 91 ON PL M512; 7. S/T THE RIGHT OF THE OWNER OF PCL 2664, SEC L TORONTO, TO USE (FOR THE PURPOSE OF ACCESS AND INGRESS TO AND EGRESS FROM THE LANDS COMPRISED IN SAID PCL 2664 OR ANY PT THEREOF, AND/OR THE BUILDINGS THEREON AND FOR THE TURNING OF VEHICLES USING THE ROW 3RDLY, 4THLY, 5THLY AND 6THLY ABOVE DESCRIBED) THE SPACE AT THE REAR OF THE BUILDINGS NOW SITUATED UPON THE LANDS COMPRISED IN ABOVE PCL EXTENDING NLY FROM THE NLY LIMIT AND ITS PRODUCTION ELY AND WLY OF THE SAID BUILDINGS TO THE SLY LIMIT OF THE SAID ROW 3RDLY, 4THLY, 5THLY AND 6THLY. PROVIDED ALWAYS THAT THE RIGHTS THEREBY GRANTED SHALL BE EXERCISED IN SUCH MANNER AS NOT UNREASONABLY TO INTERFERE WITH THE REASONABLE AND PROPER USE OF THE SPACE AT THE REAR OF THE RESPECTIVE BUILDINGS AFORESAID BY THE OWNER AND/OR ANY TENANT OR OCCUPANT OF ANY OF THE SAID BUILDINGS RESPECTIVELY AND/OR BY PERSONS HAVING DEALINGS WITH SUCH OWNER AND/OR ANY SUCH TENANT OR OCCUPANT AS IN LT350268; 8. T/W THE RIGHT TO USE (FOR THE PURPOSE OF ACCESS AND INGRESS TO AND EGRESS FROM THE LANDS COMPRISED IN PCL 2665, SEC L TORONTO, OR ANY PT THEREOF AND/OR THE BUILDINGS THEREON FOR THE TURNING OF VEHICLES USING THE ROW DESCRIBED IN THE ABOVE 3RDLY, 4THLY, 5THLY AND 6THLY) THE SPACE AT THE REAR OF THE BUILDINGS NOW SITUATED UPON THE LANDS COMPRISED IN PCL 2664, SEC L

TORONTO, EXTENDING NLY FROM THE NLY LIMIT OF THE SAID BUILDINGS TO THE SLY LIMIT OF THE SAID ROW DESCRIBED IN THE SAID 3RDLY, 4THLY, 5THLY AND 6THLY. PROVIDED ALWAYS THAT THE RIGHTS THEREBY GRANTED SHALL BE EXERCISED IN SUCH MANNER AS NOT UNREASONABLY TO INTERFERE WITH THE REASONABLE THE AND PROPER USE OF THE SPACE AT THE REAR OF THE RESPECTIVE BUILDINGS AFORESAID BY THE OWNER AND/OR ANY TENANT OR OCCUPANT OF ANY OF THE SAID BUILDINGS RESPECTIVELY AND/OR BY PERSONS HAVING DEALINGS WITH SUCH OWNER AND/OR ANY SUCH TENANT OR OCCUPANT; TORONTO ; SUBJECT TO A TEMPORARY EASEMENT AS SET OUT IN EXPROPRIATION PLAN AS IN AT4214429; CITY OF TORONTO

Address: 350 Eglinton Avenue, West, Toronto, Ontario



**TAB JJ**

This is **Exhibit “JJ”** referred to  
in the Affidavit of Donald Ierfino  
sworn before me, the 19th day of April, 2024.



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A Commissioner etc.

Sara Mosadeq  
LSO No.: 67864K

February 5, 2024

**DELIVERED via EMAIL and REGISTERED MAIL and REGULAR MAIL**

**1000195736 ONTARIO LTD.**

18 Doctors Lane, Suite 760  
King City, Ontario  
L7B 1A8

**1000193772 ONTARIO LTD.**

18 Doctors Lane, Suite 760  
King City, Ontario  
L7B 1A8

**MORGIS CORPORATION**

18 Doctors Lane, Suite 760  
King City, Ontario  
L7B 1A8

**CHRISTOPHER MORGIS**

18 Doctors Lane, Suite 760  
King City, Ontario  
L7B 1A8

**Email: [cmorgis@morgis.ca](mailto:cmorgis@morgis.ca)**

Re: Imperio SA Holdings Inc., Ronald Chemij, Mary Chemij, Terry Chemij, Luba Chemij, Donald Ierfino, Taxmart Inc. and Trilend Inc. (collectively the “**Lender**”) mortgage loan to 1000195736 Ontario Ltd., 1000193772 Ontario Ltd. and Morgis Corporation (collectively the “**Borrower**”) as guaranteed by Christopher Morgis (the “**Guarantor**”) pursuant to Commitment Letter dated March 1, 2023 with all amendments thereto (the “**Commitment Letter**”) secured by Charge Instrument No. AT6297855, AT6297857, and AT6297859 (collectively the “**Security**”).

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We are the lawyers for the Lender.

Pursuant to the Commitment Letter and any amendments thereto, the above noted loan has been in default as of September 1, 2023 for failure to remit the monthly interest payments. In that regard, the Borrower is in breach of the Commitment Letter. Accordingly, the Lender requires payment of all amounts owing under the loan which are calculated as follows:

Principal Balance	\$4,500,000.00
Interest for September, October, November, December 2023 and January 2024	\$234,375.00
Interest from Feb 1, 2024 – Feb 5, 2024	\$7,705.50
Unpaid Renewal Fee	\$112,500.00
Other Fees	\$750.00
Legal Fees	\$16,500.00
Disbursements	\$1,000.00
HST on legal fees + disbursements	\$2,275.00
<b>TOTAL</b>	<b>\$4,875,105.50</b>

Per diem: \$1,541.10

Unless we receive payment in the amount of \$4,875,105.50 together with the required per diem to the date of payment, on or before February 16, 2024, the Lender shall take such steps as it deems necessary to recover payment of the Borrower's indebtedness in full, which may include enforcement of the Security. Funds received after 1:00 p.m. shall be deemed to have been paid and received on the next business day and the Lender shall be entitled to the additional per diem interest of \$1,541.10.

Enclosed please find the Lender's Notice of Intention to Enforce Security, which is served upon you pursuant to section 244(1) of the *Bankruptcy and Insolvency Act*.

Yours truly,

**RAR LITIGATION LAWYERS**



Sara Mosadeq  
SM/fs

Encl.

## **NOTICE OF INTENTION TO ENFORCE A SECURITY**

**(given pursuant to section 244 of the *Bankruptcy and Insolvency Act*)**

To:           **1000195736 ONTARIO LTD.**, an insolvent person  
                 **1000193772 ONTARIO LTD.**, an insolvent person  
                 **MORGIS CORPORATION**, an insolvent person  
                 **CHRISTOPHER MORGIS**, an insolvent person

Take notice that:

1. Imperio SA Holdings Inc., Ronald Chemij, Mary Chemij, Terry Chemij, Luba Chemij, Donald Ierfino, Taxmart Inc. and Trilend Inc., the secured creditor, intends to enforce its security on all of the present and after-acquired property of 1000195736 Ontario Ltd., 1000193772 Ontario Ltd., Morgis Corporation, and Christopher Morgis as described in Schedule "A" attached hereto.
2. The security that is to be enforced includes, a Charge/Mortgage in the principal amount of \$4,500,000.00 registered on the lands described in Schedule "A" (the "Property") as instrument no. AT6297855 on March 17, 2023, AT6297857 on March 17, 2023, AT6297859 on March 17, 2023 and any other guarantees, assignment of rents agreements, general security agreements and any other security documents (the "Security").
3. The total amount of the indebtedness secured by the Security as of February 5, 2024 is \$4,855,330.50 inclusive of principal, interest, and fees (excluding legal costs) with respect to a loan made to 1000195736 Ontario Ltd., 1000193772 Ontario Ltd. and Morgis Corporation, and as guaranteed by Christopher Morgis pursuant to the Commitment Letter dated March 1, 2023.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

Dated at Oakville, this 5<sup>th</sup> day of February, 2024

**IMPERIO SA HOLDINGS INC., RONALD CHEMIJ,  
MARY CHEMIJ, TERRY CHEMIJ, LUBA CHEMIJ,  
DONALD IERFINO, TAXMART INC. and TRILEND  
INC.**

By their lawyers, RAR Litigation Lawyers



Per: \_\_\_\_\_  
**Sara Mosadeq**

**RAR LITIGATION LAWYERS**  
1 West Pearce Street, Suite 505  
Richmond Hill, Ontario  
L4B 3K3

Tel: 905-731-8100 ext. 213  
Fax: 866-751-5134  
Email: [sara@rarlitigation.com](mailto:sara@rarlitigation.com)

### Schedule "A"

PIN: 21169-0181 (LT)

Description: PCL 1-1-A SEC M256; PT LT 1 N/S EGLINTON AV BLK A PL M256 TORONTO; PT LT 2 N/S EGLINTON AV BLK A PL M256 TORONTO COMM AT A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED BY BY-LAW 11494 DISTANT 34 FT 6 1/2 INCHES MORE OR LESS WLY FROM ITS INTERSECTION WITH THE E LIMIT OF SAID LT 1; THENCE WLY ALONG SAID NLY LIMIT OF EGLINTON AV A DISTANCE OF 90 FT 5 1/2 INCHES MORE OR LESS TO A POINT; THENCE NLY PARALLEL TO THE LINE BTN SAID LOTS 1 AND 2 A DISTANCE OF 109 FT 11 INCHES MORE OR LESS TO A POINT DISTANT 120 FT NLY FROM THE SLY LIMIT OF SAID LT 2; THENCE ELY PARALLEL WITH THE SAID S LIMITS OF SAID LOTS 1 AND 2 A DISTANCE OF 125 FT MORE OR LESS TO THE E LIMIT OF SAID LT 1; THENCE SLY ALONG THE LAST MENTIONED LIMIT A DISTANCE OF 13 FT 11 INCHES MORE OR LESS TO A POINT; THENCE WLY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV A DISTANCE OF 34 FT 6 1/2 INCHES MORE OR LESS TO ITS INTERSECTION WITH THE PRODUCTION NLY OF THE CENTRE LINE OF THE PARTY WALL BTN THE BUILDINGS ERECTED ON THIS LAND AND ON LAND LYING ELY AND ADJACENT THERETO; THENCE SLY ALONG SAID PRODUCTION TO AND ALONG SAID CENTRE LINE OF WALL AND ITS PRODUCTION SLY IN ALL 96 FT MORE OR LESS TO THE POC; S/T A FREE AND UNINTERRUPTED ROW INGRESS AND EGRESS FOR PERSONS, ANIMALS AND VEHICLES THROUGH, ALONG AND UPON THAT CERTAIN PCL OF LAND DESCRIBED AS FOLLOWS: PARTS OF LOTS 1 AND 2 ON BLK A ON PL M256 AS FOLLOWS: COMM AT A POINT IN THE E LIMIT OF LT 1, 96 FT NLY FROM THE NLY LIMIT OF EGLINTON AV AS WIDENED BY BY-LAW 11494; THENCE WLY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV AS WIDENED 125 FT; THENCE NLY PARALLEL TO THE E LIMIT OF LT 1, 12 FT; THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV AS WIDENED 125 FT TO THE E LIMIT OF LT 1; THENCE SLY ALONG THE SAID E LIMIT 12 FT TO THE POC; PROVIDED THAT THE PROJECTIONS INCLUDING THE PROJECTION OF THE SECOND STOREY BUILDINGS SITUATE ON THE ABOVE PCL EXISTING ON THIS DATE AND A FIRE ESCAPE TO BE ERECTED IN CONNECTION THEREWITH OVER THE SAID ROW OR ANY PT THEREOF SHALL BE DEEMED NOT TO BE AN ENCROACHMENT UPON THE SAID ROW; T/W A FREE AND UNINTERRUPTED ROW, INGRESS AND EGRESS, FOR PERSONS, ANIMALS AND VEHICLES THROUGH, ALONG AND OVER THAT PT OF LT 125 ON PL M512 (BOROUGH OF E YORK) DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE ELY LIMIT OF LT 125 DISTANT 96 FT NLY FROM THE SE

ANGLE OF SAID LT; THENCE WLY PARALLEL TO THE SLY LIMIT OF SAID LT, 22 FT 4 INCHES MORE OR LESS TO A POINT 77 FT 8 INCHES ELY FROM THE WLY LIMIT OF LT 124 ON SAID PL; THENCE NLY IN A STRAIGHT LINE 14 FT MORE OR LESS TO A POINT IN THE NLY LIMIT OF LT 125, 77 FT 8 INCHES ELY FROM THE NW ANGLE OF SAID LT 124; THENCE ELY ALONG THE NLY LIMIT OF LT 125, 22 FT 4 INCHES MORE OR LESS TO THE N ELY ANGLE THEREOF; THENCE SLY ALONG THE ELY LIMIT OF LT 125, 14 FT MORE OR LESS TO THE POB; T/W A FREE AND UNINTERRUPTED ROW INGRESS AND EGRESS, FOR PERSONS, ANIMALS AND VEHICLES THROUGH AND OVER PT OF LOTS 1 AND 2 ON PL M380 (CITY OF TORONTO) DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE WLY LIMIT OF LT 1, 96 FT MEASURED NLY THEREON FROM EGLINTON AV AS WIDENED UNDER BY-LAW # 11494; THENCE NLY ALONG THE SAID WLY LIMIT OF LT 1, 18 FT MORE OR LESS TO THE N WLY ANGLE THEREOF; THENCE ELY ALONG THE NLY LIMIT OF SAID LT 1, 48 FT 5 1/4 INCHES MORE OR LESS TO A POINT 1 FT 6 3/4 INCHES WLY FROM THE NE ANGLE OF LT 1; THENCE SLY ALONG A LINE WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2 AT A POINT 5 FT ELY FROM THE SW ANGLE OF LT 2 A DISTANCE OF 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM THE POC; THENCE WLY ALONG THE SAID MENTIONED LINE 49 FT 4 3/4 INCHES MORE OR LESS TO THE POC; T/W A FREE AND UNINTERRUPTED ROW INGRESS AND EGRESS FOR PERSONS, ANIMALS AND VEHICLES THROUGH OVER AND ALONG THOSE PARTS OF LOTS 1 AND 2 ON PL M380 (CITY OF TORONTO) DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE NLY LIMIT OF LT 1, 1 FT 6 3/4 INCHES WLY THEREON FROM THE N ELY ANGLE OF LT 1; THENCE SLY ALONG A LINE WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2 AT A POINT THEREIN 5 FT ELY FROM THE SW ANGLE OF LT 2, 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM A POINT IN THE W LIMIT OF LT 1, 96 FT NLY FROM THE N LIMIT OF EGLINTON AV AS WIDENED; THENCE N ELY IN A STRAIGHT LINE 19 FT 6 INCHES TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF LT 2 AND DISTANT 16 FT 1/2 INCH ELY THEREON FROM THE N WLY ANGLE THEREOF TO A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED DISTANT 25 FT ELY THEREON FROM ITS INTERSECTION WITH THE WLY LIMIT OF LT 2; THE SAID POINT BEING 10 FT 6 INCHES MORE OR LESS SLY ON THE SAID LINE FROM THE SAID NLY LIMIT OF LT 2; THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF LT 2, 22 FT 3 1/2 INCHES MORE OR LESS TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED 78 FT 10 INCHES WLY FROM THE SE ANGLE OF LT 3 ON SAID PL TO A POINT IN THE N LIMIT OF



LT 2 DISTANT 80 FT 6 3/4 INCHES WLY THEREON FROM THE NE ANGLE OF LT 3; THENCE NLY ALONG THE SAID LAST MENTIONED LINE 10 FT 6 INCHES MORE OR LESS TO THE NLY LIMIT OF LT 2; THENCE WLY ALONG THE NLY LIMIT OF LOTS 2 AND 1, 39 FT 7 1/2 INCHES MORE OR LESS TO THE POC; TORONTO, CITY OF TORONTO

Address: 368, 378 Eglinton Avenue West, Toronto, Ontario

PIN: 21169-0182 (LT)

Description: PCL 1-3-A SEC M256; PT LT 1 BLK A PL M256 TORONTO COMM AT A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED BY BY-LAW # 11494 OF THE CORPORATION OF THE CITY OF TORONTO AT THE INTERSECTION WITH THE ELY LIMIT OF THE SAID LT 1. THENCE WLY ALONG THE SAID NLY LIMIT OF EGLINTON AV 34 FT 6 1/2 INCHES MORE OR LESS TO THE INTERSECTION WITH THE PRODUCTION SLY OF THE CENTRE LINE OF THE PARTY WALL BTN THE BUILDINGS ERECTED ON THESE LANDS AND ON LAND LYING WLY AND ADJACENT THERETO. THENCE NLY ALONG THE SAID PRODUCTION TO AND ALONG THE SAID CENTRE LINE OF WALL AND ITS PRODUCTION NLY IN ALL 96 FT. THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV 34 FT 6 1/2 INCHES TO THE INTERSECTION WITH THE SAID ELY LIMIT OF LT 1. THENCE SLY ALONG THE SAID ELY LIMIT OF LT 1, 96 FT TO THE FRONT OF COMMENCEMENT; T/W A ROW OVER PARTS OF LOTS 1 AND 2 IN BLK A ON PL M256; COMM AT A POINT IN THE ELY LIMIT OF LT 1 DISTANT 96 FT MEASURED NLY THEREON FROM THE SAID NLY LIMIT OF EGLINTON AV AS WIDENED. THENCE WLY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV AS WIDENED 125 FT. THENCE NLY PARALLEL TO THE SAID ELY LIMIT OF LT 1, 12 FT. THENCE ELY PARALLEL TO THE NLY LIMIT OF EGLINTON AV 125 FT TO ITS INTERSECTION WITH THE SAID ELY LIMIT OF LT 1. THENCE SLY ALONG THE SAID ELY LIMIT OF LT 1, 12 FT TO THE POC. PROVIDED THAT THE PROJECTIONS INCLUDING THE PROJECTIONS OF THE SECOND STORY OF THE BUILDING SITUATE ON THE LANDS DESCRIBED IN PCL 3021 SEC K TORONTO EXISTING AT THIS DATE JULY 5, 1943 T/W THE FIRE ESCAPE ERECTED IN CONNECTION HERewith OVER THE SAID ROW OR ANY PT THEREOF SHALL BE DEEMED NOT TO BE AN ENCROACHMENT UPON THE SAID ROW; T/W A ROW OVER THAT PT OF LT 125 ON PL M512; COMM AT A POINT IN THE ELY LIMIT OF LT 125 DISTANT 96 FT MEASURED NLY THEREON FROM THE SE ANGLE OF SAID LT. THENCE WLY PARALLEL TO THE SLY LIMIT OF SAID LT 22 FT 4 INCHES MORE OR LESS TO A POINT 77 FT 8 INCHES MEASURED ELY FROM THE WLY LIMIT OF LT 124 ON SAID PL. THENCE NLY IN A STRAIGHT LINE 14 FT MORE OR LESS TO

A POINT IN THE NLY LIMIT OF THE SAID LT 125 DISTANT 77 FT 8 INCHES MEASURED ELY THEREON FROM THE NW ANGLE OF LT 124. THENCE ELY ALONG THE NLY LIMIT OF LT 125, 22 FT 4 INCHES MORE OR LESS TO THE NE ANGLE THEREOF. THENCE SLY ALONG THE ELY LIMIT OF LT 125 A DISTANCE OF 14 FT MORE OR LESS TO THE POB; T/W A ROW OVER THE WLY 4 FT 6 INCHES OF LT 90 AND THE ELY 5 FT 6 INCHES OF LT 91 ON PL M512; T/W A ROW OVER PARTS OF LOTS 1 AND 2 ON PL M380; COMM AT A POINT IN THE WLY LIMIT OF LT 1 DISTANT 96 FT NLY THEREON FROM EGLINTON AV AS WIDENED BY BY-LAW # 11494. THENCE NLY ALONG THE SAID WLY LIMIT OF LT 1, 18 FT MORE OR LESS TO THE N WLY ANGLE THEREOF. THENCE ELY ALONG THE NLY LIMIT OF LT 1, 48 FT 5 1/4 INCHES MORE OR LESS TO A POINT 1 FT 6 3/4 INCHES WLY THEREON FROM THE NE ANGLE OF SAID LT 1. THENCE SLY ALONG A LINE WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2 AT A POINT THEREIN DISTANT 5 FT ELY FROM THE SW ANGLE OF LT 2 A DISTANCE OF 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM THE POC. THENCE WLY ALONG THE SAID MENTIONED LINE 49 FT 4 3/4 INCHES MORE OR LESS TO THE POC; T/W A ROW OVER PARTS OF LOTS 1 AND 2 ON PL M380; COMM AT A POINT IN THE NLY LIMIT OF LT 1 DISTANT 1 FT 6 3/4 INCHES WLY THEREON FROM THE N ELY ANGLE OF LT 1. THENCE SLY ALONG A LINE WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2 AT A POINT THEREON 5 FT ELY FROM THE SW ANGLE OF LT 2 AT A DISTANCE OF 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM A POINT IN THE W LIMIT OF LT 1 DISTANT 96 FT NLY FROM THE N LIMIT OF EGLINTON AV AS WIDENED. THENCE N ELY IN A STRAIGHT LINE 19 FT 6 INCHES TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF LT 2 AND DISTANT 16 FT 1/2 AN INCH MEASURED ELY THEREON FROM THE N WLY ANGLE THEREOF TO A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED, DISTANT 25 FT MEASURED ELY THEREON FROM ITS INTERSECTION WITH THE WLY LIMIT OF LT 2, THE SAID POINT BEING DISTANT 10 FT 6 INCHES MORE OR LESS MEASURED SLY ON THE SAID LINE FROM THE SAID NLY LIMIT OF LT 2. THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF LT 2, 22 FT 3 1/2 INCHES MORE OR LESS TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED DISTANT 78 FT 10 INCHES MEASURED WLY FROM THE SE ANGLE OF LT 3 ON SAID PL TO A POINT IN THE N LIMIT OF SAID LT 2 DISTANT 80 FT 6 3/4 INCHES MEASURED WLY THEREON FROM THE NE ANGLE OF LT 3. THENCE NLY ALONG THE SAID LAST MENTIONED LINE 10 FT 6 INCHES MORE OR LESS TO THE NLY LIMIT OF LT 2. THENCE WLY ALONG THE NLY LIMIT OF SAID LT 2 AND 1, 39 FT 7 1/2 INCHES MORE OR LESS TO THE POC; CITY OF TORONTO

Address: 366 Eglinton Avenue West, Toronto, Ontario

PIN: 21169-0183 (LT)

Description: PCL 1-2 SEC M380; PT LT 1 PL M380 TORONTO; PT LT 2 PL M380 TORONTO COMM AT THE S WLY ANGLE OF SAID LT 1; THENCE ELY ALONG THE SLY LIMITS OF LOTS 1 AND 2 - 55 FT MORE OR LESS TO A POINT IN THE SAID SLY LIMIT OF SAID LT 2 DISTANT 5 FT MEASURED ELY THEREON FROM THE S WLY ANGLE OF SAID LT 2; THENCE NLY IN A STRAIGHT LINE 113 FT 5 3/4 INCHES MORE OR LESS TO A POINT IN THE NLY LIMIT OF SAID LT 1 DISTANT 1 FT 6 3/4 INCHES MEASURED WLY THEREON FROM THE N ELY ANGLE OF SAID LT; THENCE WLY ALONG THE NLY LIMIT OF SAID LT 1 - 48 FT 5 1/4 INCHES MORE OR LESS TO THE N WLY ANGLE OF SAID LT; THENCE SLY ALONG THE WLY LIMIT OF SAID LT 1 - 114 FT MORE OR LESS TO THE POC; S/T LT345020; T/W LT345020; S/T LT346559; T/W LT346559 (S/T LT263283); S/T LT350268; T/W LT350268; TORONTO ; SUBJECT TO A TEMPORARY EASEMENT AS SET IN EXPROPRIATION PLAN AS IN AT4214430; CITY OF TORONTO

Address: 356 Eglinton Avenue, West, Toronto, Ontario

PIN: 21169-0184 (LT)

Description: PCL 1-1 SEC M380; PT LT 1 PL M380 TORONTO; PT LT 2 PL M380 TORONTO; PT LT 3 PL M380 TORONTO , IF ANY, COMM AT A POINT IN THE SLY LIMIT OF SAID LT 2 DISTANT 5 FT MEASURED ELY THEREON FROM THE S WLY ANGLE OF SAID LT; THENCE ELY ALONG THE SLY LIMIT OF SAID LT 2, BEING THE NLY LIMIT OF EGLINTON AV W, 45 FT MORE OR LESS TO A POINT DISTANT 78 FT 10 INCHES MEASURED WLY FROM THE SE ANGLE OF LT 3 ON SAID PL; THENCE NLY IN A STRAIGHT LINE 113 FT 4 1/2 INCHES MORE OR LESS TO A POINT IN THE NLY LIMIT OF SAID LT 2 DISTANT 80 FT 6 3/4 INCHES MEASURED WLY THEREON FROM THE N ELY ANGLE OF SAID LT 3; THENCE WLY ALONG THE NLY LIMITS OF SAID LOTS 2 AND 1, 39 FT 7 1/2 INCHES MORE OR LESS TO A POINT IN THE SAID NLY LIMIT OF SAID LT 1 DISTANT 1 FT 6 3/4 INCHES MEASURED WLY THEREON FROM THE N ELY ANGLE OF SAID LT; THENCE SLY IN A STRAIGHT LINE 113 FT 5 3/4 INCHES MORE OR LESS TO THE POC; 1. S/T THE RIGHT OF THE OWNERS OF PCL 2664, SEC L TORONTO, TO USE THE WLY WALL OF THE BRICK STORE BUILDINGS, INCLUDING THE FOOTINGS THEREOF SITUATED ON THE LANDS IN THE ABOVE

PCL OR ANY PT THEREOF AS A PARTY WALL , TO FORM THE ELY WALL OR A PT THEREOF OF ANY BUILDING OR BUILDINGS WHICH ARE NOW OR MAY HEREAFTER BE ERECTED ON THE LANDS KNOWN AS PCL 2664, SEC L TORONTO, CONTIGUOUS WITH THE SAID WLY WALL OR ANY PT THEREOF; 2. T/W THE RIGHT TO MAINTAIN THE WLY WALL OF THE BRICK STORE BUILDINGS (INCLUDING THE FOOTINGS THEREOF) SITUATE ON THE LANDS IN THE ABOVE PCL OVER THE LANDS IMMEDIATELY ADJOINING TO THE W OF THESE LANDS IN THE POSITION NOW OCCUPIED BY THE SAID WLY WALL; THE OWNER OR OWNERS FROM TIME TO TIME EITHER OF THE PARCELS AFOREMENTIONED MAY EXTEND THE SAID WLY WALL IN A NLY DIRECTION OR ADD TO THE HEIGHT THEREOF, AND MAY REBUILD THE SAME IN CASE OF THE PARTIAL OR TOTAL DESTRUCTION THEREOF AND WHEN ALL OR ANY PORTION OF THE SAID WLY WALL INCLUDING ANY EXT THEREOF AND ADDITION THERETO, SHALL BE USED BY SUCH AN OWNER OR OWNERS BY WHOM OR BY ANY OF WHOSE PREDECESSORS IN TITLE, THE PROPER SHARE OF THE COSTS OF CONSTRUCTION OF THE PORTION OF THE WALL SO USED WAS NOT PAID, HE, SHE OR THEY SHALL PAY TO THE PERSON OR PERSONS WHO CONSTRUCTED THE SAME OR TO HIS, OR THEIR HER, OR THEIR HEIRS, EXECUTORS, ADMINISTRATORS OR ASSIGNS, ONE-HALF OF THE VALUE AT THE TIME OF SUCH USE AND THEREAFTER ONE-HALF OF THE COST OF MAINTENANCE OF THE WHOLE THICKNESS OF THE PORTION OF SUCH WALL SO USED BY HIM, HER OR THEM, AND THE SUM SO TO BE PAID SHALL, UNTIL PAID, REMAIN A CHARGE UPON THE LAND OF THE PERSON OR PERSONS LIABLE TO PAY THE SAME. AND IT IS AGREED THAT THE COVENANTS HEREIN CONTAINED SHALL RUN WITH THE LAND, BUT NO COVENANT HEREIN CONTAINED SHALL BE PERSONALLY BINDING ON ANY PERSON EXCEPT IN RESPECT OF BREACHES, DURING HIS, HER OR THEIR SEISEN OR TITLE TO THE SAID LANDS; AND IT IS FURTHER AGREED THAT WHENEVER THE SAID WLY WALL SHALL BE EXTENDED IN HEIGHT THE CHIMNEYS, IF ANY, PREVIOUSLY BUILT IN SUCH WALL SHALL BE CARRIED UP TO A PROPER HEIGHT AND ANY INJURY CAUSED BY SUCH EXT SHALL BE MADE GOOD AND SUCH EXT OF THE WALL AND CHIMNEYS SHALL BE AT THE EXPENSE OF THE PARTY MAKING THE EXT. AND IT IS AGREED THAT IF THE PARTIES CANNOT AGREE AS TO ANY VALUE ABOVE MENTIONED, THE AMOUNT THEREOF SHALL BE REFERRED TO THREE DISINTERESTED PERSONS AS VALUATORS OF WHOM THE OWNER OR OWNERS FROM TIME TO TIME OF EACH OF THE SAID PARCELS SHALL APPOINT ONE AND THESE TWO VALUATORS SHALL APPOINT A THIRD AND THE DECISION OF THE THREE SAID VALUATORS OR OF ANY TWO OF THEM IN WRITING UNDER THEIR HANDS SHALL BE BINDING ON THE PARTIES HERETO, THEIR

RESPECTIVE HEIRS, EXECUTORS, ADMINISTRATORS AND ASSIGNS; AND IT IS FURTHER AGREED THAT ANY REPAIRS, ADDITIONS OR EXTENSIONS TO THE SAID WLY WALL SHALL BE OF GOOD MATERIALS AND WORKMANSHIP AND WHEN BUILT SHALL BE AND REMAIN A PARTY WALL; 3. S/T A FREE AND UNINTERRUPTED ROW FOR THE USE OF THE OWNER OF PARCELS 2664, SEC L TORONTO, 3887, SEC K TORONTO AND 1-1-A, SEC M256, THEIR HEIRS AND ASSIGNS, INGRESS AND EGRESS FOR PERSONS, ANIMALS AND VEHICLES, THROUGH OVER AND ALONG THOSE PARTS OF LOTS 1 AND 2 ON PL M380, DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE NLY LIMIT OF LT 1, 1 FT 6 3/4 INCHES WLY FROM THE N ELY ANGLE OF LT 1; THENCE SLY ALONG A LINE, WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2 AT A POINT 5 FT ELY FROM THE SW ANGLE OF LT 2, 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM A POINT IN THE W LIMIT OF LT 1 DISTANT 96 FT NLY FROM THE N LIMIT OF EGLINTON AV AS WIDENED; THENCE N ELY IN A STRAIGHT LINE 19 FT 6 INCHES TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF LT 2 AND DISTANT 16 FT 01/2 INCH ELY FROM THE N WLY ANGLE THEREOF TO A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED 25 FT ELY FROM ITS INTERSECTION WITH THE WLY LIMIT OF LT 2, THE SAID POINT BEING 10 FT 6 INCHES MORE OR LESS SLY ON THE SAID LINE FROM THE SAID NLY LIMIT OF LT 2; THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF LT 2, 22 FT 3 1/2 INCHES MORE OR LESS TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED 78 FT 10 INCHES WLY FROM THE SE ANGLE OF LT 3 ON SAID PL TO A POINT IN THE N LIMIT OF LT 2, 80 FT 6 3/4 INCHES WLY FROM THE NE ANGLE OF LT 3; THENCE NLY ALONG THE SAID LAST MENTIONED LINE 10 FT 6 INCHES MORE OR LESS TO THE NLY LIMIT OF LT 2; THENCE WLY ALONG THE NLY LIMIT OF LOTS 2 AND 1, 39 FT 7 1/2 INCHES MORE OR LESS TO THE POC AS IN LT346559; 4. T/W A FREE AND UNINTERRUPTED ROW, INGRESS AND EGRESS, FOR PERSONS, ANIMALS AND VEHICLES, THROUGH, ALONG AND OVER THOSE PARTS OF LOTS 1 AND 2 BLK 'A', PL M256, DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE E LIMIT OF LT 1, 96 FT NLY THEREON FROM THE NLY LIMIT OF EGLINTON AV AS WIDENED BY BY-LAW 11494; THENCE WLY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV AS WIDENED 125 FT; THENCE NLY PARALLEL TO THE E LIMIT OF LT 1, 12 FT; THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV AS WIDENED 125 FT TO THE SAID E LIMIT OF LT 1; THENCE SLY ALONG THE SAID E LIMIT 12 FT TO THE POC; PROVIDED THAT THE PROJECTIONS, INCLUDING THE PROJECTION OF THE SECOND STOREY OF THE BUILDING SITUATE ON PCL 1-1-A, SEC M256, EXISTING ON THIS DATE AND A FIRE ESCAPE TO BE ERECTED IN

CONNECTION THEREWITH, OVER THE SAID ROW OR ANY PT THEREOF SHALL BE DEEMED NOT TO BE AN ENCROACHMENT UPON THE SAID ROW; 5. T/W A FREE AND UNINTERRUPTED ROW, INGRESS AND EGRESS, FOR PERSONS ANIMALS AND VEHICLES, THROUGH, ALONG AND OVER THOSE PARTS OF LOTS 1 AND 2 ON PL M380, DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE WLY LIMIT OF SAID LT 1 DISTANT 96 FT NLY THEREON FROM EGLINTON AV AS WIDENED UNDER BY-LAW 11494; THENCE NLY ALONG THE SAID WLY LIMIT OF LT 1, 18 FT MORE OR LESS TO THE N WLY ANGLE THEREOF; THENCE ELY ALONG THE NLY LIMIT OF LT 1, 48 FT 5 1/4 INCHES MORE OR LESS TO A POINT 1 FT 6 3/4 INCHES WLY THEREON FROM THE NE ANGLE OF LT 1; THENCE SLY ALONG A LINE, WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2 AT A POINT THEREIN DISTANT 5 FT ELY FROM THE SW ANGLE OF LT 2, A DISTANCE OF 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM THE POC; THENCE WLY ALONG THE SAID MENTIONED LINE 49 FT 4 3/4 INCHES MORE OR LESS TO THE POC; 6. T/W A FREE AND UNINTERRUPTED ROW OVER THE WLY 4 FT 6 INCHES OF LT 90 AND THE ELY 5 FT 6 INCHES OF LT 91 ON PL M512; 7. S/T THE RIGHT OF THE OWNER OF PCL 2664, SEC L TORONTO, TO USE (FOR THE PURPOSE OF ACCESS AND INGRESS TO AND EGRESS FROM THE LANDS COMPRISED IN SAID PCL 2664 OR ANY PT THEREOF, AND/OR THE BUILDINGS THEREON AND FOR THE TURNING OF VEHICLES USING THE ROW 3RDLY, 4THLY, 5THLY AND 6THLY ABOVE DESCRIBED) THE SPACE AT THE REAR OF THE BUILDINGS NOW SITUATED UPON THE LANDS COMPRISED IN ABOVE PCL EXTENDING NLY FROM THE NLY LIMIT AND ITS PRODUCTION ELY AND WLY OF THE SAID BUILDINGS TO THE SLY LIMIT OF THE SAID ROW 3RDLY, 4THLY, 5THLY AND 6THLY. PROVIDED ALWAYS THAT THE RIGHTS THEREBY GRANTED SHALL BE EXERCISED IN SUCH MANNER AS NOT UNREASONABLY TO INTERFERE WITH THE REASONABLE AND PROPER USE OF THE SPACE AT THE REAR OF THE RESPECTIVE BUILDINGS AFORESAID BY THE OWNER AND/OR ANY TENANT OR OCCUPANT OF ANY OF THE SAID BUILDINGS RESPECTIVELY AND/OR BY PERSONS HAVING DEALINGS WITH SUCH OWNER AND/OR ANY SUCH TENANT OR OCCUPANT AS IN LT350268; 8. T/W THE RIGHT TO USE (FOR THE PURPOSE OF ACCESS AND INGRESS TO AND EGRESS FROM THE LANDS COMPRISED IN PCL 2665, SEC L TORONTO, OR ANY PT THEREOF AND/OR THE BUILDINGS THEREON FOR THE TURNING OF VEHICLES USING THE ROW DESCRIBED IN THE ABOVE 3RDLY, 4THLY, 5THLY AND 6THLY) THE SPACE AT THE REAR OF THE BUILDINGS NOW SITUATED UPON THE LANDS COMPRISED IN PCL 2664, SEC L TORONTO, EXTENDING NLY FROM THE NLY LIMIT OF THE SAID BUILDINGS TO THE SLY LIMIT OF THE SAID ROW DESCRIBED IN THE

SAID 3RDLY, 4THLY, 5THLY AND 6THLY. PROVIDED ALWAYS THAT THE RIGHTS THEREBY GRANTED SHALL BE EXERCISED IN SUCH MANNER AS NOT UNREASONABLY TO INTERFERE WITH THE REASONABLE THE AND PROPER USE OF THE SPACE AT THE REAR OF THE RESPECTIVE BUILDINGS AFORESAID BY THE OWNER AND/OR ANY TENANT OR OCCUPANT OF ANY OF THE SAID BUILDINGS RESPECTIVELY AND/OR BY PERSONS HAVING DEALINGS WITH SUCH OWNER AND/OR ANY SUCH TENANT OR OCCUPANT; TORONTO ; SUBJECT TO A TEMPORARY EASEMENT AS SET OUT IN EXPROPRIATION PLAN AS IN AT4214429; CITY OF TORONTO

Address: 350 Eglinton Avenue, West, Toronto, Ontario

**TAB KK**



This is **Exhibit “KK”** referred to  
in the Affidavit of Donald Ierfino  
sworn before me, the 19th day of April, 2024.



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A Commissioner etc.

Sara Mosadeq  
LSO No.: 67864K

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

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

**1599285 ONTARIO LIMITED, RICK BERWICK, 2702749 ONTARIO INC., PETER ADAMO, CROCETTA ADAMO, ANJAY LIMITED, A-ONE AUTO INVESTMENTS INC., CINZIA SORRENTI, ELCRM HOLDINGS INC., SERGIO MOLELLA, DONALD IERFINO, PIERINA PIZZARDI, PIZZARDI INVESTMENTS, AMOND MANAGEMENT INC., SALISI INVESTMENTS LTD., LORENZO ANTONINI, CARMEN ANTONINI, TINA BETTI, ANTHONY BONDI, GIUSEPPA BONDI, C.P.M.C MARQUEZ HOLDINGS INC., FREDY ROSSI, 2438747 ONTARIO LIMITED, 2205633 ONTARIO LIMITED, 1620375 ONTARIO LIMITED, 1288601 ONTARIO LIMITED, AMSTEL MANUFACTURING (1993) INC., BRUCE MCKINLAY, M ANTONINI HOLDINGS INC., GABRIELE PIZZARDI, IMPERIO SA HOLDINGS INC., RONALD CHEMIJ, MARY CHEMIJ, TERRY CHEMIJ, LUBA CHEMIJ, and TAXMART INC.**

Applicants

- and -

**1000195736 ONTARIO LTD., 1000193772 ONTARIO LTD., and MORGIS CORPORATION**

Respondents

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

**CONSENT**

**TDB RESTRUCTURING LIMITED (“TDB”)**, hereby consents to act as Court-appointed receiver, without security, of all assets, undertakings and properties of the Respondents pursuant to subsection 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended, in accordance with an order substantially in the form requested by the Applicants, or as such order

may be amended in a manner satisfactory to TDB.

DATED this 6<sup>th</sup> day of March, 2024

**TDB RESTRUCTURING LIMITED**

By: Bryan A. Tannenbaum

Name: Bryan A. Tannenbaum

Position: Managing Director

I have authority to bind the corporation.

Court File No. CV-24-00716381-00CL

**1599285 ONTARIO LIMITED, et al**

**1000195736 ONTARIO LTD., et al**

Applicants

- and-

Respondents

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

Proceeding commenced at Toronto

**AFFIDAVIT OF DONALD IERFINO**  
**SWORN APRIL 19, 2024**

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# TAB 3

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

THE HONOURABLE  
  
JUSTICE

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)

TUESDAY THE 28<sup>th</sup>  
  
DAY OF MAY, 2024

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

**1599285 ONTARIO LIMITED., RICK BERWICK, 2702749 ONTARIO INC., PETER ADAMO, CROCETTA ADAMO, ANJAY LIMITED, A-ONE AUTO INVESTMENTS INC., CINZIA SORRENTI, ELCRM HOLDINGS INC., SERGIO MOLELLA, DONALD IERFINO, PIERINA PIZZARDI, PIZZARDI INVESTMENTS, AMOND MANAGEMENT INC., SALISI INVESTMENTS INC., LORENZO ANTONINI, CARMEN ANTONINI, TINA BETTI, ANTHONY BONDI GIUSEPPA BONDI, C.P.M.C MARQUEZ HOLDINGS INC., FREDY ROSSI, 2438747 ONTARIO LIMITED, 2205633 ONTARIO LIMITED, 1620375 ONTARIO LIMITED, 1288601 ONTARIO LIMITED, AMSTEL MANUFACTURING (1993) INC., BRUCE MCKINLAY, SALISI INVESTMENTS LTD., M ANTONINI HOLDINGS INC., GABRIELE PIZZARDI, IMPERIO SA HOLDINGS INC., RONALD CHEMIJ, MARY CHEMIJ, TERRY CHEMIJ, LUBA CHEMIJ, and TAXMART INC.**

Applicants

- and -

**1000195736 ONTARIO LTD., 1000193772 ONTARIO LTD., and MORGIS CORPORATION**

Respondents

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

**ORDER  
(Appointing Receiver)**

THIS APPLICATION made by the Applicants for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of

the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing TDB Restructuring Limited ("**TDB**") as receiver (the "**Receiver**") without security, of (i) the real property legally described in Schedule "A" hereto (the "**Real Property**"), and (ii) all of the assets, undertakings of 1000195736 Ontario Ltd. ("**736 Ont**"), 1000193772 Ontario Ltd. ("**772 Ont**"), and Morgis Corporation ("**Morgis** and collectively with 736 Ont and 772 Ont, the "**Debtors**") acquired for, or used in relation to a business carried on the by the Debtors (the "**Property**") was heard this day via Zoom videoconference at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Donald Ierfino sworn April 19, 2024 and the Exhibits thereto and on hearing the submissions of counsel for the Applicants and Respondents, and on reading the consent of TDB to act as the Receiver,

### **SERVICE**

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

#### **(a) APPOINTMENT**

2. THIS COURT ORDERS that pursuant to subsection 243(1) of the BIA and section 101 of the CJA, TDB is hereby appointed Receiver, without security, of the Property.

### **RECEIVER'S POWERS**

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

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the

relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

- (c) to manage the Property, including the powers to enter into any agreements, or incur any obligations in connection with the Property, or cease to perform or disclaim any contracts of the Debtors in respect of the Property
- (d) to engage consultants, appraisers, agents, real estate brokers, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets as necessary or desirable to preserve or maintain the Property or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors in connection with the Property and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (g) to settle, extend or compromise any indebtedness owing to the Debtors;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtors (as such proceedings relate to the Property or any portion thereof), the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall



extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business;
  - (i) without the approval of this Court in respect of any transaction not exceeding \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$250,000; and
  - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

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

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

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

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

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

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

#### **NO PROCEEDINGS AGAINST THE RECEIVER**

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

#### **NO PROCEEDINGS AGAINST THE DEBTORS' OR THE PROPERTY**

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

### **NO EXERCISE OF RIGHTS OR REMEDIES**

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

### **NO INTERFERENCE WITH THE RECEIVER**

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

### **CONTINUATION OF SERVICES**

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

## **RECEIVER TO HOLD FUNDS**

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

## **EMPLOYEES**

13. THIS COURT ORDERS that all employees of the Debtors shall remain the employees of the Debtors until such time as the Receiver, on the Debtors' behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in subsection 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under subsections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

## **PIPEDA**

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

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

### **LIMITATION ON ENVIRONMENTAL LIABILITIES**

15. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act, 1999*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act* or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

### **LIMITATION ON THE RECEIVER'S LIABILITY**

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

### **RECEIVER'S ACCOUNTS**

17. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver

shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts (including, without limitation, deemed trusts), liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to subsections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

#### **FUNDING OF THE RECEIVERSHIP**


20. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$500,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in subsections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

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

## SERVICE AND NOTICE

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

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



## **GENERAL**

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

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

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

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

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

31. THIS COURT ORDERS that the Applicants shall have its costs of this Application, up to and including entry and service of this Order, provided for by the terms of the Applicants' security or, if not so provided by the Applicants' security, then on a substantial indemnity basis to be paid

by the Receiver from the net realizations from the Property with such priority and at such time as this Court may determine.

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

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## **SCHEDULE "A"**

### **DESCRIPTION OF REAL PROPERTY**

1. PIN: 21169-0184 (LT)

Description: PCL 1-1 SEC M380; PT LT 1 PL M380 TORONTO; PT LT 2 PL M380 TORONTO; PT LT 3 PL M380 TORONTO, IF ANY, COMM AT A POINT IN THE SLY LIMIT OF SAID LT 2 DISTANT 5 FT MEASURED ELY THEREON FROM THE S WLY ANGLE OF SAID LT; THENCE ELY ALONG THE SLY LIMIT OF SAID LT 2, BEING THE NLY LIMIT OF EGLINTON AV W, 45 FT MORE OR LESS TO A POINT DISTANT 78 FT 10 INCHES MEASURED WLY FROM THE SE ANGLE OF LT 3 ON SAID PL; THENCE NLY IN A STRAIGHT LINE 113 FT 4 1/2 INCHES MORE OR LESS TO A POINT IN THE NLY LIMIT OF SAID LT 2 DISTANT 80 FT 6 3/4 INCHES MEASURED WLY THEREON FROM THE N ELY ANGLE OF SAID LT 3; THENCE WLY ALONG THE NLY LIMITS OF SAID LOTS 2 AND 1, 39 FT 7 1/2 INCHES MORE OR LESS TO A POINT IN THE SAID NLY LIMIT OF SAID LT 1 DISTANT 1 FT 6 3/4 INCHES MEASURED WLY THEREON FROM THE N ELY ANGLE OF SAID LT; THENCE SLY IN A STRAIGHT LINE 113 FT 5 3/4 INCHES MORE OR LESS TO THE POC; 1. S/T THE RIGHT OF THE OWNERS OF PCL 2664, SEC L TORONTO, TO USE THE WLY WALL OF THE BRICK STORE BUILDINGS, INCLUDING THE FOOTINGS THEREOF SITUATED ON THE LANDS IN THE ABOVE PCL OR ANY PT THEREOF AS A PARTY WALL, TO FORM THE ELY WALL OR A PT THEREOF OF ANY BUILDING OR BUILDINGS WHICH ARE NOW OR MAY HEREAFTER BE ERECTED ON THE LANDS KNOWN AS PCL 2664, SEC L TORONTO, CONTIGUOUS WITH THE SAID WLY WALL OR ANY PT THEREOF; 2. T/W THE RIGHT TO MAINTAIN THE WLY WALL OF THE BRICK STORE BUILDINGS (INCLUDING THE FOOTINGS THEREOF) SITUATE ON THE LANDS IN THE ABOVE PCL OVER THE LANDS IMMEDIATELY ADJOINING TO THE W OF THESE LANDS IN THE POSITION NOW OCCUPIED BY THE SAID WLY WALL; THE OWNER OR OWNERS FROM TIME TO TIME EITHER OF THE PARCELS AFOREMENTIONED MAY EXTEND THE SAID WLY WALL IN A NLY DIRECTION OR ADD TO THE HEIGHT THEREOF, AND MAY REBUILD THE SAME IN CASE OF THE PARTIAL OR TOTAL DESTRUCTION THEREOF AND WHEN ALL OR ANY PORTION OF THE SAID WLY WALL INCLUDING ANY EXT THEREOF AND ADDITION THERETO, SHALL BE USED BY SUCH AN OWNER OR OWNERS BY WHOM OR BY ANY OF WHOSE PREDECESSORS IN TITLE, THE PROPER SHARE OF THE COSTS OF CONSTRUCTION OF THE PORTION OF THE WALL SO USED WAS NOT PAID, HE, SHE OR THEY SHALL PAY TO THE PERSON OR PERSONS WHO CONSTRUCTED THE SAME OR TO HIS, OR THEIR HER, OR THEIR HEIRS, EXECUTORS, ADMINISTRATORS OR ASSIGNS, ONE-HALF OF THE VALUE AT THE TIME OF SUCH USE AND THEREAFTER ONE-HALF OF THE COST OF MAINTENANCE OF THE WHOLE THICKNESS OF THE PORTION OF SUCH WALL SO USED BY HIM, HER OR THEM, AND THE SUM SO TO BE PAID SHALL, UNTIL PAID, REMAIN A CHARGE UPON THE LAND OF THE PERSON OR PERSONS LIABLE TO PAY THE SAME. AND IT IS AGREED THAT THE COVENANTS HEREIN CONTAINED SHALL RUN WITH THE LAND, BUT NO COVENANT HEREIN

CONTAINED SHALL BE PERSONALLY BINDING ON ANY PERSON EXCEPT IN RESPECT OF BREACHES, DURING HIS, HER OR THEIR SEISEN OR TITLE TO THE SAID LANDS; AND IT IS FURTHER AGREED THAT WHENEVER THE SAID WLY WALL SHALL BE EXTENDED IN HEIGHT THE CHIMNEYS, IF ANY, PREVIOUSLY BUILT IN SUCH WALL SHALL BE CARRIED UP TO A PROPER HEIGHT AND ANY INJURY CAUSED BY SUCH EXT SHALL BE MADE GOOD AND SUCH EXT OF THE WALL AND CHIMNEYS SHALL BE AT THE EXPENSE OF THE PARTY MAKING THE EXT. AND IT IS AGREED THAT IF THE PARTIES CANNOT AGREE AS TO ANY VALUE ABOVE MENTIONED, THE AMOUNT THEREOF SHALL BE REFERRED TO THREE DISINTERESTED PERSONS AS VALUATORS OF WHOM THE OWNER OR OWNERS FROM TIME TO TIME OF EACH OF THE SAID PARCELS SHALL APPOINT ONE AND THESE TWO VALUATORS SHALL APPOINT A THIRD AND THE DECISION OF THE THREE SAID VALUATORS OR OF ANY TWO OF THEM IN WRITING UNDER THEIR HANDS SHALL BE BINDING ON THE PARTIES HERETO, THEIR RESPECTIVE HEIRS, EXECUTORS, ADMINISTRATORS AND ASSIGNS; AND IT IS FURTHER AGREED THAT ANY REPAIRS, ADDITIONS OR EXTENSIONS TO THE SAID WLY WALL SHALL BE OF GOOD MATERIALS AND WORKMANSHIP AND WHEN BUILT SHALL BE AND REMAIN A PARTY WALL; 3. S/T A FREE AND UNINTERRUPTED ROW FOR THE USE OF THE OWNER OF PARCELS 2664, SEC L TORONTO, 3887, SEC K TORONTO AND 1-1-A, SEC M256, THEIR HEIRS AND ASSIGNS, INGRESS AND EGRESS FOR PERSONS, ANIMALS AND VEHICLES, THROUGH OVER AND ALONG THOSE PARTS OF LOTS 1 AND 2 ON PL M380, DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE NLY LIMIT OF LT 1, 1 FT 6 3/4 INCHES WLY FROM THE N ELY ANGLE OF LT 1; THENCE SLY ALONG A LINE, WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2 AT A POINT 5 FT ELY FROM THE SW ANGLE OF LT 2, 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM A POINT IN THE W LIMIT OF LT 1 DISTANT 96 FT NLY FROM THE N LIMIT OF EGLINTON AV AS WIDENED; THENCE N ELY IN A STRAIGHT LINE 19 FT 6 INCHES TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF LT 2 AND DISTANT 16 FT 01/2 INCH ELY FROM THE N WLY ANGLE THEREOF TO A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED 25 FT ELY FROM ITS INTERSECTION WITH THE WLY LIMIT OF LT 2, THE SAID POINT BEING 10 FT 6 INCHES MORE OR LESS SLY ON THE SAID LINE FROM THE SAID NLY LIMIT OF LT 2; THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF LT 2, 22 FT 3 1/2 INCHES MORE OR LESS TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED 78 FT 10 INCHES WLY FROM THE SE ANGLE OF LT 3 ON SAID PL TO A POINT IN THE N LIMIT OF LT 2, 80 FT 6 3/4 INCHES WLY FROM THE NE ANGLE OF LT 3; THENCE NLY ALONG THE SAID LAST MENTIONED LINE 10 FT 6 INCHES MORE OR LESS TO THE NLY LIMIT OF LT 2; THENCE WLY ALONG THE NLY LIMIT OF LOTS 2 AND 1, 39 FT 7 1/2 INCHES MORE OR LESS TO THE POC AS IN LT346559; 4. T/W A FREE AND UNINTERRUPTED ROW, INGRESS AND EGRESS, FOR PERSONS, ANIMALS AND VEHICLES, THROUGH, ALONG AND OVER THOSE PARTS OF LOTS 1 AND 2 BLK 'A', PL M256, DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE E LIMIT OF

LT 1, 96 FT NLY THEREON FROM THE NLY LIMIT OF EGLINTON AV AS WIDENED BY BY-LAW 11494; THENCE WLY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV AS WIDENED 125 FT; THENCE NLY PARALLEL TO THE E LIMIT OF LT 1, 12 FT; THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV AS WIDENED 125 FT TO THE SAID E LIMIT OF LT 1; THENCE SLY ALONG THE SAID E LIMIT 12 FT TO THE POC; PROVIDED THAT THE PROJECTIONS, INCLUDING THE PROJECTION OF THE SECOND STOREY OF THE BUILDING SITUATE ON PCL 1-1-A, SEC M256, EXISTING ON THIS DATE AND A FIRE ESCAPE TO BE ERECTED IN CONNECTION THEREWITH, OVER THE SAID ROW OR ANY PT THEREOF SHALL BE DEEMED NOT TO BE AN ENCROACHMENT UPON THE SAID ROW; 5. T/W A FREE AND UNINTERRUPTED ROW, INGRESS AND EGRESS, FOR PERSONS ANIMALS AND VEHICLES, THROUGH, ALONG AND OVER THOSE PARTS OF LOTS 1 AND 2 ON PL M380, DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE WLY LIMIT OF SAID LT 1 DISTANT 96 FT NLY THEREON FROM EGLINTON AV AS WIDENED UNDER BY-LAW 11494; THENCE NLY ALONG THE SAID WLY LIMIT OF LT 1, 18 FT MORE OR LESS TO THE N WLY ANGLE THEREOF; THENCE ELY ALONG THE NLY LIMIT OF LT 1, 48 FT 5 1/4 INCHES MORE OR LESS TO A POINT 1 FT 6 3/4 INCHES WLY THEREON FROM THE NE ANGLE OF LT 1; THENCE SLY ALONG A LINE, WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2 AT A POINT THEREIN DISTANT 5 FT ELY FROM THE SW ANGLE OF LT 2, A DISTANCE OF 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM THE POC; THENCE WLY ALONG THE SAID MENTIONED LINE 49 FT 4 3/4 INCHES MORE OR LESS TO THE POC; 6. T/W A FREE AND UNINTERRUPTED ROW OVER THE WLY 4 FT 6 INCHES OF LT 90 AND THE ELY 5 FT 6 INCHES OF LT 91 ON PL M512; 7. S/T THE RIGHT OF THE OWNER OF PCL 2664, SEC L TORONTO, TO USE (FOR THE PURPOSE OF ACCESS AND INGRESS TO AND EGRESS FROM THE LANDS COMPRISED IN SAID PCL 2664 OR ANY PT THEREOF, AND/OR THE BUILDINGS THEREON AND FOR THE TURNING OF VEHICLES USING THE ROW 3RDLY, 4THLY, 5THLY AND 6THLY ABOVE DESCRIBED) THE SPACE AT THE REAR OF THE BUILDINGS NOW SITUATED UPON THE LANDS COMPRISED IN ABOVE PCL EXTENDING NLY FROM THE NLY LIMIT AND ITS PRODUCTION ELY AND WLY OF THE SAID BUILDINGS TO THE SLY LIMIT OF THE SAID ROW 3RDLY, 4THLY, 5THLY AND 6THLY. PROVIDED ALWAYS THAT THE RIGHTS THEREBY GRANTED SHALL BE EXERCISED IN SUCH MANNER AS NOT UNREASONABLY TO INTERFERE WITH THE REASONABLE AND PROPER USE OF THE SPACE AT THE REAR OF THE RESPECTIVE BUILDINGS AFORESAID BY THE OWNER AND/OR ANY TENANT OR OCCUPANT OF ANY OF THE SAID BUILDINGS RESPECTIVELY AND/OR BY PERSONS HAVING DEALINGS WITH SUCH OWNER AND/OR ANY SUCH TENANT OR OCCUPANT AS IN LT350268; 8. T/W THE RIGHT TO USE (FOR THE PURPOSE OF ACCESS AND INGRESS TO AND EGRESS FROM THE LANDS COMPRISED IN PCL 2665, SEC L TORONTO, OR ANY PT THEREOF AND/OR THE BUILDINGS THEREON FOR THE TURNING OF VEHICLES USING THE ROW DESCRIBED IN THE ABOVE 3RDLY, 4THLY, 5THLY AND 6THLY) THE SPACE AT THE REAR OF THE BUILDINGS NOW SITUATED UPON THE LANDS COMPRISED

IN PCL 2664, SEC L TORONTO, EXTENDING NLY FROM THE NLY LIMIT OF THE SAID BUILDINGS TO THE SLY LIMIT OF THE SAID ROW DESCRIBED IN THE SAID 3RDLY, 4THLY, 5THLY AND 6THLY. PROVIDED ALWAYS THAT THE RIGHTS THEREBY GRANTED SHALL BE EXERCISED IN SUCH MANNER AS NOT UNREASONABLY TO INTERFERE WITH THE REASONABLE THE AND PROPER USE OF THE SPACE AT THE REAR OF THE RESPECTIVE BUILDINGS AFORESAID BY THE OWNER AND/OR ANY TENANT OR OCCUPANT OF ANY OF THE SAID BUILDINGS RESPECTIVELY AND/OR BY PERSONS HAVING DEALINGS WITH SUCH OWNER AND/OR ANY SUCH TENANT OR OCCUPANT; TORONTO ; SUBJECT TO A TEMPORARY EASEMENT AS SET OUT IN EXPROPRIATION PLAN AS IN AT4214429; CITY OF TORONTO

Address: 350 Eglinton Avenue, West, Toronto, Ontario

2. PIN: 21169-0183 (LT)

Description: PCL 1-2 SEC M380; PT LT 1 PL M380 TORONTO; PT LT 2 PL M380 TORONTO COMM AT THE S WLY ANGLE OF SAID LT 1; THENCE ELY ALONG THE SLY LIMITS OF LOTS 1 AND 2 - 55 FT MORE OR LESS TO A POINT IN THE SAID SLY LIMIT OF SAID LT 2 DISTANT 5 FT MEASURED ELY THEREON FROM THE S WLY ANGLE OF SAID LT 2; THENCE NLY IN A STRAIGHT LINE 113 FT 5 3/4 INCHES MORE OR LESS TO A POINT IN THE NLY LIMIT OF SAID LT 1 DISTANT 1 FT 6 3/4 INCHES MEASURED WLY THEREON FROM THE N ELY ANGLE OF SAID LT; THENCE WLY ALONG THE NLY LIMIT OF SAID LT 1 - 48 FT 5 1/4 INCHES MORE OR LESS TO THE N WLY ANGLE OF SAID LT; THENCE SLY ALONG THE WLY LIMIT OF SAID LT 1 -114 FT MORE OR LESS TO THE POC; S/T LT345020; T/W LT345020; S/T LT346559; T/W LT346559 (S/T LT263283); S/T LT350268; T/W LT350268; TORONTO ; SUBJECT TO A TEMPORARY EASEMENT AS SET IN EXPROPRIATION PLAN AS IN AT4214430; CITY OF TORONTO

Address: 356 Eglinton Avenue, West, Toronto, Ontario

3. PIN: 21169-0182 (LT)

Description: PCL 1-3-A SEC M256; PT LT 1 BLK A PL M256 TORONTO COMM AT A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED BY BY-LAW # 11494 OF THE CORPORATION OF THE CITY OF TORONTO AT THE INTERSECTION WITH THE ELY LIMIT OF THE SAID LT 1. THENCE WLY ALONG THE SAID NLY LIMIT OF EGLINTON AV 34 FT 6 1/2 INCHES MORE OR LESS TO THE INTERSECTION WITH THE PRODUCTION SLY OF THE CENTRE LINE OF THE PARTY WALL BTN THE BUILDINGS ERECTED ON THESE LANDS AND ON LAND LYING WLY AND ADJACENT THERETO. THENCE NLY ALONG THE SAID PRODUCTION TO AND ALONG THE SAID CENTRE LINE OF WALL AND ITS PRODUCTION NLY IN ALL 96 FT. THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV 34 FT 6 1/2 INCHES TO THE INTERSECTION WITH THE SAID ELY LIMIT OF LT 1. THENCE SLY ALONG THE SAID ELY LIMIT OF LT 1, 96

FT TO THE FRONT OF COMMENCEMENT; T/W A ROW OVER PARTS OF LOTS 1 AND 2 IN BLK A ON PL M256; COMM AT A POINT IN THE ELY LIMIT OF LT 1 DISTANT 96 FT MEASURED NLY THEREON FROM THE SAID NLY LIMIT OF EGLINTON AV AS WIDENED. THENCE WLY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV AS WIDENED 125 FT. THENCE NLY PARALLEL TO THE SAID ELY LIMIT OF LT 1, 12 FT. THENCE ELY PARALLEL TO THE NLY LIMIT OF EGLINTON AV 125 FT TO ITS INTERSECTION WITH THE SAID ELY LIMIT OF LT 1. THENCE SLY ALONG THE SAID ELY LIMIT OF LT 1, 12 FT TO THE POC. PROVIDED THAT THE PROJECTIONS INCLUDING THE PROJECTIONS OF THE SECOND STORY OF THE BUILDING SITUATE ON THE LANDS DESCRIBED IN PCL 3021 SEC K TORONTO EXISTING AT THIS DATE JULY 5, 1943 T/W THE FIRE ESCAPE ERECTED IN CONNECTION HERewith OVER THE SAID ROW OR ANY PT THEREOF SHALL BE DEEMED NOT TO BE AN ENCROACHMENT UPON THE SAID ROW; T/W A ROW OVER THAT PT OF LT 125 ON PL M512; COMM AT A POINT IN THE ELY LIMIT OF LT 125 DISTANT 96 FT MEASURED NLY THEREON FROM THE SE ANGLE OF SAID LT. THENCE WLY PARALLEL TO THE SLY LIMIT OF SAID LT 22 FT 4 INCHES MORE OR LESS TO A POINT 77 FT 8 INCHES MEASURED ELY FROM THE WLY LIMIT OF LT 124 ON SAID PL. THENCE NLY IN A STRAIGHT LINE 14 FT MORE OR LESS TO A POINT IN THE NLY LIMIT OF THE SAID LT 125 DISTANT 77 FT 8 INCHES MEASURED ELY THEREON FROM THE NW ANGLE OF LT 124. THENCE ELY ALONG THE NLY LIMIT OF LT 125, 22 FT 4 INCHES MORE OR LESS TO THE NE ANGLE THEREOF. THENCE SLY ALONG THE ELY LIMIT OF LT 125 A DISTANCE OF 14 FT MORE OR LESS TO THE POB; T/W A ROW OVER THE WLY 4 FT 6 INCHES OF LT 90 AND THE ELY 5 FT 6 INCHES OF LT 91 ON PL M512; T/W A ROW OVER PARTS OF LOTS 1 AND 2 ON PL M380; COMM AT A POINT IN THE WLY LIMIT OF LT 1 DISTANT 96 FT NLY THEREON FROM EGLINTON AV AS WIDENED BY BY-LAW # 11494. THENCE NLY ALONG THE SAID WLY LIMIT OF LT 1, 18 FT MORE OR LESS TO THE N WLY ANGLE THEREOF. THENCE ELY ALONG THE NLY LIMIT OF LT 1, 48 FT 5 1/4 INCHES MORE OR LESS TO A POINT 1 FT 6 3/4 INCHES WLY THEREON FROM THE NE ANGLE OF SAID LT 1. THENCE SLY ALONG A LINE WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2 AT A POINT THEREIN DISTANT 5 FT ELY FROM THE SW ANGLE OF LT 2 A DISTANCE OF 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM THE POC. THENCE WLY ALONG THE SAID MENTIONED LINE 49 FT 4 3/4 INCHES MORE OR LESS TO THE POC; T/W A ROW OVER PARTS OF LOTS 1 AND 2 ON PL M380; COMM AT A POINT IN THE NLY LIMIT OF LT 1 DISTANT 1 FT 6 3/4 INCHES WLY THEREON FROM THE N ELY ANGLE OF LT 1. THENCE SLY ALONG A LINE WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2 AT A POINT THEREON 5 FT ELY FROM THE SW ANGLE OF LT 2 AT A DISTANCE OF 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM A POINT IN THE W LIMIT OF LT 1 DISTANT 96 FT NLY FROM THE N LIMIT OF EGLINTON AV AS WIDENED. THENCE N ELY IN A STRAIGHT LINE 19 FT 6 INCHES TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF LT 2 AND DISTANT 16 FT 1/2 AN INCH MEASURED ELY THEREON FROM THE N

WLY ANGLE THEREOF TO A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED, DISTANT 25 FT MEASURED ELY THEREON FROM ITS INTERSECTION WITH THE WLY LIMIT OF LT 2, THE SAID POINT BEING DISTANT 10 FT 6 INCHES MORE OR LESS MEASURED SLY ON THE SAID LINE FROM THE SAID NLY LIMIT OF LT 2. THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF LT 2, 22 FT 3 1/2 INCHES MORE OR LESS TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED DISTANT 78 FT 10 INCHES MEASURED WLY FROM THE SE ANGLE OF LT 3 ON SAID PL TO A POINT IN THE N LIMIT OF SAID LT 2 DISTANT 80 FT 6 3/4 INCHES MEASURED WLY THEREON FROM THE NE ANGLE OF LT 3. THENCE NLY ALONG THE SAID LAST MENTIONED LINE 10 FT 6 INCHES MORE OR LESS TO THE NLY LIMIT OF LT 2. THENCE WLY ALONG THE NLY LIMIT OF SAID LT 2 AND 1, 39 FT 7 1/2 INCHES MORE OR LESS TO THE POC; CITY OF TORONTO

Address: 366 Eglinton Avenue West, Toronto, Ontario

4. PIN: 21169-0181 (LT)

Description: PCL 1-1-A SEC M256; PT LT 1 N/S EGLINTON AV BLK A PL M256 TORONTO; PT LT 2 N/S EGLINTON AV BLK A PL M256 TORONTO COMM AT A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED BY BY-LAW 11494 DISTANT 34 FT 6 1/2 INCHES MORE OR LESS WLY FROM ITS INTERSECTION WITH THE E LIMIT OF SAID LT 1; THENCE WLY ALONG SAID NLY LIMIT OF EGLINTON AV A DISTANCE OF 90 FT 5 1/2 INCHES MORE OR LESS TO A POINT; THENCE NLY PARALLEL TO THE LINE BTN SAID LOTS 1 AND 2 A DISTANCE OF 109 FT 11 INCHES MORE OR LESS TO A POINT DISTANT 120 FT NLY FROM THE SLY LIMIT OF SAID LT 2; THENCE ELY PARALLEL WITH THE SAID S LIMITS OF SAID LOTS 1 AND 2 A DISTANCE OF 125 FT MORE OR LESS TO THE E LIMIT OF SAID LT 1; THENCE SLY ALONG THE LAST MENTIONED LIMIT A DISTANCE OF 13 FT 11 INCHES MORE OR LESS TO A POINT; THENCE WLY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV A DISTANCE OF 34 FT 6 1/2 INCHES MORE OR LESS TO ITS INTERSECTION WITH THE PRODUCTION NLY OF THE CENTRE LINE OF THE PARTY WALL BTN THE BUILDINGS ERECTED ON THIS LAND AND ON LAND LYING ELY AND ADJACENT THERETO; THENCE SLY ALONG SAID PRODUCTION TO AND ALONG SAID CENTRE LINE OF WALL AND ITS PRODUCTION SLY IN ALL 96 FT MORE OR LESS TO THE POC; S/T A FREE AND UNINTERRUPTED ROW INGRESS AND EGRESS FOR PERSONS, ANIMALS AND VEHICLES THROUGH, ALONG AND UPON THAT CERTAIN PCL OF LAND DESCRIBED AS FOLLOWS: PARTS OF LOTS 1 AND 2 ON BLK A ON PL M256 AS FOLLOWS: COMM AT A POINT IN THE E LIMIT OF LT 1, 96 FT NLY FROM THE NLY LIMIT OF EGLINTON AV AS WIDENED BY BY-LAW 11494; THENCE WLY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV AS WIDENED 125 FT; THENCE NLY PARALLEL TO THE E LIMIT OF LT 1, 12 FT; THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON



AV AS WIDENED 125 FT TO THE E LIMIT OF LT 1; THENCE SLY ALONG THE SAID E LIMIT 12 FT TO THE POC; PROVIDED THAT THE PROJECTIONS INCLUDING THE PROJECTION OF THE SECOND STOREY BUILDINGS SITUATE ON THE ABOVE PCL EXISTING ON THIS DATE AND A FIRE ESCAPE TO BE ERECTED IN CONNECTION THEREWITH OVER THE SAID ROW OR ANY PT THEREOF SHALL BE DEEMED NOT TO BE AN ENCROACHMENT UPON THE SAID ROW; T/W A FREE AND UNINTERRUPTED ROW, INGRESS AND EGRESS, FOR PERSONS, ANIMALS AND VEHICLES THROUGH, ALONG AND OVER THAT PT OF LT 125 ON PL M512 (BOROUGH OF E YORK) DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE ELY LIMIT OF LT 125 DISTANT 96 FT NLY FROM THE SE ANGLE OF SAID LT; THENCE WLY PARALLEL TO THE SLY LIMIT OF SAID LT, 22 FT 4 INCHES MORE OR LESS TO A POINT 77 FT 8 INCHES ELY FROM THE WLY LIMIT OF LT 124 ON SAID PL; THENCE NLY IN A STRAIGHT LINE 14 FT MORE OR LESS TO A POINT IN THE NLY LIMIT OF LT 125, 77 FT 8 INCHES ELY FROM THE NW ANGLE OF SAID LT 124; THENCE ELY ALONG THE NLY LIMIT OF LT 125, 22 FT 4 INCHES MORE OR LESS TO THE N ELY ANGLE THEREOF; THENCE SLY ALONG THE ELY LIMIT OF LT 125, 14 FT MORE OR LESS TO THE POB; T/W A FREE AND UNINTERRUPTED ROW INGRESS AND EGRESS, FOR PERSONS, ANIMALS AND VEHICLES THROUGH ALONG AND OVER PT OF LOTS 1 AND 2 ON PL M380 (CITY OF TORONTO) DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE WLY LIMIT OF LT 1, 96 FT MEASURED NLY THEREON FROM EGLINTON AV AS WIDENED UNDER BY-LAW # 11494; THENCE NLY ALONG THE SAID WLY LIMIT OF LT 1, 18 FT MORE OR LESS TO THE N WLY ANGLE THEREOF; THENCE ELY ALONG THE NLY LIMIT OF SAID LT 1, 48 FT 5 1/4 INCHES MORE OR LESS TO A POINT 1 FT 6 3/4 INCHES WLY FROM THE NE ANGLE OF LT 1; THENCE SLY ALONG A LINE WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2 AT A POINT 5 FT ELY FROM THE SW ANGLE OF LT 2 A DISTANCE OF 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM THE POC; THENCE WLY ALONG THE SAID MENTIONED LINE 49 FT 4 3/4 INCHES MORE OR LESS TO THE POC; T/W A FREE AND UNINTERRUPTED ROW INGRESS AND EGRESS FOR PERSONS, ANIMALS AND VEHICLES THROUGH OVER AND ALONG THOSE PARTS OF LOTS 1 AND 2 ON PL M380 (CITY OF TORONTO) DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE NLY LIMIT OF LT 1, 1 FT 6 3/4 INCHES WLY THEREON FROM THE N ELY ANGLE OF LT 1; THENCE SLY ALONG A LINE WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2 AT A POINT THEREIN 5 FT ELY FROM THE SW ANGLE OF LT 2, 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM A POINT IN THE W LIMIT OF LT 1, 96 FT NLY FROM THE N LIMIT OF EGLINTON AV AS WIDENED; THENCE N ELY IN A STRAIGHT LINE 19 FT 6 INCHES TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF LT 2 AND DISTANT 16 FT 1/2 INCH ELY THEREON FROM THE N WLY ANGLE THEREOF TO A POINT IN THE NLY LIMIT OF EGLINTON AV

AS WIDENED DISTANT 25 FT ELY THEREON FROM ITS INTERSECTION WITH THE WLY LIMIT OF LT 2; THE SAID POINT BEING 10 FT 6 INCHES MORE OR LESS SLY ON THE SAID LINE FROM THE SAID NLY LIMIT OF LT 2; THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF LT 2, 22 FT 3 1/2 INCHES MORE OR LESS TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED 78 FT 10 INCHES WLY FROM THE SE ANGLE OF LT 3 ON SAID PL TO A POINT IN THE N LIMIT OF LT 2 DISTANT 80 FT 6 3/4 INCHES WLY THEREON FROM THE NE ANGLE OF LT 3; THENCE NLY ALONG THE SAID LAST MENTIONED LINE 10 FT 6 INCHES MORE OR LESS TO THE NLY LIMIT OF LT 2; THENCE WLY ALONG THE NLY LIMIT OF LOTS 2 AND 1, 39 FT 7 1/2 INCHES MORE OR LESS TO THE POC; TORONTO , CITY OF TORONTO

Address: 368, 378 Eglington Avenue West, Toronto, Ontario

## SCHEDULE "B"

### RECEIVER CERTIFICATE

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. THIS IS TO CERTIFY that TDB Restructuring Limited, the receiver (the "**Receiver**") of (i) the real property legally described in Schedule "A" hereto (the "**Real Property**"), and (ii) all of the assets and undertakings of 1000195736 Ontario Ltd. ("**736 Ont**"), 1000193772 Ontario Ltd. ("**772 Ont**"), and Morgis Corporation ("**Morgis**" and collectively with 736 Ont and 772 Ont, the "**Debtors**") acquired for, or used in relation to a business carried on by the Debtors including all proceeds thereof (the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the \_\_\_\_ day of \_\_\_\_\_, 2024 (the "**Order**") made in an action having Court file number CV-\_\_\_\_\_, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ \_\_\_\_\_, being part of the total principal sum of \$ \_\_\_\_\_ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the \_\_\_\_\_ day of each month] after the date hereof at a notional rate per annum equal to the rate of \_\_\_\_\_ per cent above the prime commercial lending rate of Bank of \_\_\_\_\_ from time to time.

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

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

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

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

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

DATED the \_\_\_\_ day of \_\_\_\_\_, 2024.

TDB Restructuring Limited, solely in its  
capacity as Receiver of the Property, and not in  
its personal capacity

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

Name:

Title:

**1599285 ONTARIO LIMITED, et al.**

- and -

**1000195736 ONTARIO LTD., et al.**

Respondents

Applicants

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

Proceedings commenced at Toronto

**ORDER**

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# TAB 4

Revised: January 21, 2014  
s.243(1) BIA (National Receiver) and s. 101 CJA (Ontario) Receiver

Court File No.:- CV-24-00716381-00CL

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

THE HONOURABLE )  
JUSTICE )  
DAY OF ~~WEEKDAY, TUESDAY~~ THE #28<sup>th</sup>  
~~MONTH~~ MAY, 2024~~YR~~

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

1599285 ONTARIO LIMITED., RICK BERWICK, 2702749 ONTARIO INC., PETER ADAMO, CROCETTA ADAMO, ANJAY LIMITED, A-ONE AUTO INVESTMENTS INC., CINZIA SORRENTI, ELCRM HOLDINGS INC., SERGIO MOLELLA, DONALD IERFINO, PIERINA PIZZARDI, PIZZARDI INVESTMENTS, AMOND MANAGEMENT INC., SALISI INVESTMENTS INC., LORENZO ANTONINI, CARMEN ANTONINI, TINA BETTI, ANTHONY BONDI GIUSEPPA BONDI, C.P.M.C MARQUEZ HOLDINGS INC., FREDY ROSSI, 2438747 ONTARIO LIMITED, 2205633 ONTARIO LIMITED, 1620375 ONTARIO LIMITED, 1288601 ONTARIO LIMITED, AMSTEL MANUFACTURING (1993) INC., BRUCE MCKINLAY, SALISI INVESTMENTS LTD., M ANTONINI HOLDINGS INC., GABRIELE PIZZARDI, IMPERIO SA HOLDINGS INC., RONALD CHEMIJ, MARY CHEMIJ, TERRY CHEMIJ, LUBA CHEMIJ, and TAXMART INC.  
PLAINTIFF<sup>1</sup>

PlaintiffApplicants

- and -

**DEFENDANT**

1000195736 ONTARIO LTD., 1000193772 ONTARIO LTD., and MORGIS CORPORATION

DefendantRespondents

<sup>1</sup>The Model Order Subcommittee notes that a receivership proceeding may be commenced by action or by application. This model order is drafted on the basis that the receivership proceeding is commenced by way of an action.

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

**ORDER**

**(Appointing Receiver)**

THIS ~~MOTION APPLICATION~~ made by the ~~Plaintiff~~Applicants<sup>2</sup> for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing **TDB Restructuring Limited ("TDB")** [RECEIVER'S NAME] as receiver ~~[and manager] (in such capacities,~~ the "**Receiver**") without security, of (i) the real property legally described in Schedule "A" hereto (the "**Real Property**"), and (ii) all of the assets, ~~undertakings~~ undertakings of 1000195736 Ontario Ltd. ("**736 Ont**"), 1000193772 Ontario Ltd. ("**772 Ont**"), and Morgis Corporation ("**Morgis** and collectively with 736 Ont and 772 Ont, the "**Debtors**") acquired for, or used in relation to a business carried on the by the Debtors (the "**Property**") ~~used in connection with, situate at, or arising from the ownership, development, use or disposition of, the Real Property, including the proceeds therefrom (collectively with (i) and (ii), the "Property") and properties of [DEBTOR'S NAME] (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor,~~ was heard this day via Zoom videoconference at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of [NAME] Donald Ierfino sworn [DATE] April 19, 2024 and the Exhibits thereto and on hearing the submissions of counsel for the Applicants and Respondents, [NAMES], no one appearing for [NAME] although duly served as appears from the affidavit of service of [NAME] sworn [DATE] and on reading the consent of [RECEIVER'S NAME] TDB to act as the Receiver,

**SERVICE**

<sup>2</sup> Section 243(1) of the BIA provides that the Court may appoint a receiver "on application by a secured creditor".



1. THIS COURT ORDERS that the time for service of the Notice of ~~Motion Application~~ and the ~~Motion Application Record~~ is hereby abridged and validated<sup>3</sup> so that this ~~motion application~~ is properly returnable today and hereby dispenses with further service thereof.

(a) APPOINTMENT

2. THIS COURT ORDERS that pursuant to subsection 243(1) of the BIA and section 101 of the CJA, [RECEIVER'S NAME]TDB is hereby appointed Receiver, without security, of the all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "Property").

**RECEIVER'S POWERS**

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

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

~~(a)~~

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

~~(b)~~;

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<sup>3</sup> If service is effected in a manner other than as authorized by the Ontario *Rules of Civil Procedure*, an order validating irregular service is required pursuant to Rule 16.08 of the *Rules of Civil Procedure* and may be granted in appropriate circumstances.

(e) to manage, ~~operate, and carry on the business of the Debtor~~ the Property, including the powers to enter into any agreements, or incur any obligations in ~~the ordinary course of business, cease to carry on all or any part of~~ connection with the business Property, or cease to perform or disclaim any contracts of the Debtors in respect of the Property;

(c) \_\_\_\_\_

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

(d) \_\_\_\_\_

(e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets ~~to continue the business of the Debtors as necessary~~ or desirable to preserve or maintain the Property or any part or parts thereof;

(e) \_\_\_\_\_

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

(g) to settle, extend or compromise any indebtedness owing to the Debtors; ~~in connection with the Property~~;

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

- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtors (as such proceedings relate to the Property or any portion thereof), the Property or the Receiver, and to settle or compromise any such proceedings.<sup>4</sup> The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business;
  - (i) without the approval of this Court in respect of any transaction not exceeding \$ \_\_\_\_\_, \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$ \_\_\_\_\_; \$250,000; and
  - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, ~~for~~ section 31 of the Ontario *Mortgages Act*, as the

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<sup>4</sup> ~~This model order does not include specific authority permitting the Receiver to either file an assignment in bankruptcy on behalf of the Debtor, or to consent to the making of a bankruptcy order against the Debtor. A bankruptcy may have the effect of altering the priorities among creditors, and therefore the specific authority of the Court should be sought if the Receiver wishes to take one of these steps.~~

case may be,<sup>5</sup> shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions in respect of the Property as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

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<sup>5</sup> ~~If the Receiver will be dealing with assets in other provinces, consider adding references to applicable statutes in other provinces. If this is done, those statutes must be reviewed to ensure that the Receiver is exempt from or can be exempted from such notice periods, and further that the Ontario Court has the jurisdiction to grant such an exemption.~~

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

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

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

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, ~~records and information~~records, information and cloud-based data of any kind related to the ~~business or affairs of the Debtor~~ Property, and any computer programs, computer tapes, computer disks, cloud or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software, cloud and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer, in a cloud or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully

copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer, cloud or other system and providing the Receiver with any and all access codes, account names ~~and~~ and account numbers and account creating credentials that may be required to gain access to the information.

~~7. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.~~

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#### NO PROCEEDINGS AGAINST THE RECEIVER

~~8.7.~~ THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

#### NO PROCEEDINGS AGAINST THE DEBTORS' OR THE PROPERTY

~~9.8.~~ THIS COURT ORDERS that no Proceeding against or in respect of the Debtors or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtors or the Property are hereby stayed and suspended pending further Order of this Court.

#### NO EXERCISE OF RIGHTS OR REMEDIES

~~10.9.~~ THIS COURT ORDERS that all rights and remedies against the Debtors, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in

respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtors to carry on any business which the Debtors ~~are is~~ not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

#### **NO INTERFERENCE WITH THE RECEIVER**

~~11.10.~~ THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtors ~~and relating to the Property~~, without written consent of the Receiver or leave of this Court.

#### **CONTINUATION OF SERVICES**

~~12.11.~~ THIS COURT ORDERS that all Persons having oral or written agreements with the Debtors ~~relating to the Property~~ or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, ~~accounting services~~, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtors ~~relating to the Property~~ are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtors' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtors or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

#### **RECEIVER TO HOLD FUNDS**

~~13.12.~~ THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the

collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

#### **EMPLOYEES**

~~14.13.~~ THIS COURT ORDERS that all employees of the Debtors shall remain the employees of the Debtors until such time as the Receiver, on the Debtors' behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in subsection 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under subsections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

#### **PIPEDA**

~~15.14.~~ THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.



#### LIMITATION ON ENVIRONMENTAL LIABILITIES

16.15. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act, 1999*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

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#### LIMITATION ON THE RECEIVER'S LIABILITY

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

#### RECEIVER'S ACCOUNTS

18.17. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the

Property in priority to all security interests, trusts (including, without limitation, deemed trusts), liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to subsections 14.06(7), 81.4(4), and 81.6(2) of the BIA.<sup>6</sup>

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

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

#### FUNDING OF THE RECEIVERSHIP

21.20. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$ ~~\$500,000~~ (or such greater amount ~~that is acceptable to the Applicants and~~ as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in subsections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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<sup>6</sup> Note that subsection 243(6) of the BIA provides that the Court may not make such an order "unless it is satisfied that the secured creditors who would be materially affected by the order were given reasonable notice and an opportunity to make representations".

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

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

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

#### **SERVICE AND NOTICE**

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

26.25. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's<sup>2</sup> creditors or other interested parties at their respective addresses as last shown on the records of the Debtors<sup>3</sup> and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

## GENERAL

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

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

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

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

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

31. THIS COURT ORDERS that the ~~Plaintiff~~Applicants shall have its costs of this ~~motion~~Application, up to and including entry and service of this Order, provided for by the terms of the ~~Plaintiff's~~Applicants' security or, if not so provided by the ~~Plaintiff's~~Applicants' security,

then on a substantial indemnity basis to be paid by the Receiver from the ~~Debtor's estate~~  
realizations from the Property with such priority and at such time as this Court may determine.

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

~~32. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Toronto Time on the date of this Order and are enforceable without the need for entry and filing.~~

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## SCHEDULE "A"

### DESCRIPTION OF REAL PROPERTY

1. PIN: 21169-0184 (LT)

Description: PCL 1-1 SEC M380; PT LT 1 PL M380 TORONTO; PT LT 2 PL M380 TORONTO; PT LT 3 PL M380 TORONTO, IF ANY, COMM AT A POINT IN THE SLY LIMIT OF SAID LT 2 DISTANT 5 FT MEASURED ELY THEREON FROM THE S WLY ANGLE OF SAID LT; THENCE ELY ALONG THE SLY LIMIT OF SAID LT 2, BEING THE NLY LIMIT OF EGLINTON AV W, 45 FT MORE OR LESS TO A POINT DISTANT 78 FT 10 INCHES MEASURED WLY FROM THE SE ANGLE OF LT 3 ON SAID PL; THENCE NLY IN A STRAIGHT LINE 113 FT 4 1/2 INCHES MORE OR LESS TO A POINT IN THE NLY LIMIT OF SAID LT 2 DISTANT 80 FT 6 3/4 INCHES MEASURED WLY THEREON FROM THE N ELY ANGLE OF SAID LT 3; THENCE WLY ALONG THE NLY LIMITS OF SAID LOTS 2 AND 1, 39 FT 7 1/2 INCHES MORE OR LESS TO A POINT IN THE SAID NLY LIMIT OF SAID LT 1 DISTANT 1 FT 6 3/4 INCHES MEASURED WLY THEREON FROM THE N ELY ANGLE OF SAID LT; THENCE SLY IN A STRAIGHT LINE 113 FT 5 3/4 INCHES MORE OR LESS TO THE POC; 1. S/T THE RIGHT OF THE OWNERS OF PCL 2664, SEC L TORONTO, TO USE THE WLY WALL OF THE BRICK STORE BUILDINGS, INCLUDING THE FOOTINGS THEREOF SITUATED ON THE LANDS IN THE ABOVE PCL OR ANY PT THEREOF AS A PARTY WALL, TO FORM THE ELY WALL OR A PT THEREOF OF ANY BUILDING OR BUILDINGS WHICH ARE NOW OR MAY HEREAFTER BE ERECTED ON THE LANDS KNOWN AS PCL 2664, SEC L TORONTO, CONTIGUOUS WITH THE SAID WLY WALL OR ANY PT THEREOF; 2. T/W THE RIGHT TO MAINTAIN THE WLY WALL OF THE BRICK STORE BUILDINGS (INCLUDING THE FOOTINGS THEREOF) SITUATE ON THE LANDS IN THE ABOVE PCL OVER THE LANDS IMMEDIATELY ADJOINING TO THE W OF THESE LANDS IN THE POSITION NOW OCCUPIED BY THE SAID WLY WALL; THE OWNER OR OWNERS FROM TIME TO TIME EITHER OF THE PARCELS AFOREMENTIONED MAY EXTEND THE SAID WLY WALL IN A NLY DIRECTION OR ADD TO THE HEIGHT THEREOF, AND MAY REBUILD THE SAME IN CASE OF THE PARTIAL OR TOTAL DESTRUCTION THEREOF AND WHEN ALL OR ANY PORTION OF THE SAID WLY WALL INCLUDING ANY EXT THEREOF AND ADDITION THERETO, SHALL BE USED BY SUCH AN OWNER OR OWNERS BY WHOM OR BY ANY OF WHOSE PREDECESSORS IN TITLE, THE PROPER SHARE OF THE COSTS OF CONSTRUCTION OF THE PORTION OF THE WALL SO USED WAS NOT PAID, HE, SHE OR THEY SHALL PAY TO THE PERSON OR PERSONS WHO CONSTRUCTED THE SAME OR TO HIS, OR THEIR HER, OR THEIR HEIRS, EXECUTORS, ADMINISTRATORS OR ASSIGNS, ONE-HALF OF THE VALUE AT THE TIME OF SUCH USE AND THEREAFTER ONE-HALF OF THE COST OF MAINTENANCE OF THE WHOLE THICKNESS OF THE PORTION OF SUCH WALL SO USED BY HIM, HER OR THEM, AND THE SUM SO TO BE PAID SHALL, UNTIL PAID, REMAIN A CHARGE UPON THE LAND OF THE PERSON OR PERSONS LIABLE TO PAY THE SAME. AND IT IS AGREED THAT THE COVENANTS HEREIN CONTAINED SHALL RUN WITH THE LAND, BUT NO COVENANT HEREIN

CONTAINED SHALL BE PERSONALLY BINDING ON ANY PERSON EXCEPT IN RESPECT OF BREACHES, DURING HIS, HER OR THEIR SEISEN OR TITLE TO THE SAID LANDS; AND IT IS FURTHER AGREED THAT WHENEVER THE SAID WLY WALL SHALL BE EXTENDED IN HEIGHT THE CHIMNEYS, IF ANY, PREVIOUSLY BUILT IN SUCH WALL SHALL BE CARRIED UP TO A PROPER HEIGHT AND ANY INJURY CAUSED BY SUCH EXT SHALL BE MADE GOOD AND SUCH EXT OF THE WALL AND CHIMNEYS SHALL BE AT THE EXPENSE OF THE PARTY MAKING THE EXT. AND IT IS AGREED THAT IF THE PARTIES CANNOT AGREE AS TO ANY VALUE ABOVE MENTIONED, THE AMOUNT THEREOF SHALL BE REFERRED TO THREE DISINTERESTED PERSONS AS VALUATORS OF WHOM THE OWNER OR OWNERS FROM TIME TO TIME OF EACH OF THE SAID PARCELS SHALL APPOINT ONE AND THESE TWO VALUATORS SHALL APPOINT A THIRD AND THE DECISION OF THE THREE SAID VALUATORS OR OF ANY TWO OF THEM IN WRITING UNDER THEIR HANDS SHALL BE BINDING ON THE PARTIES HERETO, THEIR RESPECTIVE HEIRS, EXECUTORS, ADMINISTRATORS AND ASSIGNS; AND IT IS FURTHER AGREED THAT ANY REPAIRS, ADDITIONS OR EXTENSIONS TO THE SAID WLY WALL SHALL BE OF GOOD MATERIALS AND WORKMANSHIP AND WHEN BUILT SHALL BE AND REMAIN A PARTY WALL; 3. S/T A FREE AND UNINTERRUPTED ROW FOR THE USE OF THE OWNER OF PARCELS 2664, SEC L TORONTO, 3887, SEC K TORONTO AND 1-1-A, SEC M256, THEIR HEIRS AND ASSIGNS, INGRESS AND EGRESS FOR PERSONS, ANIMALS AND VEHICLES, THROUGH OVER AND ALONG THOSE PARTS OF LOTS 1 AND 2 ON PL M380, DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE NLY LIMIT OF LT 1, 1 FT 6 3/4 INCHES WLY FROM THE N ELY ANGLE OF LT 1; THENCE SLY ALONG A LINE, WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2 AT A POINT 5 FT ELY FROM THE SW ANGLE OF LT 2, 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM A POINT IN THE W LIMIT OF LT 1 DISTANT 96 FT NLY FROM THE N LIMIT OF EGLINTON AV AS WIDENED; THENCE N ELY IN A STRAIGHT LINE 19 FT 6 INCHES TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF LT 2 AND DISTANT 16 FT 01/2 INCH FROM THE N WLY ANGLE THEREOF TO A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED 25 FT ELY FROM ITS INTERSECTION WITH THE WLY LIMIT OF LT 2, THE SAID POINT BEING 10 FT 6 INCHES MORE OR LESS SLY ON THE SAID LINE FROM THE SAID NLY LIMIT OF LT 2; THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF LT 2, 22 FT 3 1/2 INCHES MORE OR LESS TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED 78 FT 10 INCHES WLY FROM THE SE ANGLE OF LT 3 ON SAID PL TO A POINT IN THE N LIMIT OF LT 2, 80 FT 6 3/4 INCHES WLY FROM THE NE ANGLE OF LT 3; THENCE NLY ALONG THE SAID LAST MENTIONED LINE 10 FT 6 INCHES MORE OR LESS TO THE NLY LIMIT OF LT 2; THENCE WLY ALONG THE NLY LIMIT OF LOTS 2 AND 1, 39 FT 7 1/2 INCHES MORE OR LESS TO THE POC AS IN LT346559; 4. T/W A FREE AND UNINTERRUPTED ROW, INGRESS AND EGRESS, FOR PERSONS, ANIMALS AND VEHICLES, THROUGH, ALONG AND OVER THOSE PARTS OF LOTS 1 AND 2 BLK 'A', PL M256, DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE E LIMIT OF

LT 1, 96 FT NLY THEREON FROM THE NLY LIMIT OF EGLINTON AV AS WIDENED BY BY-LAW 11494; THENCE WLY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV AS WIDENED 125 FT; THENCE NLY PARALLEL TO THE E LIMIT OF LT 1, 12 FT; THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV AS WIDENED 125 FT TO THE SAID E LIMIT OF LT 1; THENCE SLY ALONG THE SAID E LIMIT 12 FT TO THE POC; PROVIDED THAT THE PROJECTIONS, INCLUDING THE PROJECTION OF THE SECOND STOREY OF THE BUILDING SITUATE ON PCL 1-1-A, SEC M256, EXISTING ON THIS DATE AND A FIRE ESCAPE TO BE ERRECTED IN CONNECTION THEREWITH, OVER THE SAID ROW OR ANY PT THEREOF SHALL BE DEEMED NOT TO BE AN ENCROACHMENT UPON THE SAID ROW; 5. T/W A FREE AND UNINTERRUPTED ROW, INGRESS AND EGRESS, FOR PERSONS ANIMALS AND VEHICLES, THROUGH, ALONG AND OVER THOSE PARTS OF LOTS 1 AND 2 ON PL M380, DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE WLY LIMIT OF SAID LT 1 DISTANT 96 FT NLY THEREON FROM EGLINTON AV AS WIDENED UNDER BY-LAW 11494; THENCE NLY ALONG THE SAID WLY LIMIT OF LT 1, 18 FT MORE OR LESS TO THE N WLY ANGLE THEREOF; THENCE ELY ALONG THE NLY LIMIT OF LT 1, 48 FT 5 1/4 INCHES MORE OR LESS TO A POINT 1 FT 6 3/4 INCHES WLY THEREON FROM THE NE ANGLE OF LT 1; THENCE SLY ALONG A LINE, WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2 AT A POINT THEREIN DISTANT 5 FT ELY FROM THE SW ANGLE OF LT 2, A DISTANCE OF 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM THE POC; THENCE WLY ALONG THE SAID MENTIONED LINE 49 FT 4 3/4 INCHES MORE OR LESS TO THE POC; 6. T/W A FREE AND UNINTERRUPTED ROW OVER THE WLY 4 FT 6 INCHES OF LT 90 AND THE ELY 5 FT 6 INCHES OF LT 91 ON PL M512; 7. S/T THE RIGHT OF THE OWNER OF PCL 2664, SEC L TORONTO, TO USE (FOR THE PURPOSE OF ACCESS AND INGRESS TO AND EGRESS FROM THE LANDS COMPRISED IN SAID PCL 2664 OR ANY PT THEREOF, AND/OR THE BUILDINGS THEREON AND FOR THE TURNING OF VEHICLES USING THE ROW 3RDLY, 4THLY, 5THLY AND 6THLY ABOVE DESCRIBED) THE SPACE AT THE REAR OF THE BUILDINGS NOW SITUATED UPON THE LANDS COMPRISED IN ABOVE PCL EXTENDING NLY FROM THE NLY LIMIT AND ITS PRODUCTION ELY AND WLY OF THE SAID BUILDINGS TO THE SLY LIMIT OF THE SAID ROW 3RDLY, 4THLY, 5THLY AND 6THLY. PROVIDED ALWAYS THAT THE RIGHTS THEREBY GRANTED SHALL BE EXERCISED IN SUCH MANNER AS NOT UNREASONABLY TO INTERFERE WITH THE REASONABLE AND PROPER USE OF THE SPACE AT THE REAR OF THE RESPECTIVE BUILDINGS AFORESAID BY THE OWNER AND/OR ANY TENANT OR OCCUPANT OF ANY OF THE SAID BUILDINGS RESPECTIVELY AND/OR BY PERSONS HAVING DEALINGS WITH SUCH OWNER AND/OR ANY SUCH TENANT OR OCCUPANT AS IN LT350268; 8. T/W THE RIGHT TO USE (FOR THE PURPOSE OF ACCESS AND INGRESS TO AND EGRESS FROM THE LANDS COMPRISED IN PCL 2665, SEC L TORONTO, OR ANY PT THEREOF AND/OR THE BUILDINGS THEREON FOR THE TURNING OF VEHICLES USING THE ROW DESCRIBED IN THE ABOVE 3RDLY, 4THLY, 5THLY AND 6THLY) THE SPACE AT THE REAR OF THE BUILDINGS NOW SITUATED UPON THE LANDS COMPRISED



IN PCL 2664, SEC L TORONTO, EXTENDING NLY FROM THE NLY LIMIT OF THE SAID BUILDINGS TO THE SLY LIMIT OF THE SAID ROW DESCRIBED IN THE SAID 3RDLY, 4THLY, 5THLY AND 6THLY. PROVIDED ALWAYS THAT THE RIGHTS THEREBY GRANTED SHALL BE EXERCISED IN SUCH MANNER AS NOT UNREASONABLY TO INTERFERE WITH THE REASONABLE THE AND PROPER USE OF THE SPACE AT THE REAR OF THE RESPECTIVE BUILDINGS AFORESAID BY THE OWNER AND/OR ANY TENANT OR OCCUPANT OF ANY OF THE SAID BUILDINGS RESPECTIVELY AND/OR BY PERSONS HAVING DEALINGS WITH SUCH OWNER AND/OR ANY SUCH TENANT OR OCCUPANT; TORONTO ; SUBJECT TO A TEMPORARY EASEMENT AS SET OUT IN EXPROPRIATION PLAN AS IN AT4214429; CITY OF TORONTO

Address: 350 Eglinton Avenue, West, Toronto, Ontario

2. PIN: 21169-0183 (LT)

Description: PCL 1-2 SEC M380; PT LT 1 PL M380 TORONTO; PT LT 2 PL M380 TORONTO COMM AT THE S WLY ANGLE OF SAID LT 1; THENCE ELY ALONG THE SLY LIMITS OF LOTS 1 AND 2 - 55 FT MORE OR LESS TO A POINT IN THE SAID SLY LIMIT OF SAID LT 2 DISTANT 5 FT MEASURED ELY THEREON FROM THE S WLY ANGLE OF SAID LT 2; THENCE NLY IN A STRAIGHT LINE 113 FT 5 3/4 INCHES MORE OR LESS TO A POINT IN THE NLY LIMIT OF SAID LT 1 DISTANT 1 FT 6 3/4 INCHES MEASURED WLY THEREON FROM THE N ELY ANGLE OF SAID LT; THENCE WLY ALONG THE NLY LIMIT OF SAID LT 1 - 48 FT 5 1/4 INCHES MORE OR LESS TO THE N WLY ANGLE OF SAID LT; THENCE SLY ALONG THE WLY LIMIT OF SAID LT 1 -114 FT MORE OR LESS TO THE POC: S/T LT345020; T/W LT345020; S/T LT346559; T/W LT346559 (S/T LT263283); S/T LT350268; T/W LT350268; TORONTO ; SUBJECT TO A TEMPORARY EASEMENT AS SET IN EXPROPRIATION PLAN AS IN AT4214430; CITY OF TORONTO

Address: 356 Eglinton Avenue, West, Toronto, Ontario

3. PIN: 21169-0182 (LT)

Description: PCL 1-3-A SEC M256; PT LT 1 BLK A PL M256 TORONTO COMM AT A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED BY BY-LAW # 11494 OF THE CORPORATION OF THE CITY OF TORONTO AT THE INTERSECTION WITH THE ELY LIMIT OF THE SAID LT 1. THENCE WLY ALONG THE SAID NLY LIMIT OF EGLINTON AV 34 FT 6 1/2 INCHES MORE OR LESS TO THE INTERSECTION WITH THE PRODUCTION SLY OF THE CENTRE LINE OF THE PARTY WALL BTN THE BUILDINGS ERECTED ON THESE LANDS AND ON LAND LYING WLY AND ADJACENT THERETO. THENCE NLY ALONG THE SAID PRODUCTION TO AND ALONG THE SAID CENTRE LINE OF WALL AND ITS PRODUCTION NLY IN ALL 96 FT. THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV 34 FT 6 1/2 INCHES TO THE INTERSECTION WITH THE SAID ELY LIMIT OF LT 1. THENCE SLY ALONG THE SAID ELY LIMIT OF LT 1, 96

FT TO THE FRONT OF COMMENCEMENT; T/W A ROW OVER PARTS OF LOTS 1 AND 2 IN BLK A ON PL M256; COMM AT A POINT IN THE ELY LIMIT OF LT 1 DISTANT 96 FT MEASURED NLY THEREON FROM THE SAID NLY LIMIT OF EGLINTON AV AS WIDENED. THENCE WLY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV AS WIDENED 125 FT. THENCE NLY PARALLEL TO THE SAID ELY LIMIT OF LT 1, 12 FT. THENCE ELY PARALLEL TO THE NLY LIMIT OF EGLINTON AV 125 FT TO ITS INTERSECTION WITH THE SAID ELY LIMIT OF LT 1. THENCE SLY ALONG THE SAID ELY LIMIT OF LT 1, 12 FT TO THE POC. PROVIDED THAT THE PROJECTIONS INCLUDING THE PROJECTIONS OF THE SECOND STORY OF THE BUILDING SITUATE ON THE LANDS DESCRIBED IN PCL 3021 SEC K TORONTO EXISTING AT THIS DATE JULY 5, 1943 T/W THE FIRE ESCAPE ERECTED IN CONNECTION HERewith OVER THE SAID ROW OR ANY PT THEREOF SHALL BE DEEMED NOT TO BE AN ENCROACHMENT UPON THE SAID ROW; T/W A ROW OVER THAT PT OF LT 125 ON PL M512; COMM AT A POINT IN THE ELY LIMIT OF LT 125 DISTANT 96 FT MEASURED NLY THEREON FROM THE SE ANGLE OF SAID LT. THENCE WLY PARALLEL TO THE SLY LIMIT OF SAID LT 22 FT 4 INCHES MORE OR LESS TO A POINT 77 FT 8 INCHES MEASURED ELY FROM THE WLY LIMIT OF LT 124 ON SAID PL. THENCE NLY IN A STRAIGHT LINE 14 FT MORE OR LESS TO A POINT IN THE NLY LIMIT OF THE SAID LT 125 DISTANT 77 FT 8 INCHES MEASURED ELY THEREON FROM THE NW ANGLE OF LT 124. THENCE ELY ALONG THE NLY LIMIT OF LT 125, 22 FT 4 INCHES MORE OR LESS TO THE NE ANGLE THEREOF. THENCE SLY ALONG THE ELY LIMIT OF LT 125 A DISTANCE OF 14 FT MORE OR LESS TO THE POB; T/W A ROW OVER THE WLY 4 FT 6 INCHES OF LT 90 AND THE ELY 5 FT 6 INCHES OF LT 91 ON PL M512; T/W A ROW OVER PARTS OF LOTS 1 AND 2 ON PL M380; COMM AT A POINT IN THE WLY LIMIT OF LT 1 DISTANT 96 FT NLY THEREON FROM EGLINTON AV AS WIDENED BY BY-LAW # 11494. THENCE NLY ALONG THE SAID WLY LIMIT OF LT 1, 18 FT MORE OR LESS TO THE N WLY ANGLE THEREOF. THENCE ELY ALONG THE NLY LIMIT OF LT 1, 48 FT 5 1/4 INCHES MORE OR LESS TO A POINT 1 FT 6 3/4 INCHES WLY THEREON FROM THE NE ANGLE OF SAID LT 1. THENCE SLY ALONG A LINE WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2 AT A POINT THEREIN DISTANT 5 FT ELY FROM THE SW ANGLE OF LT 2 A DISTANCE OF 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM THE POC. THENCE WLY ALONG THE SAID MENTIONED LINE 49 FT 4 3/4 INCHES MORE OR LESS TO THE POC; T/W A ROW OVER PARTS OF LOTS 1 AND 2 ON PL M380; COMM AT A POINT IN THE NLY LIMIT OF LT 1 DISTANT 1 FT 6 3/4 INCHES WLY THEREON FROM THE N ELY ANGLE OF LT 1. THENCE SLY ALONG A LINE WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2 AT A POINT THEREON 5 FT ELY FROM THE SW ANGLE OF LT 2 AT A DISTANCE OF 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM A POINT IN THE W LIMIT OF LT 1 DISTANT 96 FT NLY FROM THE N LIMIT OF EGLINTON AV AS WIDENED. THENCE N ELY IN A STRAIGHT LINE 19 FT 6 INCHES TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF LT 2 AND DISTANT 16 FT 1/2 AN INCH MEASURED ELY THEREON FROM THE N

WLY ANGLE THEREOF TO A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED, DISTANT 25 FT MEASURED ELY THEREON FROM ITS INTERSECTION WITH THE WLY LIMIT OF LT 2, THE SAID POINT BEING DISTANT 10 FT 6 INCHES MORE OR LESS MEASURED SLY ON THE SAID LINE FROM THE SAID NLY LIMIT OF LT 2. THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF LT 2, 22 FT 3 1/2 INCHES MORE OR LESS TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED DISTANT 78 FT 10 INCHES MEASURED WLY FROM THE SE ANGLE OF LT 3 ON SAID PL TO A POINT IN THE N LIMIT OF SAID LT 2 DISTANT 80 FT 6 3/4 INCHES MEASURED WLY THEREON FROM THE NE ANGLE OF LT 3. THENCE NLY ALONG THE SAID LAST MENTIONED LINE 10 FT 6 INCHES MORE OR LESS TO THE NLY LIMIT OF LT 2. THENCE WLY ALONG THE NLY LIMIT OF SAID LT 2 AND 1, 39 FT 7 1/2 INCHES MORE OR LESS TO THE POC; CITY OF TORONTO

Address: 366 Eglinton Avenue West, Toronto, Ontario

4. PIN: 21169-0181 (LT)

Description: PCL 1-1-A SEC M256; PT LT 1 N/S EGLINTON AV BLK A PL M256 TORONTO; PT LT 2 N/S EGLINTON AV BLK A PL M256 TORONTO COMM AT A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED BY BY-LAW 11494 DISTANT 34 FT 6 1/2 INCHES MORE OR LESS WLY FROM ITS INTERSECTION WITH THE E LIMIT OF SAID LT 1; THENCE WLY ALONG SAID NLY LIMIT OF EGLINTON AV A DISTANCE OF 90 FT 5 1/2 INCHES MORE OR LESS TO A POINT; THENCE NLY PARALLEL TO THE LINE BTN SAID LOTS 1 AND 2 A DISTANCE OF 109 FT 11 INCHES MORE OR LESS TO A POINT DISTANT 120 FT NLY FROM THE SLY LIMIT OF SAID LT 2; THENCE ELY PARALLEL WITH THE SAID S LIMITS OF SAID LOTS 1 AND 2 A DISTANCE OF 125 FT MORE OR LESS TO THE E LIMIT OF SAID LT 1; THENCE SLY ALONG THE LAST MENTIONED LIMIT A DISTANCE OF 13 FT 11 INCHES MORE OR LESS TO A POINT; THENCE WLY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV A DISTANCE OF 34 FT 6 1/2 INCHES MORE OR LESS TO ITS INTERSECTION WITH THE PRODUCTION NLY OF THE CENTRE LINE OF THE PARTY WALL BTN THE BUILDINGS ERECTED ON THIS LAND AND ON LAND LYING ELY AND ADJACENT THERETO; THENCE SLY ALONG SAID PRODUCTION TO AND ALONG SAID CENTRE LINE OF WALL AND ITS PRODUCTION SLY IN ALL 96 FT MORE OR LESS TO THE POC; S/T A FREE AND UNINTERRUPTED ROW INGRESS AND EGRESS FOR PERSONS, ANIMALS AND VEHICLES THROUGH, ALONG AND UPON THAT CERTAIN PCL OF LAND DESCRIBED AS FOLLOWS: PARTS OF LOTS 1 AND 2 ON BLK A ON PL M256 AS FOLLOWS: COMM AT A POINT IN THE E LIMIT OF LT 1, 96 FT NLY FROM THE NLY LIMIT OF EGLINTON AV AS WIDENED BY BY-LAW 11494; THENCE WLY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON AV AS WIDENED 125 FT; THENCE NLY PARALLEL TO THE E LIMIT OF LT 1, 12 FT; THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF EGLINTON

AV AS WIDENED 125 FT TO THE E LIMIT OF LT 1; THENCE SLY ALONG THE SAID E LIMIT 12 FT TO THE POC; PROVIDED THAT THE PROJECTIONS INCLUDING THE PROJECTION OF THE SECOND STOREY BUILDINGS SITUATE ON THE ABOVE PCL EXISTING ON THIS DATE AND A FIRE ESCAPE TO BE ERECTED IN CONNECTION THEREWITH OVER THE SAID ROW OR ANY PT THEREOF SHALL BE DEEMED NOT TO BE AN ENCROACHMENT UPON THE SAID ROW; T/W A FREE AND UNINTERRUPTED ROW, INGRESS AND EGRESS, FOR PERSONS, ANIMALS AND VEHICLES THROUGH, ALONG AND OVER THAT PT OF LT 125 ON PL M512 (BOROUGH OF E YORK) DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE ELY LIMIT OF LT 125 DISTANT 96 FT NLY FROM THE SE ANGLE OF SAID LT; THENCE WLY PARALLEL TO THE SLY LIMIT OF SAID LT, 22 FT 4 INCHES MORE OR LESS TO A POINT 77 FT 8 INCHES ELY FROM THE WLY LIMIT OF LT 124 ON SAID PL; THENCE NLY IN A STRAIGHT LINE 14 FT MORE OR LESS TO A POINT IN THE NLY LIMIT OF LT 125, 77 FT 8 INCHES ELY FROM THE NW ANGLE OF SAID LT 124; THENCE ELY ALONG THE NLY LIMIT OF LT 125, 22 FT 4 INCHES MORE OR LESS TO THE N ELY ANGLE THEREOF; THENCE SLY ALONG THE ELY LIMIT OF LT 125, 14 FT MORE OR LESS TO THE POB; T/W A FREE AND UNINTERRUPTED ROW INGRESS AND EGRESS, FOR PERSONS, ANIMALS AND VEHICLES THROUGH ALONG AND OVER PT OF LOTS 1 AND 2 ON PL M380 (CITY OF TORONTO) DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE WLY LIMIT OF LT 1, 96 FT MEASURED NLY THEREON FROM EGLINTON AV AS WIDENED UNDER BY-LAW # 11494; THENCE NLY ALONG THE SAID WLY LIMIT OF LT 1, 18 FT MORE OR LESS TO THE N WLY ANGLE THEREOF; THENCE ELY ALONG THE NLY LIMIT OF SAID LT 1, 48 FT 5 1/4 INCHES MORE OR LESS TO A POINT 1 FT 6 3/4 INCHES WLY FROM THE NE ANGLE OF LT 1; THENCE SLY ALONG A LINE WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2 AT A POINT 5 FT ELY FROM THE SW ANGLE OF LT 2 A DISTANCE OF 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM THE POC; THENCE WLY ALONG THE SAID MENTIONED LINE 49 FT 4 3/4 INCHES MORE OR LESS TO THE POC; T/W A FREE AND UNINTERRUPTED ROW INGRESS AND EGRESS FOR PERSONS, ANIMALS AND VEHICLES THROUGH OVER AND ALONG THOSE PARTS OF LOTS 1 AND 2 ON PL M380 (CITY OF TORONTO) DESCRIBED AS FOLLOWS: COMM AT A POINT IN THE NLY LIMIT OF LT 1, 1 FT 6 3/4 INCHES WLY THEREON FROM THE N ELY ANGLE OF LT 1; THENCE SLY ALONG A LINE WHICH IF PRODUCED WOULD INTERSECT THE S LIMIT OF LT 2 AT A POINT THEREIN 5 FT ELY FROM THE SW ANGLE OF LT 2, 17 FT 11 INCHES MORE OR LESS TO A LINE DRAWN PARALLEL TO THE N LIMIT OF EGLINTON AV AS WIDENED FROM A POINT IN THE W LIMIT OF LT 1, 96 FT NLY FROM THE N LIMIT OF EGLINTON AV AS WIDENED; THENCE N ELY IN A STRAIGHT LINE 19 FT 6 INCHES TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF LT 2 AND DISTANT 16 FT 1/2 INCH ELY THEREON FROM THE N WLY ANGLE THEREOF TO A POINT IN THE NLY LIMIT OF EGLINTON AV

AS WIDENED DISTANT 25 FT ELY THEREON FROM ITS INTERSECTION WITH THE WLY LIMIT OF LT 2; THE SAID POINT BEING 10 FT 6 INCHES MORE OR LESS SLY ON THE SAID LINE FROM THE SAID NLY LIMIT OF LT 2; THENCE ELY PARALLEL TO THE SAID NLY LIMIT OF LT 2, 22 FT 3 1/2 INCHES MORE OR LESS TO THE INTERSECTION WITH A LINE DRAWN FROM A POINT IN THE NLY LIMIT OF EGLINTON AV AS WIDENED 78 FT 10 INCHES WLY FROM THE SE ANGLE OF LT 3 ON SAID PL TO A POINT IN THE N LIMIT OF LT 2 DISTANT 80 FT 6 3/4 INCHES WLY THEREON FROM THE NE ANGLE OF LT 3; THENCE NLY ALONG THE SAID LAST MENTIONED LINE 10 FT 6 INCHES MORE OR LESS TO THE NLY LIMIT OF LT 2; THENCE WLY ALONG THE NLY LIMIT OF LOTS 2 AND 1, 39 FT 7 1/2 INCHES MORE OR LESS TO THE POC; TORONTO , CITY OF TORONTO

Address: 368, 378 Eglinton Avenue West, Toronto, Ontario

## SCHEDULE "B"

### RECEIVER CERTIFICATE

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. THIS IS TO CERTIFY that TDB Restructuring Limited [RECEIVER'S NAME], the receiver ~~and the manager~~ (the "**Receiver**") of (i) the real property legally described in Schedule "A" hereto (the "**Real Property**"), and (ii) all of the assets, and undertakings and properties [DEBTOR'S NAME] of 1000195736 Ontario Ltd. ("736 Ont"), 1000193772 Ontario Ltd. ("772 Ont"), and Morgis Corporation ("Morgis and collectively with 736 Ont and 772 Ont, the "**Debtors**") acquired for, ~~or used in relation to a business carried on the by the Debtors including all proceed thereof (the "Property") used in connection with, situate at, or arising from the ownership, development, use or disposition of, the Real Property, including the proceeds therefrom or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively with (i) and (ii), the "**Property**")~~ appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the \_\_\_\_ day of \_\_\_\_, 2024 (the "**Order**") made in an action having Court file number —CVL—, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$\_\_\_\_\_, being part of the total principal sum of \$\_\_\_\_\_ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the \_\_\_\_ day of each month] after the date hereof at a notional rate per annum equal to the rate of \_\_\_\_ per cent above the prime commercial lending rate of Bank of \_\_\_\_\_ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the

Order and in the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

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

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

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

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

DATED the \_\_\_\_ day of \_\_\_\_\_, 2024.

[RECEIVER'S NAME] TDB Restructuring Limited, solely in its capacity  
-as Receiver of the Property, and not in its  
personal capacity

Per: \_\_\_\_\_  
Name:  
Title:

Court File No.

1599285 ONTARIO LIMITED, et al

Applicants

and

1000195736 ONTARIO LTD., et al

Respondents

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)  
APPLICATION UNDER SUBSECTION 243(1) OF  
THE BANKRUPTCY AND INSOLVENCY ACT,  
R.S.C. 1985, c.B-3, AS AMENDED AND SECTION  
101 OF THE COURTS OF JUSTICE ACT, R.S.O.  
1990, c. C.43, AS AMENDED  
Proceeding commenced at Toronto

ORDER  
(APPOINTING RECEIVER)

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and Asian text, Don't adjust space between Asian text and  
numbers



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***ONTARIO***  
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Proceeding commenced at Toronto

**APPLICATION RECORD**  
**(Returnable May 28, 2024)**

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