

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



A COMMISSIONER FOR TAKING AFFIDAVITS

July 4, 2017

PRIVATE AND CONFIDENTIAL

2305992 Ontario Inc.
21 Roysun Road, Unit 17
Woodbridge, ON L4L 8R3

Attention: Alan Hirschfield

RE:	Project Name:	Yee Hong Garden Terrace Amendment
	Borrower:	2305992 Ontario Inc.
	Property Address:	9740, 9750 and 9760 Yonge St., Richmond Hill, ON
	Maturity Date:	May 1, 2016

MarshallZehr Group Inc. (the "Lender") approves the amendment of the maturity date. The Lender approves the following amendment to the above noted mortgage (the "Amendment") and Commitment Letter dated August 11, 2014 and all Amending Letters that followed.

Delete (Original):

Maturity Date: May 1, 2016

Insert (New):

Maturity Date: October 1, 2017

The Borrower understands that this amendment is for the purposes of extending the Maturity Date only.

All other terms of the Commitment shall survive, unamended.

This Agreement may be simultaneously executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument. A facsimile or electronic copy of an executed counterpart shall be deemed to be an original.

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

MARSHALLZEHR

— REAL ESTATE CAPITAL —

The execution of this letter does not obligate the Lender to advance any of the agreed funds unless all of the conditions to such advances have been satisfied to the satisfaction of the Lender and its solicitors.

If you are in agreement with the above terms, please indicate such agreement by signing and forwarding to the undersigned a copy of this agreement by July 12, 2017.

This Amendment Letter is not binding until it has been approved and signed back by an Officer of the Lender, MarshallZehr Group Inc.

Sincerely,



Jana Mirt
Director of Compliance
and Mortgage Administration

MarshallZehr

Real Estate Capital

p. 519-342-1000 x224

c. 519-841-6419

f. 519-342-0851

365 Phillip St., Suite 206

Waterloo, ON, N2T6C7

jmirt@marshallzehr.com

www.marshallzehr.com

MarshallZehr Group Inc. Mortgage Administration # 11955
MarshallZehr Group Inc. Mortgage Brokerage # 1245

MARSHALLZEHR

— REAL ESTATE CAPITAL —

Borrower:

I HEREBY accept the terms and conditions as stated herein.

DATED this 11th day of July, 2017.

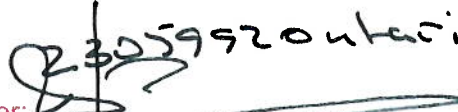
2305992 Ontario Inc.

Per: 

Name: Alan Hirschfield

Title:

I have authority to bind the corporation


2305992 Ontario Inc

Per: 

Name: Nick Ierfino

Title: CFO

I have the authority to bind the corporation.

MARSHALLZEHR

— REAL ESTATE CAPITAL —

Lender:

I HEREBY accept the terms and conditions as stated herein.

DATED at Waterloo, this 12th day of July, 2017.

MarshallZehr Group Inc. "in Trust"

Per: 

Gregory Zehr

CEO & Co-Founder

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

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



A COMMISSIONER FOR TAKING AFFIDAVITS



Wednesday June 20, 2018

PRIVATE AND CONFIDENTIAL

2305992 Ontario Inc.
21 Roysun Road, Unit 17
Woodbridge, ON L4L 8R3

Attention: Nick Ierfino

RE:	Project Name:	Yee Hong Garden Terrace RMBG 1460
	Borrower:	2305992 Ontario Inc.
	Property Address:	9740, 9750 & 9760 Yonge St., Richmond Hill, ON
	Maturity Date:	October 1st, 2017
	Subject:	2nd Amendment to Loan

MarshallZehr Group Inc. (the "Lender") has approved the following amendment to the above noted mortgage (the "Amendment") and Commitment Letter dated August 11, 2014, amendment July 4, 2017 on the following terms and conditions:

Modify - Loan Amount: The Loan Amount shall be increased from \$18,900,000 to \$20,000,000, and shall be allocated as follows:

Tranche 1:	\$ 6,000,000
Tranche 2:	\$14,000,000

Tranche 1 has been fully advanced as of the date of this letter, with no remaining credit available to the Borrower. Tranche 2 has been advanced to a total of \$12,900,000; the remaining \$1,100,000 provided via this Amendment shall be advanceable to the Borrower solely for the purpose of funding Loan Interest, Fees and property taxes.

Tranche 2 shall continue to be fully subordinate and postponed to Tranche 1.

Modify – Maturity Date: The Loan shall now mature on August 1st, 2018, whereby the Loan including all unpaid interest and fees shall then become immediately due and payable.

The following terms and conditions shall be included in this Agreement and were not originally contemplated in the Commitment Letter or preceding Amendments:

New – 2nd Amendment Fee: Upon execution of this Amendment, the Borrower shall pay a fee of twenty-five thousand (\$25,000) dollars (the "2nd Amendment Fee") which the Lender shall deduct from the \$1,100,000 increase to Tranche 2 credit pursuant to this Amendment on the next Tranche 2 advance following execution of this Amendment. The Amendment shall not be effective until such time as the Lender has received the fee in full.



This Amendment shall be conditional of the Lender having satisfied itself in respect of the following:

1. Confirmation that property taxes on the Project have been paid current, up to the most recently due instalment [TO BE PAID VIA NEXT TRANCHE 2 ADVANCE];
2. A Subsearch to be conducted by the Lender's Solicitor at the Borrower's expense;
3. Delivery of all outstanding, if any, documentation deliverables by the Obligors to the Lender; and
4. Such other requirements as the Lender may reasonably request.

All other terms of the Commitment shall survive, unamended.

This Agreement may be simultaneously executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument. A facsimile or electronic copy of an executed counterpart shall be deemed to be an original.

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

The execution of this letter does not obligate the Lender to advance any of the agreed funds unless all of the conditions to such advances have been satisfied to the satisfaction of the Lender and its solicitors.

If you are in agreement with the above terms, please indicate such agreement by signing and forwarding to the undersigned a copy of this agreement by June 22, 2018.

This Amendment Letter is not binding until it has been approved and signed back by an Officer of the Lender, MarshallZehr Group Inc.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read 'Cecil Hayes'.



Financing Efficiency = Opportunity

Cecil Hayes CIM
Chief Operating Officer

T 519 342 1000 X 233
C 519 590 3810

marshallzehr.com | [email](mailto:)

Broker

MarshallZehr Group Inc. | Mortgage Administration #11955 , Mortgage Brokerage #12453

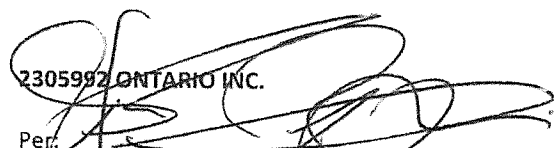
A small, handwritten signature or set of initials in black ink, possibly 'AH'.



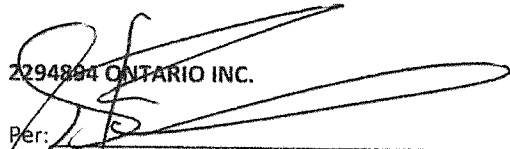
Borrower:

I HEREBY accept the terms and conditions as stated herein.

DATED this 21st day of June, 2018.

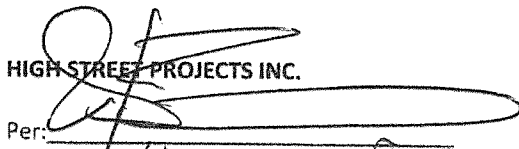

 2305992 ONTARIO INC.
 Per: _____
 Name: Nick Jeffino / Rudy Trevisan
 Title: _____
 I have authority to bind the corporation

The following parties execute this commitment letter in their capacities as Guarantors only:


 2294894 ONTARIO INC.
 Per: _____
 Name: Nick Jeffino
 Title: CFO
 I have authority to bind the corporation

HIGH STREET DEVELOPMENTS INC.

Per: _____
 Name: _____
 Title: _____
 I have authority to bind the corporation


 HIGH STREET PROJECTS INC.
 Per: _____
 Name: Nick Jeffino
 Title: _____
 I have authority to bind the corporation



Borrower:

I HEREBY accept the terms and conditions as stated herein.

DATED this _____ day of _____, 2018.

2305992 ONTARIO INC.

Per: _____

Name:

Title:

I have authority to bind the corporation



The following parties execute this commitment letter in their capacities as Guarantors only:

2294894 ONTARIO INC.

Per: _____

Name:

Title:

I have authority to bind the corporation

HIGH STREET DEVELOPMENTS INC.

Per: _____

Name: *W. F. Goldius J*

Title: *PRES.*

I have authority to bind the corporation

HIGH STREET PROJECTS INC.

Per: _____

Name:

Title:

I have authority to bind the corporation



2456331 ONTARIO INC.

Per: [Signature]
Name: John DiMassimo / Rudy Trevisan
Title:

I have authority to bind the corporation

UD&D INCORPORATED

Per: [Signature]
Name: ALAN HIRSCHFELD
Title:

I have authority to bind the corporation

[Signature]
Witness:

[Signature]
Witness:

[Signature]
Witness:

[Signature]
Witness:

[Signature] Is
ALAN HIRSCHFELD

[Signature] Is
NICK IERFINO

[Signature] Is
WILF GOLDLUST
[Signature] Is
RUDY TREVISAN

[Signature] Is
JOHN DI MASSIMO



2456331 ONTARIO INC.

Per: _____

Name:

Title:

I have authority to bind the corporation

UD&D INCORPORATED

Per: _____

Name:

Title:

I have authority to bind the corporation



Witness:

ALAN HIRSCHFIELD |s

Witness:

NICK IERFINO |s

Witness:

WILF GOLDLUST |s

Witness:

RUDY TREVISAN |s

Witness:

JOHN DI MASSIMO |s



Lender:

I HEREBY accept the terms and conditions as stated herein.

DATED at Waterloo, this 26th day of July, 2018.

MARSHALLZEHR GROUP INC. "IN TRUST"

Per: _____

Gregory Zehr
CEO & Co-Founder

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

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



A COMMISSIONER FOR TAKING AFFIDAVITS

Properties

PIN 03156 – 0317 LT *Interest/Estate* Fee Simple
Description PCL 3–2, SEC 65M2368 ; PT BLK 3, PL 65M2368 , PART 1 , 65R10347 ; S/T EASE
OVER PT 2, 65R22016, AS IN LT1488237; TOWN OF RICHMOND HILL
Address YONGE STREET
RICHMOND HILL

PIN 03156 – 0359 LT *Interest/Estate* Fee Simple
Description PCL 39–1, SEC 65M2079 ; BLK 39, PL 65M2079 ; S/T LT74777; S/T EASEMENT AS
IN YR1882796; TOWN OF RICHMOND HILL
Address YONGE STREET
RICHMOND HILL

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 2305992 ONTARIO INC.
Address for Service 100–8791 Woodbine Avenue
Markham, Ontario L3R 0P4

I, Charles Mady, President and Alan Hirschfield, Secretary, have the authority to bind the corporation.

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

Chargee(s)*Capacity**Share*

Name MARSHALLZEHR GROUP INC.
Address for Service 465 Phillip Sreet #206
Waterloo, Ontario N2L 6C7

Statements

Schedule: See Schedules

Provisions

Principal \$20,000,000.00 *Currency* CDN
Calculation Period See Schedule
Balance Due Date See Schedule
Interest Rate See Schedule
Payments
Interest Adjustment Date
Payment Date See Schedule
First Payment Date
Last Payment Date
Standard Charge Terms 200033
Insurance Amount full insurable value
Guarantor

Signed By

Cornelia Christine Kreller 31 Union Street East acting for Chargor Signed 2014 09 26
Waterloo (s)
N2J 1B8

Tel 519–576–0460

Fax 519–576–3234

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

Submitted By

SORBARA, SCHUMACHER, MCCANN LLP

31 Union Street East
Waterloo
N2J 1B8

2014 09 26

Tel 519-576-0460

Fax 519-576-3234

Fees/Taxes/Payment

Statutory Registration Fee \$60.00

Total Paid \$60.00

File Number

Chargee Client File Number : 69392

SCHEDULE "A"

1. Security

This Charge is given as continuing collateral security for the due payment and performance by 2305992 Ontario Inc. (the "Borrower") of all indebtedness, covenants, obligations and agreements of the Borrower set out in the mortgage commitment entered into among the Borrower, MarshallZehr Group Inc. as lender (the "Lender") as guaranteed by Mady Development Corporation, David Mady Investments (2008) Inc., D. Mady Investments Inc., D. Mady Holdings Inc., Charles Mady and David A. Mady (collectively the "Guarantors") dated August 11, 2014, as may amended from time to time (the "Commitment"). Capitalized terms used and not defined herein shall have the meanings ascribed to such terms in the Commitment.

2. Term and Payments

The Charge is for a term ending on a date that is twelve (12) months from the first day of the month immediately following the initial advance of funds as provided for in the Commitment (the "Term"), as may be extended pursuant to paragraph 6 of this Schedule "A" (the "Maturity Date"). There shall be no regularly scheduled principal repayments and the entire outstanding principal amount shall become due and payable on the Maturity Date.

3. Interest

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

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

Provided that, the final month of the Term, as may be extended as provided for herein, shall be the beginning of the "Wrap Up Period" and it shall bear interest (inclusive of Tranche 1 and Tranche 2) at 27.00% per annum, compounded and payable monthly thereafter.

4. Interest Reserve

Included in the principal amount of the Charge is a reserve for interest accruing on the Charge as provided for in the Commitment (the "Reserve"). The Reserve shall be held in trust by the Lender and drawn down upon by the Lender to satisfy the accrued and unpaid interest in accordance with the terms of the Commitment. In the event of default, any or all of the Reserve may be applied by the Lender against any and all amounts then outstanding under this Charge. Notwithstanding the holding of the Reserve by the Lender, interest shall accrue and be paid on the Reserve as if it were fully advanced to the Borrower.

5. Prepayment

The mortgage shall be closed for 6 months.

No prepayment on account of principal shall be permitted except in accordance with this paragraph 5.

Provided the Borrower is not in default under this Charge, the Commitment or any other security issued pursuant thereto, the Borrower upon 60 days prior written notice to the Lender shall have the privilege of prepaying the principal amount of the Charge in whole or in part, without bonus or penalty. No pre-payment shall be in an amount of less than \$100,000.00 without the prior written consent of the Lender.

6. Renewal

The Borrower, when not in default under this Charge, the Commitment or any security given pursuant thereto, may extend the Term as set forth in paragraph 2 above for a further seven (7) months upon notice in writing to the Lender at least thirty (30) days prior to the end of the term (a "Renewal Term") if applicable. The extension is open for repayment at any time, within the Renewal Term with thirty (30) days notice. The Borrower shall pay a renewal fee of one (1.00%) percent of the total amount borrowed (the "Renewal Fee") and such renewal fee will be withheld as a holdback from the loan amount. The holdback will be used to pay the renewal fee at the end of the original Term if the Borrower elects to exercise the Renewal. The final month of the Renewal Term shall be the beginning of the Wrap Up Period, and bear interest at twice the Interest Rate being 25% per annum, compounded and payable monthly thereafter. The Borrower shall pay any reasonable legal or other costs associated with such renewal.

7. Borrower Covenants

The Borrower covenants as follows and a breach of any covenant shall be a default under the terms of the Commitment and this Charge:

- a) The Borrower shall not assign, transfer or otherwise dispose of the Commitment, the property charged by this Charge (the "Property") and/or any security given pursuant to the Commitment including but not limited to this Charge without the Lender's prior written consent. The Commitment, this Charge and any other security held by the Lender may be assigned by the Lender in whole or in part to another lender(s). Except as hereinafter provided, the Borrower consents to the disclosure by the Lender to any such prospective assignee or participant of all information and documents regarding the Property or Borrower within the possession or control of the Lender.
- b) Subject to paragraph 7 (a) above, without the Lender's prior written consent having first been obtained, the Borrower shall not sell, transfer or convey the Property or its rights therein. In the event of a breach by the Borrower of this covenant then, at the sole option of the Lender, all monies outstanding, together with all accrued and unpaid interest thereon and any other amounts due under the Commitment, this Charge or any other security held by the Lender, shall become due and payable.
- c) The Borrower shall not commit any waste on the lands.
- d) The Borrower shall not permit any transfer or issuance of shares in the share capital of the Borrower or any change in the officers and directors or a change in the terms or the termination of the shareholders agreement made between the Borrower and each of its shareholders, without the prior written consent of the Lender.
- e) The Borrower shall not further charge, mortgage, encumber or suffer any other encumbrance or lien to be registered upon the Property except as permitted by the Commitment.
- f) In the event of a breach of any of the foregoing covenants, or any other covenants contained herein, by the Borrower then, at the option of the Lender,

all monies outstanding, together with all accrued unpaid interest thereon and all other amounts due under this Charge or the Commitment shall become due and payable.

8. Events of Default

In addition to the events of default set out in the Standard Charge Terms, each and every of the following events shall constitute an event of default hereunder ("Event of Default"):

- a) the Borrower shall neglect to carry out or observe any of the covenants or conditions contained in this Schedule or the Commitment;
- b) if the Borrower ceases, or threatens to cease carrying on business or an order shall be made, or an effective resolution be passed by the Borrower for the winding-up or liquidation of the Borrower;
- c) if the Borrower shall become insolvent or shall make a bulk sale of its assets, or shall make a general assignment for the benefit of its creditors or shall file a notice of intention to make or shall make a proposal under bankruptcy legislation, or if a bankruptcy petition shall be filed or presented against the Borrower or if a custodian or a sequestrator or a receiver and manager or any other officer with similar powers shall be appointed of the Borrower, its property or any part thereof which is, in the opinion of the Lender, a substantial part thereof;
- d) if any proceedings are commenced in respect of the Borrower under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, or similar legislation of any other jurisdiction;
- e) if an encumbrancer shall lawfully take possession of the Property of the Borrower or any part thereof or if a distress or execution or any similar process be levied or enforced there against;
- f) if the Borrower shall make default in observing or performing any covenant, including any covenant for the payment of money, contained in any deeds or instruments evidencing or securing indebtedness where such default results in the acceleration of the due date of payment of such indebtedness;
- g) if the Borrower shall make default in observing or performing any covenant contained in any document executed in connection with this Charge, including the Commitment;
- h) if there shall be expropriated or taken by power of eminent domain the whole or any part of the Property and the Lender is of the opinion that such expropriation or taking is prejudicial to the Charge; or
- i) if the Borrower ceases to be controlled by the same parties as set out in the Commitment.

9. Remedies Upon Event of Default

- a) Upon the occurrence of an Event of Default, the Lender may declare the principal, interest and any other amounts secured hereunder or by the Commitment ("Obligations") to be due and payable and the same shall forthwith become immediately due and payable and the Borrower shall forthwith pay to the Lender the Obligations together with all interest thereon at the rate from time to time in effect pursuant to the provisions of this Charge hereof from the date of the said declaration until payment is received by the Lender, such subsequent interest to be payable at the times and places and in

the moneys mentioned herein.

- b) Upon the happening of any Event of Default, the Lender may exercise any rights, powers or remedies available to it at law or in equity or under applicable legislation and, in addition, shall have the following right, powers and remedies:
 - i) to enter upon and take possession of all or any part of the Property;
 - ii) to hold, use, repair, preserve and maintain all or any part of the Property and make such replacements thereof and additions thereto as the Lender shall deem advisable;
 - iii) to exercise all powers necessary to the performance of all functions provided for herein including without limitation the powers to purchase on credit, to borrow money in the Borrower's name or in its own name and to advance its own money to the Borrower at such rates of interest as it may deem reasonable;
 - iv) to sell, for cash or credit or part cash and part credit, lease or dispose of or otherwise realize upon all or any part of the Property whether by public auction or by private sale or lease in such manner as the Lender in its absolute discretion may determine, provided that it shall not be incumbent on the Lender to sell, lease or dispose of the said Property but that it shall be lawful for the Lender peaceably to use and possess the same without hindrance or interruption by the Borrower, or any other person or persons whomsoever, and to receive income from such Property and to convey, transfer and assign to a purchaser or purchasers the title to any undertaking, property and assets so sold and provided further that in the case of a sale on credit the Lender shall only be liable to account to the Borrower, any subsequent encumbrancers and others for moneys actually received by the Lender;
 - v) to appoint by instrument in writing any person or persons to be a Receiver of all or any portion of the undertaking, property and assets hereby charged, to fix the Receiver's remuneration and to remove any Receiver so appointed and appoint another or others in his stead;
 - vi) to apply to any court of competent jurisdiction for the appointment of a Receiver of all or any portion of the undertaking, property and assets hereby charged; and
 - vii) to retain the Property in satisfaction of the monies owing hereunder.
- c) In addition, the Lender or Receiver or Receivers may enter upon the applicable premises and lease or sell the whole or any part or parts of the Property. The Borrower agrees that it will be commercially reasonable to sell such part of the Property:
 - i) as a whole or in various units;
 - ii) by a public sale or call for tenders by advertising such sale once in a local daily newspaper at least seven (7) days before such sale; and
 - iii) by private sale after the receipt by the Lender of at least two offers from prospective arms-length purchasers.
- d) Notwithstanding the above, the Lender or Receiver or Receivers must use all commercially reasonable efforts to sell the Property for the full market value.

- e) Any such sale shall be on such terms and conditions as to credit or otherwise and as to upset or reserve bid or price as to the Lender in its sole discretion may seem advantageous and such sale may take place whether or not the Lender has taken possession of such property and assets.
- f) No remedy for the realization of the security hereof or for the enforcement of the rights of the Lender shall be exclusive of or dependent on any other such remedy, but any one or more of such remedies may from time to time be exercised independently or in combination. The term "Receiver" as used in this schedule includes a receiver and manager.
- g) Any Receiver shall have all of the powers of the Lender set out in this Charge and, in addition, shall have the following powers:
 - i) to carry on the business of the Borrower and to enter into any compromise or arrangement on behalf of the Borrower; and
 - ii) with the prior written consent of the Lender to borrow money in its name or in the Borrower's name, for the purpose of carrying on the business of the Borrower and for the preservation and realization of the undertaking, property and assets of the Borrower including, without limitation, the right to pay persons having prior charges or encumbrances on the properties on which the Borrower may hold charges or encumbrances with any amount so borrowed and any interest thereon to be a charge upon the mortgaged property in priority to this Charge.
- h) Any Receiver appointed pursuant to the provisions hereof shall be deemed to be an agent of the Borrower for the purposes of:
 - i) carrying on and managing the business and affairs of the Borrower; and
 - ii) establishing liability for all of the acts or omissions of the Receiver while acting in any capacity hereunder and the Lender shall not be liable for such acts or omissions, provided that, without restricting the generality of the foregoing, the Borrower irrevocably authorizes the Lender to give instructions to the Receiver relating to the performance of its duties as set out herein.
- i) In the event of default by the Borrower or any Guarantors in their respective obligations under the Commitment, this Charge or any other security issued in connection with the Commitment to the Lender then, the Lender shall, notwithstanding anything contained herein to the contrary, be entitled to receive in addition to all other fees, charges and disbursements, an administration and management fee in the amount of \$5,000.00 for each month or part thereof that the Borrower and/or any Guarantors is in default of its obligations under the Charge, Commitment or other security issued in connection with the Commitment. The said sum or sums are agreed to be liquidated damages in respect of the Lender's administration and management costs and are not intended nor shall they be construed as a penalty. All such sums payable to the Lender shall be added to and deemed to be outstanding principal and interest shall accrue thereon.

10. Paramountcy

This Charge shall be subject to the terms and conditions of the Commitment and in the event of any conflict between the terms hereof and those contained in the Commitment, or the Standard Charge Terms incorporated herein, the Lender in its sole discretion, shall determine which provisions shall take precedence and prevail. The Commitment shall not

be deemed to merge with the terms of this Charge but shall survive the delivery and registration of this Charge and any default under the terms of the Commitment shall be and be deemed a default under the terms of this Charge and a default under the terms of this Charge shall be deemed a default under the terms of the Commitment.

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

Filed by
Dye & Durham Co. Inc.

Filing Date: **November 3, 2000**

Filing number: **200033**

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

Exclusion of Statutory Covenants

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

Right to Charge the Land

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

No Act to Encumber

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

Good Title in Fee Simple

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

Promise to Pay and Perform

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

Interest After Default

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

No Obligation to Advance

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

Costs Added to Principal

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

Power of Sale

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

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

- Quiet Possession* 10. Upon default in payment of principal and interest under the Charge or in performance of any of the terms or conditions hereof, the Chargee may enter into and take possession of the land hereby charged and where the Chargee so enters on and takes possession or enters on and takes possession of the land on default as described in paragraph 9 herein the Chargee shall enter into, have, hold, use, occupy, possess and enjoy the land without the let, suit, hindrance, interruption or denial of the Chargor or any other person or persons whomsoever.
- Right to Distrain* 11. If the Chargor shall make default in payment of any part of the interest payable under the Charge at any of the dates or times fixed for the payment thereof, it shall be lawful for the Chargee to distrain therefor upon the land or any part thereof, and by distress warrant, to recover by way of rent reserved, as in the case of a demise of the land, so much of such interest as shall, from time to time, be or remain in arrears and unpaid, together with all costs, charges and expenses attending such levy or distress, as in like cases of distress for rent. Provided that the Chargee may distrain for arrears of principal in the same manner as if the same were arrears of interest.
- Further Assurances* 12. From and after default in the payment of the principal amount secured by the Charge or the interest thereon or any part of such principal or interest or in the doing, observing, performing, fulfilling or keeping of some one or more of the covenants set forth in the Charge then and in every such case the Chargor and all and every other person whosoever having, or lawfully claiming, or who shall have or lawfully claim any estate, right, title, interest or trust of, in, to or out of the land shall, from time to time, and at all times thereafter, at the proper costs and charges of the Chargor make, do, suffer, execute, deliver, authorize and register, or cause or procure to be made, done, suffered, executed, delivered, authorized and registered, all and every such further and other reasonable act or acts, deed or deeds, devises, conveyances and assurances in the law for the further, better and more perfectly and absolutely conveying and assuring the land unto the Chargee as by the Chargee or his solicitor shall or may be lawfully and reasonably devised, advised or required.
- Acceleration of Principal and Interest* 13. In default of the payment of the interest secured by the Charge the principal amount secured by the Charge shall, at the option of the Chargee, immediately become payable, and upon default of payment of instalments of principal promptly as the same mature, the balance of the principal and interest secured by the Charge shall, at the option of the Chargee, immediately become due and payable. The Chargee may in writing at any time or times after default waive such default and any such waiver shall apply only to the particular default waived and shall not operate as a waiver of any other or future default.
- Unapproved Sale* 14. If the Chargor sells, transfers, disposes of, leases or otherwise deals with the land, the principal amount secured by the Charge shall, at the option of the Chargee, immediately become due and payable.
- Partial Releases* 15. The Chargee may at his discretion at all times release any part or parts of the land or any other security or any surety for the money secured under the Charge either with or without any sufficient consideration therefor, without responsibility therefor, and without thereby releasing any other part of the land or any person from the Charge or from any of the covenants contained in the Charge and without being accountable to the Chargor for the value thereof, or for any monies except those actually received by the Chargee. It is agreed that every part or lot into which the land is or may hereafter be divided does and shall stand charged with the whole money secured under the Charge and no person shall have the right to require the mortgage monies to be apportioned.
- Obligation to Insure* 16. The Chargor will immediately insure, unless already insured, and during the continuance of the Charge keep insured against loss or damage by fire, in such proportions upon each building as may be required by the Chargee, the buildings on the land to the amount of not less than their full insurable value on a replacement cost basis in dollars of lawful money of Canada. Such insurance shall be placed with a company approved by the Chargee. Buildings shall include all buildings whether now or hereafter erected on the land, and such insurance shall include not only insurance against loss or damage by fire but also insurance against loss or damage by explosion, tempest, tornado, cyclone, lightning and all other extended perils customarily provided in insurance policies including "all risks" insurance. The covenant to insure shall also include where appropriate or if required by the Chargee, boiler, plate glass, rental and public liability insurance in amounts and on terms satisfactory to the Chargee. Evidence of continuation of all such insurance having been effected shall be produced to the Chargee at least fifteen (15) days before the expiration thereof; otherwise the Chargee may provide therefor and charge the premium paid and interest thereon at the rate provided for in the Charge to the Chargor and the same shall be payable forthwith and shall also be a charge upon the land. It is further agreed that the Chargee may at any time require any insurance of the buildings to be cancelled and new insurance effected in a company to be named by the Chargee and also of his own accord may effect or maintain any insurance herein provided for, and any amount paid by the Chargee therefor shall be payable forthwith by the Chargor with interest at the rate provided for in the Charge and shall also be a charge upon the land. Policies of insurance herein required shall provide that loss, if any, shall be payable to the Chargee as his interest may appear, subject to the standard form of mortgage clause approved by the Insurance Bureau of Canada which shall be attached to the policy of insurance.
- Obligation to Repair* 17. The Chargor will keep the land and the buildings, erections and improvements thereon, in good condition and repair according to the nature and description thereof respectively, and the Chargee may, whenever he deems necessary, by his agent enter upon and inspect the land and make such repairs as he deems necessary, and the reasonable cost of such inspection and repairs with interest at the rate provided for in the Charge shall be added to the principal amount and be payable forthwith and be a charge upon the land prior to all claims thereon subsequent to the Charge. If the Chargor shall neglect to keep the buildings, erections and improvements in good condition and repair, or commits or permits any act of waste on the land (as to which the Chargee shall be sole judge) or makes default as to any of the covenants, provisos, agreements or conditions contained in the Charge or in any charge to which this Charge is subject, all monies secured by the Charge shall, at the option of the Chargee, forthwith become due and payable, and in default of payment of same with interest as in the case of payment

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

Building Charge

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

Extensions not to Prejudice

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

No Merger of Covenants

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

Change in Status

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

Condominium Provisions

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

Discharge

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

Guarantee

24. Each party named in the Charge as a Guarantor hereby agrees with the Chargee as follows:
- (a) In consideration of the Chargee advancing all or part of the Principal Amount to the Chargor, and in consideration of the sum of TWO DOLLARS (\$2.00) of lawful money of Canada now paid by the Chargee to the Guarantor (the receipt and sufficiency whereof are hereby acknowledged), the Guarantor does hereby absolutely and unconditionally guarantee to the Chargee, and its successors, the due and punctual payment of all principal moneys, interest and other moneys owing on the security of the Charge and observance and performance of the covenants, agreements, terms and conditions herein contained by the Chargor, and the Guarantor, for himself and his successors, covenants with the Chargee that, if the Chargor shall at any time make default in the due and punctual payment of any moneys payable hereunder, the Guarantor will pay all such moneys to the Chargee without any demand being required to be made.
 - (b) Although as between the Guarantor and the Chargor, the Guarantor is only surety for the payment by the Chargor of the moneys hereby guaranteed, as between the Guarantor and the Chargee, the Guarantor shall be considered as primarily liable therefor and it is hereby further expressly declared that no release or releases of any portion or portions of the land; no indulgence shown by the Chargee in respect of any default by the Chargor or any successor thereof which may arise under the Charge; no extension or extensions granted by the Chargee to the Chargor or any successor thereof for payment of the moneys hereby secured or for the doing, observing or performing of any covenant, agreement, term or condition herein contained to be done, observed or performed by the Chargor or any successor thereof; no variation in or departure from the provisions of the Charge; no release of the Chargor or any other thing whatsoever whereby the Guarantor as surety only would or might have been released shall in any way modify, alter, vary or in any way prejudice the Chargee or affect the liability of the Guarantor in any way under this covenant, which shall continue and be binding on the Guarantor, and as well after as before maturity of the Charge and both before and after default and judgment, until the said moneys are fully paid and satisfied.
 - (c) Any payment by the Guarantor of any moneys under this guarantee shall not in any event be taken to affect

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



A COMMISSIONER FOR TAKING AFFIDAVITS

**MARSHALLZEHR GROUP INC.
SECURITY AGREEMENT**

**To: MarshallZehr Group Inc. ("MZG")
465 Phillip Street, Suite 206
Waterloo, Ontario, N2L 6C7
Facsimile No. (519-342-0851)**

**From: 2305992 Ontario Inc. ("Debtor")
8791 Woodbine Avenue, Suite 100
Markham, Ontario L3R 0P4
Fax: (905-944-0916)**

1. **General Security Interest.** As security for the payment and performance of all present and future indebtedness, liabilities and obligations of the Debtor to MZG, whether direct or indirect, absolute or contingent, liquidated or unliquidated, as principal or as surety, alone or with others, of whatsoever nature or kind, in any currency or otherwise, under or in respect of agreements or dealings between the Debtor and MZG or agreements or dealings between the Debtor and others by which MZG may be or become in any manner whatsoever a creditor of the Debtor including, without limitation, Obligations under (i) any and all letter agreements and offers to finance/or offers to lease (the "Offers of Finance") entered into by the Debtor and MZG from time to time, (ii) any promissory notes, guarantees or indemnities executed by the Debtor in favour of MZG, and (iii) this Security Agreement (all such indebtedness, liabilities, obligations, expenditures, costs and expenses are hereinafter collectively referred to as the "Obligations"), the Debtor hereby assigns, charges, pledges, mortgages and grants to MZG a security interest in all of the undertaking, property and assets of the Debtor, both real and personal, immovable and moveable, tangible and intangible, legal and equitable, of whatsoever nature and kind situate on and used in connection with the Real Property described in Schedule "A" hereto, now owned or hereafter acquired by or on behalf of the Debtor or in respect of which the Debtor now or hereafter has any right, title or interest (all of which is hereinafter called the "Collateral"), including without limitation:

- (a) **Intangibles** - all intangible property including without limitation book debts and accounts, all contractual rights and insurance claims, licences, computer software, warranties, ownership certificates, patents, trademarks, trade names, goodwill, copyrights and other industrial property of the Debtor;
- (b) **Books & Records** - all of the Debtor's, manuals, publications, letters, deeds, documents, writings, papers, invoices, books of account and other books relating to or being records of debts, chattel paper or documents of title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
- (c) **Equipment** - all of the Debtor's tools, machinery, equipment, apparatus, furniture, plants, fixtures, vehicles and other tangible personal property, other than Inventory (as defined below), (collectively, the "Equipment") including, without limitation, the Equipment described in Schedule "A" hereto;
- (d) **Inventory** - all of the Debtor's tangible personal property held for sale or lease or that have been leased or that are to be furnished or have been furnished under a contract of service, or that are raw materials, work in process, or materials used or consumed in a business or profession (collectively, the "Inventory");
- (e) **Real Property** - all of the Debtor's real and immovable property, both freehold and leasehold, now or hereafter owned, acquired or occupied by the Debtor, together with all buildings, erections, improvements and fixtures situate upon or used in connection therewith, including any lease, verbal or written or any agreement therefor, (collectively, the "Real Property") provided, however, the last day of any term of any such lease, verbal or written, or any agreement therefor now held or hereafter held by the Debtor, is excepted out of the Real Property charged by this Security Agreement, but should such charge become enforceable the Debtor shall thereafter stand possessed of the last day of such leasehold interest upon trust to assign and dispose thereof as MZG may direct;
- (f) **Other Property** - the Debtor's undertaking and all of the Debtor's other property and assets including, without limitation, uncalled capital, judgments, rights, franchises, chattel paper, documents of title, goods, instruments, money and securities (as those terms are defined in the Personal Property Security Act governing this Security

Agreement); and

- (g) **Proceeds** - all of the Debtor's property in any form derived directly or indirectly from any use or dealing with the Collateral or that indemnifies or compensates for loss of or damage to the Collateral (collectively, the "Proceeds").

2. **Attachment.** The security interest given hereunder will attach immediately upon the execution of this Security Agreement. The security interest granted hereby has not been postponed and will attach to any particular Collateral as soon as the Debtor has rights in such Collateral.

3. **Representations and Warranties of the Debtor.** The Debtor represents and warrants to MZG as follows:

- (a) The Debtor now owns or will own the Collateral, as the case may be, free and clear of any prior lien, security interest or encumbrance save and except for the security interest granted hereby and for those encumbrances as shown in Schedule "B" which have been validly perfected ("Permitted Encumbrances");
- (b) This Security Agreement has been properly authorized and constitutes a legally valid and binding obligation of the Debtor;
- (c) The authorization, creation, execution and delivery of this Security Agreement and compliance with its terms
 - (i) does not and shall not contravene any applicable law, regulation, rule, order, judgment or injunction or the charter documents, by-laws or any unanimous shareholders' agreement of the Debtor; and
 - (ii) does not and shall not result in a breach of or a default under any indenture, instrument, lease, agreement or undertaking to which the Debtor is a party or by which it or the Collateral is or may become bound.

4. **General Covenants.** The Debtor hereby declares, covenants and agrees that it:

- (a) **Pay Costs** - shall pay all costs and expenses (including legal fees and disbursements on a solicitor and own client basis) of MZG incidental to or which in any way relates to this Security Agreement or its enforcement, including (i) the preparation, execution and filing of this Security Agreement and any instruments postponing, discharging, amending, extending or supplemental to this Security Agreement or any security required by any Offer of Finance ("MZG's Security"); (ii) perfecting and keeping perfected MZG's Security; (iii) maintaining the intended priority of MZG's Security on all or any part of the Collateral; (iv) taking, recovering or possessing the Collateral; (v) taking any actions or other proceedings to enforce the remedies provided herein or otherwise in relation to this Security Agreement or the Collateral, or by reason of a default under MZG's Security or the Offer of Finance or the non-payment of the moneys hereby secured; (vi) taking proceedings, giving notices and giving responses required under any applicable law concerning or relating to MZG's Security, including compliance with the provisions of applicable bankruptcy, insolvency, personal property security and mortgage enforcement legislation; (vii) responding to or participating in proceedings in the nature of those described in Sections 14(d), (e) and (f) hereof; and (viii) obtaining the advice of counsel and other advisors in relation to the foregoing;

all such costs and expenses and other monies payable hereunder, together with interest at the highest rate chargeable by MZG from time to time on the Obligations, shall form part of the Obligations, shall be payable by the Debtor on demand and shall be secured hereby;

- (b) **To Pay Rents and Taxes** - shall pay all rents, taxes and assessments lawfully imposed upon the Real Property where the Collateral is located or any part thereof when the same become due and payable, and shall show to MZG on request receipts for such payment;
- (c) **To Maintain Corporate Existence and Security** - shall maintain its corporate existence, shall maintain the security hereby created as valid, effective and perfected security at all times, shall observe and perform all of its obligations under leases, licences and other agreements to which it is a party so as to preserve and protect the Collateral and its value;

- (d) **Not to Sell** - shall not, except for Inventory sold in the ordinary course of business and except as otherwise permitted hereunder, remove, destroy, lease, sell or otherwise dispose or part with possession of any of the Collateral; provided that the Debtor may sell or otherwise dispose of furniture, machinery, equipment, vehicles and accessories which have become worn out or damaged or otherwise unsuitable for their purposes on condition that it shall substitute therefor, subject to the lien hereof and free from prior liens, security interests or encumbrances, property of equal value so that the security hereby constituted shall not thereby be in any way reduced or impaired;
- (e) **No Other Liens** - shall not create, assume or suffer to exist any charge, lien, federal or provincial government priority claim arising pursuant to statute including any deemed trust, security interest or encumbrance upon any Collateral other than Permitted Encumbrances. No provision hereof shall be construed as a subordination or postponement of the security interest created hereunder to or in favour of any other charge, lien, security interest or encumbrance, whether or not it is a Permitted Encumbrance, except that the Debtor may give security to its bankers on its Inventory or under assignments of its accounts receivable (except to the extent that such accounts receivable represent proceeds of the sale or disposition of Equipment or Real Property) and such security, if validly perfected, shall rank prior to the interest granted hereby on such Inventory and accounts receivable without further action by MZG;
- (f) **To Hold Proceeds of Unauthorized Sale in Trust** - in the event the Collateral or any part thereof is sold or disposed of prior to the full discharge of this Security Agreement by MZG, in any manner not authorized by this Security Agreement, shall hold all proceeds of such sale or disposition received by the Debtor as trustee for MZG until the Debtor has been fully released from this Security Agreement by MZG;
- (g) **To Insure** - shall keep insured the Collateral to its full insurable value or in such amounts as MZG may reasonably require against all risks, with insurers approved by MZG and will pay all premiums necessary for such purposes as the same shall become due; the proceeds under all policies of insurance are hereby assigned to MZG subject to Permitted Encumbrances as further security hereunder and shall be payable to MZG as its interest may appear and contain such mortgage clauses as MZG may require; such policies or contracts shall be in terms reasonably satisfactory to MZG and at the request of MZG shall be delivered to and held by MZG subject to the rights of the holders of Permitted Encumbrances;
- (h) **To Furnish Proofs** - shall forthwith on the happening of any loss or damage furnish at its expense all necessary proofs and do all necessary acts to enable MZG to obtain payment of the insurance moneys subject to the rights of the holders of Permitted Encumbrances;
- (i) **Inspection by MZG** - shall allow any employees or third parties retained by MZG at any reasonable time to enter the premises of the Debtor or others to inspect the Collateral and to inspect the books and records of the Debtor relating to the Collateral and make extracts therefrom, and shall permit MZG prompt access to such other persons, as MZG may deem necessary or desirable for the purposes of inspecting or verifying any matters relating to any part of the Collateral or the books and records of the Debtor relating to the Collateral, provided that any information so obtained shall be kept confidential, save as required by MZG in exercising its rights hereunder or pursuant to any applicable law or court order. The Debtor shall pay all costs and expenses of third parties (including legal fees and disbursements on a solicitor and own client basis) retained by MZG for purposes of inspection under this Section 4(i);
- (j) **Use and Maintenance** - shall cause the Equipment and Inventory to be operated in accordance with any applicable manufacturer's manuals or instructions, by competent and duly qualified personnel. Any and all additions and accessions to and parts and replacements for the Equipment or Inventory shall immediately become subject to the security interest created hereby. The Debtor shall not change the intended use of the Collateral without the prior written consent of MZG which will not be unreasonably withheld or delayed;

- (k) **Location of Collateral** - shall keep the Collateral at the locations set forth in Schedule "A" hereto, except for goods in transit to such locations, or Inventory on lease or consignment, or with the prior written consent of MZG;
- (l) **No Affixation** - shall not permit the Collateral to be attached to or affixed to real or other personal property without the prior written consent of MZG which will not be unreasonably withheld or delayed. The Debtor shall obtain and deliver to MZG such waivers as MZG may reasonably request from any owner, landlord or mortgagee of premises on which the Collateral is located or to which the Collateral may become affixed or attached. The Debtor shall promptly do, execute and deliver all such further acts, documents, agreements or assurances as MZG may reasonably require for giving effect to the intent of this Security Agreement and shall register such notice or documents against the title to such premises as MZG may reasonably request to protect its interests hereunder and shall maintain plates or marks showing the name of MZG upon the Collateral as requested;
- (m) **Not to Remove** - prior to moving any of the Collateral from any location indicated in Schedule "A" hereto, or to leasehold property, the Debtor shall effect such further registrations and obtain such other consents and give such other security, at the sole cost and expense of the Debtor, as may be required or desirable to protect or preserve the security hereby created and to maintain the priority intended to be granted to MZG hereunder as against all others including landlords, and the Debtor shall forthwith notify MZG of the intended removal and the action proposed to be taken;
- (n) **Compliance with Environmental Laws**
- (i) shall conduct and maintain its business, operations, Real Property and the Collateral so as to comply in all respects with all applicable Environmental Laws, including obtaining all necessary licenses, permits, consents and approvals required to own or operate the Collateral and the business carried out on, at or from the Real Property;
- (ii) except as specifically permitted by MZG in writing, it shall not permit or suffer to exist, Contaminants or dangerous or potentially dangerous conditions in, on or below the Real Property including, without limitation, any polychlorinated biphenyls, radio-active substances, underground storage tanks, asbestos or urea formaldehyde foam insulation;
- (iii) has no knowledge of the existence of Contaminants or dangerous or potentially dangerous conditions at, on or under the Real Property or any properties in the vicinity of the Real Property which could affect the Real Property or the market value thereof or in levels that exceed the standards in Environmental Laws;
- (iv) has no knowledge of the Real Property, or any portion thereof, having been used for the disposal of waste;
- (v) has not given or received, nor does it have an obligation to give, any notice, claim, communication or information regarding any past, present, planned or threatened treatment, storage, disposal, presence, release or spill of any Contaminant at, on, under or from the Real Property or any property in the vicinity of the Real Property, including any notice pursuant to any Environmental Laws or any environmental report or audit. The Debtor shall notify MZG promptly and in reasonable detail upon receipt of any such claim, notice, communication or information or if the Debtor becomes aware of any violation or potential violation of the Debtor of any Environmental Laws and shall describe therein the action which the Debtor intends to take with respect to such matter;
- (vi) shall at the Debtor's expense establish and maintain a system to assure and monitor continued compliance with, and to prevent the contravention of, Environmental Laws, which system shall include periodic reviews of such

compliance system and the Debtor shall provide an annual report to MZG regarding the Debtor's environmental performance, and the effectiveness of such system;

- (vii) shall promptly advise MZG in writing of any material adverse change in the environmental or other legal requirements affecting the Debtor or the Collateral or the Real Property upon the Debtor becoming aware of any such change, and the Debtor shall provide MZG with a copy of any of the orders, by-laws, agreements or other documents pursuant to which any such change is effected or documented;
- (viii) shall at the Debtor's expense promptly take or cause to be taken any and all necessary remedial or clean-up action in response to the presence, storage, use, disposal, transportation, release or discharge of any Contaminant in, on, under or about any of the Real Property, or used by the Debtor, in compliance with all material laws including, without limitation, Environmental Laws, and in accordance with the orders and directions of all applicable federal, state, provincial, municipal and local governmental authorities;
- (ix) shall deliver to MZG a true and complete copy of all environmental audits, evaluations, assessments, studies or tests relating to the Real Property, the Collateral or the Debtor now in its possession or control or forthwith after the completion thereof, or upon such materials coming into the Debtor's possession or control;
- (x) shall at the Debtor's expense, if reasonably requested by MZG in writing, retain an environmental consultant acceptable to MZG, acting reasonably, to undertake environmental tests and to prepare a report or audit with respect to the Real Property and deliver same to MZG for its review; and
- (xi) shall indemnify and save harmless MZG, its officers, directors, employees, agents and shareholders from and against all losses, liabilities, damages or costs (including legal fees and disbursement on a solicitor and own client basis) suffered including, without limitation, the cost or expense of any environmental investigation, the preparation of any environmental or similar report, and the costs of any remediation arising from or relating to any breach of the foregoing covenants of this Section 4(n) , any breach by the Debtor or any other person now or hereafter having an interest in the Collateral or the Real Property which is asserted or claimed against MZG; the presence, in any form, of any Contaminant on or under the Real Property, or the discharge, release, spill or disposal of any contaminant by the Debtor, which is asserted or claimed against any of these indemnified persons. This indemnity shall survive the payment in full of all amounts secured hereby and the discharge of this Security Agreement. MZG shall hold the benefit of this indemnity in trust for those indemnified persons who are not parties to this Security Agreement.
- (xii) For the purposes hereof:
 - a. "Contaminant" means any solid, liquid, gas, odour, heat, sound, smoke, waste, vibration, radiation or combination of any of them resulting directly or indirectly from human activities that may cause: (i) impairment of the quality of the natural environment for any use that can be made of it, (ii) injury or damage to property or to plant or animal life, (iii) harm or material discomfort to any person, (iv) an adverse affect on the health of any person, (v) impairment of the safety of any person, (vi) rendering any property or plant or animal life unfit for use by man, (vii) loss of enjoyment of normal use of property, or (viii) interference with the normal conduct of business, and includes any pollutant or contaminant as defined in any applicable Environmental Laws and any biological, chemical or physical agent which is regulated, prohibited, restricted or controlled; and

- b. "Environmental Laws" means the common law and all applicable federal, provincial, local, municipal, governmental or quasi-governmental laws, rules, regulations, policies, guidelines, licences, orders, permits, decisions or requirements concerning Contaminants, occupational or public health and safety or the environment and any other order, injunction, judgment, declaration, notice or demand issued thereunder.
- (o) **Financial Statements** - shall deliver to MZG, in accordance with the terms of any Offers of Finance, its interim and annual financial statements, all of which financial statements shall be signed by an authorized officer of the Debtor and prepared in accordance with generally accepted accounting principles. The Debtor shall at the same time deliver to MZG copies of all management reports prepared by the accountants or auditors of the Debtor together with any other statements stipulated in any Offer of Finance;
- (p) **Offers of Finance** - shall comply with all provisions of the Offers of Finance, including executing and delivering all such documents as may be necessary to maintain in force the pre-authorized payment system specified in any Offer of Finance.

5. **Collection of Debts.** Upon the occurrence of an event of default hereunder, MZG may, without exercising any of its other rights or remedies hereunder, give notice of the security interest in, and the assignment to, MZG of any debt or liability forming part of the Collateral and may direct such person to make all payments on account of any such debt or liability to MZG.

6. **Waiver of Covenants.** MZG may waive in writing any breach by the Debtor of any of the provisions contained in this Security Agreement or any default by the Debtor in the observance or performance of any covenant or condition required to be observed or performed by the Debtor hereunder, provided that no such waiver or any other act, failure to act or omission by MZG shall extend to or be taken in any manner to affect any subsequent breach or default or the rights of MZG resulting therefrom. All rights and remedies of MZG granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.

7. **Performance of Covenants by MZG.** If the Debtor shall fail to perform any covenant on its part herein contained, MZG may in its absolute discretion perform any such covenant capable of being performed by it, but MZG shall be under no obligation to do so. If any such covenant requires the payment of money or if the Collateral or any part thereof shall become subject to any charge, lien, security interest or encumbrance ranking in priority to the security interest created hereby, MZG may in its absolute discretion make such payment and/or pay or discharge such charge, lien, security interest or encumbrance, but MZG shall be under no obligation to do so. All sums so paid by MZG, together with interest at the highest rate chargeable by MZG from time to time on the Obligations, shall be payable by the Debtor on demand and shall constitute a charge upon the Collateral. No such performance or payment shall relieve the Debtor from any default hereunder or any consequences of such default.

8. **Appointment of Monitor.** If in the opinion of MZG, acting reasonably, a material adverse change has occurred in the financial condition of the Debtor, or if MZG in good faith believes that the ability of the Debtor to pay any of its obligations to MZG or to perform any other covenant contained herein has become impaired or if an event of default has occurred, MZG may by written notice to the Debtor, appoint a monitor (the "Monitor") to investigate any or a particular aspect of the Collateral, the Debtor or its business and affairs for the purpose of reporting to MZG. The Debtor shall give the Monitor its full co-operation, including full access to facilities, assets and records of the Debtor and to its creditors, customers, contractors, officers, directors, employees, auditors, legal counsel and agents. The Monitor shall have no responsibility for the affairs of the Debtor nor shall it participate in the management of the Debtor's affairs and shall incur no liability in respect thereof or otherwise in connection with the Debtor, its business and affairs or the Collateral. The Monitor shall act solely on behalf of MZG and shall have no contractual relationship with the Debtor as a consultant or otherwise. The appointment of a Monitor shall not be regarded as an act of enforcement of this Security Agreement. All reasonable fees and expenses of the Monitor (including legal fees and disbursements on a solicitor and own client basis) shall be paid by the Debtor upon submission to it of a written invoice therefor. MZG may at its option upon the occurrence of an event of default appoint or seek to have appointed the Monitor as receiver, receiver and manager, liquidator, or trustee in bankruptcy of the Debtor or the Collateral or any part thereof.

9. **Application of Insurance Proceeds.** Any insurance moneys received by MZG may at the option of MZG be applied to rebuilding or repairing the Collateral, or be paid to the Debtor, or any such moneys may be applied in the sole discretion of MZG, in whole or in part, to the repayment of the Obligations or any part thereof whether then due or not, with any partial payments to be credited against principal instalments payable thereunder in inverse order of their maturity dates.

10. **No Merger or Novation.** The taking of any judgment or the exercise of any power of seizure or sale shall not operate to extinguish the liability of the Debtor to perform its obligations hereunder or to pay the Obligations hereby secured, shall not operate as a merger of any covenant herein contained or affect the right of MZG to interest in effect from time to time hereunder and the acceptance of any payment or other security shall not constitute or create any novation. The execution and delivery of this Security Agreement or of any instruments or documents supplemental hereto shall not operate as a merger of any representation, warranty, term, condition or other provision contained in any other obligation or indebtedness of the Debtor to MZG or under any Offer of Finance.

11. **Security in Addition.** The security hereby constituted is in addition to any other security now or hereafter held by MZG. The taking of any action or proceedings or refraining from so doing, or any other dealings with any other security for the moneys secured hereby, shall not release or affect the security created hereby.

12. **Partial Discharges.** MZG may in its sole discretion grant partial discharges or releases of security in respect of any of the Collateral on such terms and conditions as it shall deem fit and no such partial discharges or releases shall affect the remainder of the security created hereby nor shall it alter the obligations of the Debtor under the Obligations or hereunder.

13. **Notice of Change.** The Debtor shall immediately notify MZG in writing of any proposed change and any actual change in the Debtor's name or address, the location of, and details of any loss or damage to, the Collateral, and the details of any claims or litigation affecting the Debtor or Collateral. The Debtor agrees to execute at the Debtor's expense, any instruments, notices or other documents required to effect any registration which MZG deems necessary to protect its interest in the Collateral in any jurisdiction.

14. **Events of Default.** Each of the following events shall constitute an "event of default":

- (a) the Debtor does not pay any of the Obligations when due;
- (b) the Debtor ceases or threatens to cease to carry on its business or defaults in the performance or observance of any of the covenants in Sections 4(d), (e), (i) or (m) or Section 8 hereof;
- (c) if the Debtor defaults in the performance or observance of any condition or covenant contained in this Security Agreement, other than as referred to elsewhere in this Section 14, in any other security previously, now or hereafter granted to MZG by the Debtor or in any other instrument or agreement (including any offer of finance) which the Debtor and MZG are parties to (whether alone or with others) or issued by either the Debtor or MZG to the other, and such default continues for ten (10) days after written notice thereof to the Debtor by MZG;
- (d) the Debtor becomes bankrupt or insolvent or commits an act of bankruptcy, or any proceeding is commenced against, by or affecting the Debtor:
 - (i) seeking to adjudicate it a bankrupt or insolvent;
 - (ii) seeking liquidation, dissolution, winding up, restructuring, reorganization, arrangement, protection, relief or composition of it or any of its property or debt or making a proposal with respect to it under any law relating to bankruptcy, insolvency, reorganization or compromise of debts or other similar laws (including, without limitation, any reorganization, arrangement or compromise of debt under the laws of its jurisdiction of incorporation or organization); or
 - (iii) seeking appointment of a receiver, receiver and manager, liquidator, trustee, agent, custodian or other similar official for it or for any part of its properties and assets, including the Collateral or any part thereof;

- (e) any order or judgment is issued by a court granting any of the relief referred to in Section 14(d) hereof;
- (f) if an encumbrancer or secured creditor shall appoint a receiver or agent or other similar official over any part of the Collateral, or take possession of any part of the Collateral or if any execution, distress or other process of any court becomes enforceable against any Collateral, or a distress or like process is levied upon any of such Collateral;
- (g) if the Debtor takes any proceedings for its dissolution, liquidation or amalgamation with another company or if the legal or corporate existence of the Debtor shall be terminated by expiration, forfeiture or otherwise;
- (h) if there is any material misrepresentation or misstatement contained in any certificate or document delivered by an officer or director of the Debtor in connection with any financing provided by MZG;
- (i) if any representation, warranty or statement made on behalf of the Debtor in any Offer of Finance or any instrument made pursuant thereto is or becomes untrue in any material respect;
- (j) if any guarantor of the obligations of the Debtor to MZG defaults in the performance of any condition or covenant in favour of MZG or if any party to an instrument or agreement supplemental or collateral to this Security Agreement or the financing provided for herein defaults thereunder, and such default continues for ten (10) days after written notice thereof to the Debtor by MZG;
- (k) if MZG, in good faith and upon commercially reasonable grounds, believes that the prospect of payment or performance of any of the Obligations is or is about to be impaired or that the Collateral or any part thereof is or is about to be placed in jeopardy;
- (l) if voting control of the Debtor as provided for in any Offer of Finance or as subsequently effected with MZG's prior written consent, shall change without the prior written consent of MZG; or
- (m) if a default occurs under any agreement, promissory note, debt obligation, guarantee or otherwise now or hereafter granted to any other bank or financial institution by the Debtor.

15. **Enforcement.** Upon the happening of any event of default, the security granted herein shall become immediately enforceable and MZG may at its option declare this Security Agreement to be in default and may exercise any rights, powers or remedies available to MZG at law or in equity or under the Personal Property Security Act or other applicable legislation and, in addition, may exercise one or more of the following rights, powers or remedies, which rights, powers and remedies are cumulative:

- (a) to declare the full amount of the Obligations to be immediately due and payable;
- (b) to terminate the Debtor's right to possession of the Collateral, cause the Debtor to immediately assemble and deliver the Collateral at such place or places as may be specified by MZG, and enter upon the premises where the Collateral is located and take immediate possession thereof, whether it is affixed to the realty or not, and remove the Collateral without liability to MZG for or by reason of such entry or taking of possession, whether for damage to property caused by taking such or otherwise;
- (c) to enter upon and hold, possess, use, repair, preserve and maintain all or any part of the Collateral and make such replacements thereof and additions thereto as MZG shall deem advisable;
- (d) to sell, for cash or credit or part cash and part credit, lease or dispose of or otherwise realize upon the whole of any part of the Collateral whether by public or private sale as MZG in its absolute discretion may determine without notice to the Debtor or advertisement and after deducting from the proceeds of sale (including legal fees and

disbursements on a solicitor and his own client basis) incurred in the repossession, sale, lease or other disposition of the Collateral apply the proceeds thereof to the Obligations in the manner and order to be determined by MZG, provided however that MZG shall only be liable to account to the Debtor, any subsequent encumbrancers and others for money actually received by MZG and provided that the Debtor shall pay any deficiency forthwith;

- (e) to appoint by instrument in writing any person or persons to be a receiver or receiver and manager of all or any portion of the Collateral, to fix the receiver's remuneration and to remove any receiver so appointed and appoint another or others in its stead;
- (f) to apply to any court of competent jurisdiction for the appointment of a receiver or receiver and manager for all or any portion of the Collateral; and
- (g) to retain the Collateral in satisfaction of the Obligations.

16. **Powers of Receiver.**

- (a) Any receiver (which term includes a receiver and manager) shall have all of the powers of MZG set forth in this Security Agreement and, in addition, shall have the following powers:
 - (i) to lease all or any portion of the Collateral and for this purpose execute contracts in the name of the Debtor, which contracts shall be binding upon the Debtor and the Debtor hereby irrevocably constitutes such receiver as its attorney for such purposes;
 - (ii) to take possession of the Collateral, collect all rents, issues, incomes and profits derived therefrom and realize upon any additional or collateral security granted by the Debtor to MZG and for that purpose may take any proceedings in the name of the Debtor or otherwise; and
 - (iii) to carry on or concur in carrying on the business which the Debtor is conducting and for that purpose the receiver may borrow money on the security of the Collateral in priority to this Security Agreement;
- (b) Any receiver appointed pursuant to the provisions hereof shall be deemed to be the agent of the Debtor for the purposes of:
 - (i) carrying on and managing the business and affairs of the Debtor, and
 - (ii) establishing liability for all of the acts or omissions of the receiver while acting in any capacity hereunder and MZG shall not be liable for such acts or omissions,

provided that, without restricting the generality of the foregoing, the Debtor irrevocably authorizes MZG to give instructions to the receiver relating to the performance of its duties as set out herein.

17. **Application of Moneys.** All moneys actually received by MZG or by the receiver pursuant to Sections 15 and 16 of this Security Agreement shall be applied:

- (a) first, in payment of those claims, if any, of secured creditors of the Debtor (including any claims of the receiver pursuant to Section 16(a)), ranking in priority to the charges created by this Security Agreement as directed by MZG or the receiver;
- (b) second, in payment of all costs, charges and expenses of and incidental to the appointment of the receiver (including legal fees and disbursements on a solicitor and own client basis) and the exercise by the receiver or MZG of all or any of the powers granted to them under this Security Agreement, including the reasonable remuneration of the Receiver or any agent or employee of the receiver or any agent of MZG and all outgoings properly paid by the receiver or MZG in exercising their powers as aforesaid;

- (c) third, in or towards the payment to MZG of all other obligations due to it by the Debtor in such order as MZG in its sole discretion may determine;
- (d) fourth, in or towards the payment of the obligation of the Debtor to persons if any, with security interests against Collateral ranking subsequent to those in favour of MZG; and
- (e) fifth, subject to applicable law any surplus shall be paid to the Debtor.

18. **Possession of Collateral.** The Debtor acknowledges that MZG or any receiver appointed by it may take possession of Collateral wherever it may be located and by any method permitted by law and the Debtor agrees upon request from MZG or any such Receiver to assemble and deliver possession of the Collateral at such place or places as directed.

19. **Deficiency.** The Debtor shall remain liable to MZG for any deficiency after the proceeds of any sale, lease or disposition of Collateral are received by MZG and applied in accordance with the provisions of Section 17(c) hereof.

20. **Assignment.** This Security Agreement may be assigned by MZG to any other person and, if so assigned, the assignee shall have and be entitled to exercise any and all discretions, rights and powers of MZG hereunder, and all references herein to MZG shall include such assignee. The Debtor may not assign this Security Agreement or any of its rights or obligations hereunder. This Security Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted 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, the Debtor shall not assert against the assignee any claim or defence which the Debtor now has or hereafter may have against MZG.

21. **Limited Power of Attorney.** The Debtor hereby appoints MZG as the Debtor's attorney, with full power of substitution, in the name and on behalf of the Debtor, to execute, deliver and do all such acts, deeds, leases, documents, transfers, demands, conveyances, assignments, contracts, assurances, consents, financing statements and things as the Debtor has agreed to execute, deliver and do hereunder, under any Offer of Finance or otherwise, or as may be required by MZG or any receiver to give effect to this Security Agreement or in the exercise of any rights, powers or remedies hereby conferred on MZG or any receiver, and generally to use the name of the Debtor in the exercise of all or any of the rights, powers or remedies hereby conferred on MZG or any receiver. This appointment, being coupled with an interest, shall not be revoked by the insolvency, bankruptcy, dissolution, liquidation or other termination of the existence of the Debtor or for any other reason.

22. **Severability.** Each of the provisions contained in this Security Agreement is distinct and severable and a declaration of invalidity, illegality or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision of this Security Agreement.

23. **Notices.** Any notice required or desired to be given hereunder or under any Offer of Finance or under any instrument supplemental hereto shall be in writing and may be given by personal delivery, by facsimile or other means of electronic communication or by sending the same by registered mail, postage prepaid, to MZG or to the Debtor at their respective addresses set out above and, in the case of electronic communication, to the facsimile numbers set out above. Any notice so delivered shall be conclusively deemed given when personally delivered and any notice sent by facsimile or other means of electronic transmission shall be deemed to have been delivered on the Business Day following the sending of the notice, and any notice so mailed shall be conclusively deemed given on the third Business Day following the day of mailing, provided that in the event of a known disruption of postal service, notice shall not be given by mail. Any address for notice or payments herein referred to may be changed by notice in writing given pursuant hereto.

Notwithstanding the foregoing, if the Personal Property Security Act requires that notice be given in a special manner, then such notice or communication shall be given in such manner.

24. **General.**

- (i) The Debtor authorizes MZG to file such financing statements, notices of security interest, caveats and other documents and do such acts and things as MZG may consider appropriate to perfect its security in the Collateral, to protect and preserve its interest in the Collateral and to realize upon the Collateral.
- (ii) Nothing in this Security Agreement will in any way obligate MZG to advance any funds, or otherwise make or cause to make credit available to the Debtor, nor will MZG have any liability for any failure or delay in its part to exercise any rights hereunder.
- (iii) If more than one Debtor executes this Security Agreement, the obligations of such Debtors hereunder shall be joint and several.
- (iv) The division of this Security Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Security Agreement.
- (v) When the context so requires, the singular shall include the plural and vice versa and words importing gender include all genders; all rights, advantages, privileges, immunities, powers and things hereby secured to the Debtor shall be equally secured to and exercised by its successors and assigns.
- (vi) Time is of the essence in this Security Agreement.
- (vii) The Debtor, if a corporation, waives the rights, benefits and protection given by and agrees that The Limitation of Civil Rights Act and The Land Contracts (Actions) Act, both of Saskatchewan, shall not apply to this Security Agreement or to any agreement renewing or extending this Security Agreement or to the rights, powers or remedies of MZG under this Security Agreement or under any agreement renewing or extending this Security Agreement.
- (viii) Without limiting any other right of MZG, whenever the security granted hereunder becomes enforceable or MZG has the right to declare the security granted hereunder to be immediately due and payable (whether or not it has so declared), MZG may, in its sole discretion, set off against the Obligations any and all amounts then owed to Debtor by MZG in any capacity, whether or not due, and MZG 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 MZG's records subsequent thereto.
- (ix) MZG may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with Debtor, debtors of Debtor, sureties and others and with Collateral and other security as MZG may see fit without prejudice to the liability of Debtor or MZG's right to hold and realize the security granted hereunder. Furthermore, MZG may demand, collect and sue on Collateral in either Debtor's or MZG's name, at MZG's option, and may endorse Debtor's name on any and all cheques, commercial paper, and any other Instruments (as defined in the Personal Property Security Act) pertaining to or constituting Collateral.
- (x) 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 granted hereunder, 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 MZG.
- (xi) MZG may provide any financial and other information it has about Debtor, the security interest granted hereunder and the Collateral to anyone acquiring or who may acquire an interest in the security interest granted hereunder or the Collateral from MZG or anyone acting on behalf of MZG.

25. **Receipt.** The Debtor acknowledges that it has received an executed copy of this Security Agreement and, to the extent permitted by law, waives all rights to receive from MZG a copy of any financing statement or financing change statement filed, or any verification statement received, at any time in respect of this Security Agreement or any supplemental or collateral security granted to MZG.

26. **Governing Law.** This Security Agreement or any amendment or renewal thereof will be governed by and construed in accordance with the laws of Ontario and the laws of Canada applicable therein and the Debtor hereby irrevocably attorns to the jurisdiction of the courts of such province.

The Debtor has duly executed this Security Agreement on the 26th day of September, 2014.

2305992/ONTARIO INC.

Per: _____
Name: Charles Mady
Title: President

Per: _____
Name: Alan Hirschfield
Title: Secretary

We have authority to bind the Corporation

Schedule "A"

Location of Collateral:

PCL 3-2, Sec 65M-2368; Pt Blk 3, Plan 65M-2368 being Part 1 on 65R-10347; s/t easement over Part 2 on 65R-22016, as in LT1488237; Town of Richmond Hill and being PIN 03156-0317 (LT); and

PCL 39-1, Sec 65M-2079; Blk 39, Pl 65M-2079; s/t LT74777; s/t easement as in Y41882796; Town of Richmond Hill and being PIN 03156-0359 (LT)

municipally known as: 9740, 9750 and 9760 Yonge Street, Richmond Hill, Ontario

and

8791 Woodbine Avenue, Suite 100
Markham, Ontario L3R 0P4

Schedule "B"

PERMITTED ENCUMBRANCES

- (i) liens for taxes, assessments, governmental charges or levies not at the time due;
- (ii) easements, rights of way or other similar rights in land which in the aggregate do not materially impair the usefulness in the business of the Debtor of the property subject thereto;
- (iii) rights reserved to or vested in any municipal, governmental or other public authority by the terms of any lease, licence, franchise, grant or permit, or by any statutory provision, to terminate the same or to require annual or other periodic payments as a condition to the continuance thereof;
- (iv) any charge, lien, security interest or encumbrance the validity of which is being contested by the Debtor in good faith and in respect of which either there shall have been deposited with MZG cash in an amount sufficient to satisfy the same or MZG shall be otherwise satisfied that its interests are not prejudiced thereby;
- (v) validly perfected security given by the Debtor to its bankers on its Inventory or under assignments of its accounts receivable, except to the extent that such accounts receivable represent proceeds of the sale or disposition of Equipment or Real Property; and
- (vi) purchase money security interests consisting of any validly perfected charge, lien, security interest or other encumbrance, created, assumed or arising by operation of law after the date hereof, to provide or secure the whole or any part of the consideration for the acquisition of tangible personal property other than Inventory, where
 - (A) the principal amount secured thereby does not exceed the cost to the Debtor of such property,
 - (B) the Debtor's obligation to repay is secured only by the property so acquired by the Debtor,
 - (C) the property is not being acquired as a replacement or substitution for property and assets which are specifically charged hereby, and
 - (D) such security includes the renewal or refinancing of any such purchase money security interest on the same property provided that the indebtedness secured and the security therefor is not increased and remains validly perfected.

PPSA registrations

See attached summary

PPSA Summary
Re: 2305992 Ontario Inc.

Priority	Secured Party	File # Originating Registration #	Collateral
1.	MarshallZehr Group Inc.	699448761 20140903 0905 1862 9825	Inventory, Equipment, Accounts, Other & Motor Vehicles Included – 5 years
2.	MarshallZehr Group Inc.	699448842 2014 0903 0909 1862 9830	Accounts, Other – 5 years

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



A COMMISSIONER FOR TAKING AFFIDAVITS

RUN NUMBER : 248
RUN DATE : 2019/09/05
ID : 20190905130842.11

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 1
(5851)

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

TYPE OF SEARCH : BUSINESS DEBTOR

SEARCH CONDUCTED ON : 2305992 ONTARIO INC.

FILE CURRENCY : 04SEP 2019

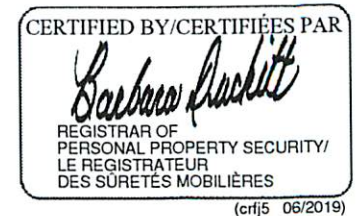
ENQUIRY NUMBER 20190905130842.11 CONTAINS 9 PAGE(S), 4 FAMILY(IES).

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

MILLER THOMSON LLP

40 KING STREET WEST, SUITE 5800
TORONTO ON M5H 3S1

CONTINUED... 2



Ontario 

RUN NUMBER : 248
RUN DATE : 2019/09/05
ID : 20190905130842.11

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 2
(5852)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : 2305992 ONTARIO INC.
FILE CURRENCY : 04SEP 2019

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
755161209

CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	001	001		20190905 1758 1862 7410	P PPSA	1

DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

DEBTOR NAME

BUSINESS NAME

2305992 ONTARIO INC.

ONTARIO CORPORATION NO.

ADDRESS 21 ROYSUN ROAD UNIT 17 WOODBRIDGE

ON L4L 8R3

DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

DEBTOR NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

ADDRESS

SECURED PARTY / MARSHALLZEHR GROUP INC.

LIEN CLAIMANT

ADDRESS 465 PHILLIP STREET, SUITE 206

WATERLOO

ON N2L 6C7

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				

MOTOR YEAR MAKE MODEL V.I.N.

VEHICLE

GENERAL LATE RENEWAL OF PPSA REGISTRATION NUMBER 20140903 0905 1862 9825 FILE

COLLATERAL NUMBER 699448761

DESCRIPTION

REGISTERING MILLER THOMSON LLP

AGENT

ADDRESS 40 KING STREET WEST, SUITE 5800

TORONTO

ON M5H 3S1

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

CONTINUED... 3

CERTIFIED BY/CERTIFIÉES PAR
Barbara Duckitt
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj1fu 06/2019)

RUN NUMBER : 248
RUN DATE : 2019/09/05
ID : 20190905130842.11

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 3
(5853)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : 2305992 ONTARIO INC.
FILE CURRENCY : 04SEP 2019

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
755161218

CAUTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	001	002		20190905 1759 1862 7411	P PPSA	1

DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME	ONTARIO CORPORATION NO.
		2305992 ONTARIO INC.			
		ADDRESS 21 ROYSUN ROAD UNIT 17		WOODBIDGE	ON L4L 8R3

DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME	ONTARIO CORPORATION NO.
		YEE HONG CENTRE FOR GERIATRIC CARE			
		ADDRESS 2311 MCNICOLL AVENUE		TORONTO	ON M1V 5L3

SECURED PARTY / LIEN CLAIMANT	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME	ONTARIO CORPORATION NO.
		MARSHALLZEHR GROUP INC.			
		ADDRESS 465 PHILLIP STREET, SUITE 206		WATERLOO	ON N2L 6C7

COLLATERAL CLASSIFICATION		MOTOR VEHICLE	AMOUNT	DATE OF MATURITY	NO FIXED MATURITY DATE
CONSUMER GOODS	INVENTORY EQUIPMENT ACCOUNTS OTHER	INCLUDED		OR	
		X	X		

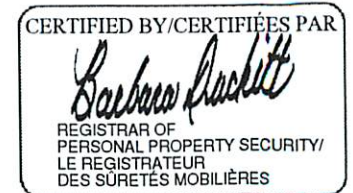
MOTOR VEHICLE	YEAR MAKE	MODEL	V.I.N.

GENERAL COLLATERAL DESCRIPTION
LATE RENEWAL OF PPSA REGISTRATION NUMBER 20140903 0909 1862 9830 FILE NUMBER 699448842

REGISTERING AGENT	ADDRESS	TORONTO	ON	M5H 3S1
	MILLER THOMSON LLP			
	40 KING STREET WEST, SUITE 5800			

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

CONTINUED... 4



(ej1fu 06/2019)



RUN NUMBER : 248
RUN DATE : 2019/09/05
ID : 20190905130842.11

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 4
(5854)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : 2305992 ONTARIO INC.
FILE CURRENCY : 04SEP 2019

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
755161218

00

CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	002	002		20190905 1759 1862 7411		

01

DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
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02

DEBTOR NAME	BUSINESS NAME	ADDRESS
-------------	---------------	---------

03

DEBTOR NAME	BUSINESS NAME	ADDRESS
-------------	---------------	---------

04

ONTARIO CORPORATION NO.
ON L4L 8R3

DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
-------------	---------------	------------------	---------	---------

05

DEBTOR NAME	BUSINESS NAME	ADDRESS
-------------	---------------	---------

06

ONTARIO CORPORATION NO.

07

SECURED PARTY / LIEN CLAIMANT	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
-------------------------------	---------------	------------------	---------	---------

08

SECURED PARTY / LIEN CLAIMANT	BUSINESS NAME	ADDRESS
-------------------------------	---------------	---------

09

COLLATERAL CLASSIFICATION		MOTOR VEHICLE	AMOUNT	DATE OF MATURITY	NO FIXED MATURITY DATE
CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNT'S OTHER	INCLUDED	

10

MOTOR VEHICLE	YEAR MAKE	MODEL	V.I.N.
---------------	-----------	-------	--------

11

MOTOR VEHICLE	YEAR MAKE	MODEL	V.I.N.
---------------	-----------	-------	--------

12

GENERAL COLLATERAL DESCRIPTION

13

GENERAL COLLATERAL DESCRIPTION

14

GENERAL COLLATERAL DESCRIPTION

15

REGISTERING AGENT	ADDRESS
-------------------	---------

16

REGISTERING AGENT	ADDRESS
-------------------	---------

17

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

CONTINUED...

5

CERTIFIED BY/CERTIFIÉES PAR
Barbara Duckitt
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj1lu 06/2019)

RUN NUMBER : 248
RUN DATE : 2019/09/05
ID : 20190905130842.11

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 5
(5855)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : 2305992 ONTARIO INC.
FILE CURRENCY : 04SEP 2019

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
699448761

CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	001	001		20140903 0905 1862 9825	P PPSA	5

DEBTOR NAME	DATE OF BIRTH	BUSINESS NAME	FIRST GIVEN NAME	INITIAL	SURNAME	ONTARIO CORPORATION NO.
		2305992 ONTARIO INC.				
		ADDRESS	8791 WOODBINE AVENUE, SUITE 100		MARKHAM	ON L3R 0P4

DEBTOR NAME	DATE OF BIRTH	BUSINESS NAME	FIRST GIVEN NAME	INITIAL	SURNAME	ONTARIO CORPORATION NO.
		ADDRESS				

SECURED PARTY / LIEN CLAIMANT	DATE OF BIRTH	BUSINESS NAME	FIRST GIVEN NAME	INITIAL	SURNAME	ONTARIO CORPORATION NO.
		MARSHALLZEHR GROUP INC.				
		ADDRESS	465 PHILIP STREET, SUITE 206		WATERLOO	ON N2L 6C7

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	YEAR MAKE	MODEL	V.I.N.

GENERAL COLLATERAL DESCRIPTION

REGISTERING AGENT	ADDRESS	REGISTRATION PERIOD
SORBARA, SCHUMACHER, MCCANN LLP	31 UNION STREET EAST	ON N2J 1B8

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

CONTINUED... 6

CERTIFIED BY/CERTIFIÉES PAR
Barbara Duckitt
REGISTRAR OF PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES

(crj1fu 06/2019)

RUN NUMBER : 248
RUN DATE : 2019/09/05
ID : 20190905130842.11

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 6
(5856)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : 2305992 ONTARIO INC.
FILE CURRENCY : 04SEP 2019

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
699448842

CAUTION FILING PAGE NO. OF TOTAL PAGES MOTOR VEHICLE SCHEDULE REGISTRATION NUMBER REGISTERED UNDER REGISTRATION PERIOD
001 001 20140903 0909 1862 9830 P PPSA 5

DEBTOR NAME DATE OF BIRTH BUSINESS NAME FIRST GIVEN NAME INITIAL SURNAME
2305992 ONTARIO INC. ONTARIO CORPORATION NO.
ADDRESS 100 - 8791 WOODBINE AVENUE MARKHAM ON L3R 0P4

DEBTOR NAME DATE OF BIRTH BUSINESS NAME FIRST GIVEN NAME INITIAL SURNAME
ONTARIO CORPORATION NO.
ADDRESS

SECURED PARTY / LIEN CLAIMANT MARSHALLZEHR GROUP INC.
ADDRESS 465 PHILLIP STREET, SUITE 206 WATERLOO ON N2L 6C7

COLLATERAL CLASSIFICATION CONSUMER GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER MOTOR VEHICLE INCLUDED AMOUNT DATE OF MATURITY OR NO FIXED MATURITY DATE
X X X

MOTOR VEHICLE YEAR MAKE MODEL V.I.N.

GENERAL COLLATERAL DESCRIPTION ASSIGNMENT OF RENTS COVERING THE PROPERTY MUNICIPALLY KNOWN AS 9740, 9750 AND 9760 YONGE STREET, RICHMOND HILL, ONTARIO

REGISTERING AGENT SORBARA, SCHUMACHER, MCCANN LLP
ADDRESS 31 UNION STREET EAST WATERLOO ON N2J 1B8

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

CONTINUED... 7

CERTIFIED BY/CERTIFIÉES PAR
Barbara Luckitt
REGISTRAR OF PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES

(crj1fu 06/2019)

RUN NUMBER : 248
RUN DATE : 2019/09/05
ID : 20190905130842.11

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 7
(5857)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : 2305992 ONTARIO INC.
FILE CURRENCY : 04SEP 2019

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01		001	002	20160613 1049 1862 8695	
21	RECORD REFERENCED	FILE NUMBER	699448842		
22	PAGE AMENDED	NO SPECIFIC PAGE AMENDED	X	CHANGE REQUIRED A AMENDMENT	RENEWAL YEARS CORRECT PERIOD
23	REFERENCE	FIRST GIVEN NAME	INITIAL	SURNAME	
24	DEBTOR/ TRANSFEROR	BUSINESS NAME	2305992 ONTARIO INC.		
25	OTHER CHANGE REASON/ DESCRIPTION	INFORMATION REGARDING TWO ADDITIONAL DEBTORS TO BE ADDED TO REGISTRATION 20140903090918609830			
02/05	DEBTOR/ TRANSFEREE	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
03/06	TRANSFERE	BUSINESS NAME	YEE HONG CENTRE FOR GERIATRIC CARE		
04/07	ADDRESS	2311 MCNICOLL AVENUE	TORONTO	ONTARIO CORPORATION NO.	ON M1V 5L3
29	ASSIGNOR SECURED PARTY/LIEN CLAIMANT/ASSIGNEE				
08	ADDRESS				
09	COLLATERAL CLASSIFICATION				
10	CONSUMER GOODS	MOTOR VEHICLE INVENTORY	DATE OF MATURITY	NO FIXED MATURITY DATE	
11	MOTOR VEHICLE GENERAL DESCRIPTION	YEAR MAKE	MODEL	V.I.N.	
16	REGISTERING AGENT OR SECURED PARTY/LIEN CLAIMANT	ADDRESS	SORBARA, SCHUMACHER, MCCANN LLP (MWS.KL.72934) 31 UNION STREET EAST WATERLOO ON N2J 1B8		

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

CONTINUED... 8

CERTIFIED BY/CERTIFIÉES PAR
Barbara Luckitt
REGISTRAR OF PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES

(crj2fu 06/2019)

RUN NUMBER : 248
RUN DATE : 2019/09/05
ID : 20190905130842.11

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 8
(5858)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : 2305992 ONTARIO INC.
FILE CURRENCY : 04SEP 2019

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01	002	002		20160613 1049 1862 8695	
21	RECORD REFERENCED	FILE NUMBER	699448842		RENEWAL YEARS
22	PAGE AMENDED	NO SPECIFIC PAGE AMENDED	CHANGE REQUIRED		CORRECT PERIOD
23	REFERENCE DEBTOR/ TRANSFEROR	BUSINESS NAME	FIRST GIVEN NAME	INITIAL	SURNAME
24					
25	OTHER CHANGE REASON/ DESCRIPTION				
26					
27					
28					
02/05	DEBTOR/ TRANSFEREE	BUSINESS NAME	FIRST GIVEN NAME	INITIAL	SURNAME
03/06			YH RICHMOND HILL		
04/07	ADDRESS	21 ROYSUN ROAD, UNIT 17	WOODBIDGE	ONTARIO CORPORATION NO.	ON L4L 8R3
29	ASSIGNOR SECURED PARTY/LIEN CLAIMANT/ASSIGNEE				
08					
09	ADDRESS				
10	COLLATERAL CLASSIFICATION	CONSUMER	MOTOR VEHICLE	DATE OF MATURITY	NO FIXED MATURITY DATE
		GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER	INCLUDED	AMOUNT	OR MATURITY DATE
11	MOTOR VEHICLE GENERAL DESCRIPTION	YEAR MAKE	MODEL	V.I.N.	
12					
13					
14					
15					
16	REGISTERING AGENT OR SECURED PARTY/LIEN CLAIMANT	ADDRESS			
17					

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

CONTINUED...

9

CERTIFIED BY/CERTIFIÉES PAR
Barbara Luckitt
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj2lu 06/2019)

RUN NUMBER : 248
RUN DATE : 2019/09/05
ID : 20190905130842.11

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 9
(5859)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : 2305992 ONTARIO INC.
FILE CURRENCY : 04SEP 2019

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
755161209	20190905 1758 1862 7410			
755161218	20190905 1759 1862 7411			
699448761	20140903 0905 1862 9825			
699448842	20140903 0909 1862 9830	20160613 1049 1862 8695		

5 REGISTRATION(S) ARE REPORTED IN THIS ENQUIRY RESPONSE.

CERTIFIED BY/CERTIFIÉES PAR
Barbara Duckitt
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crfj5 06/2019)

Ontario 

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



A COMMISSIONER FOR TAKING AFFIDAVITS

Transaction Type (Multiple Items)

Sum of Transaction Amount Date	Funding Number		Grand Total	Funding Source
	Tranche 1	Tranche 2 - 1		
Nov 1, 2014	\$ 47,342.52	\$ 100,333.33	\$ 147,675.85	Interest Reserve
Dec 1, 2014	\$ 39,452.10	\$ 86,000.00	\$ 125,452.10	Interest Reserve
Jan 1, 2015	\$ 40,767.12	\$ 86,000.00	\$ 126,767.12	Interest Reserve
Feb 1, 2015	\$ 40,767.12	\$ 86,000.00	\$ 126,767.12	Interest Reserve
Mar 1, 2015	\$ 36,821.92	\$ 86,000.00	\$ 122,821.92	Interest Reserve
Apr 1, 2015	\$ 40,767.12	\$ 86,000.00	\$ 126,767.12	Interest Reserve
May 1, 2015	\$ 39,452.05	\$ 86,000.00	\$ 125,452.05	Interest Reserve
Jun 1, 2015	\$ 40,767.12	\$ 86,000.00	\$ 126,767.12	Interest Reserve
Jul 1, 2015	\$ 39,452.05	\$ 86,000.00	\$ 125,452.05	Interest Reserve
Aug 1, 2015	\$ 40,767.12	\$ 86,000.00	\$ 126,767.12	Interest Reserve
Sep 1, 2015	\$ 40,767.12	\$ 86,000.00	\$ 126,767.12	Interest Reserve
Oct 1, 2015	\$ 39,452.05	\$ 86,000.00	\$ 125,452.05	Interest Reserve
Nov 1, 2015	\$ 40,767.12	\$ 86,000.00	\$ 126,767.12	Interest Reserve
Dec 1, 2015	\$ 39,452.05	\$ 86,000.00	\$ 125,452.05	Interest Reserve
Jan 1, 2016	\$ 40,767.17	\$ 86,000.00	\$ 126,767.17	Interest Reserve
Feb 1, 2016	\$ 40,767.17	\$ 86,000.00	\$ 126,767.17	Interest Reserve
Mar 1, 2016	\$ 38,137.03	\$ 86,000.00	\$ 124,137.03	Interest Reserve
Apr 1, 2016	\$ 40,767.12	\$ 86,000.00	\$ 126,767.12	Interest Reserve
May 1, 2016	\$ 78,904.20	\$ 172,000.00	\$ 250,904.20	Interest Reserve
Jun 1, 2016	\$ 81,534.34	\$ 172,000.00	\$ 253,534.34	Interest Reserve
Jul 1, 2016	\$ 78,904.20		\$ 78,904.20	Part Interest Reserve, Part Borrower
Jul 15, 2016		\$ 172,000.00	\$ 172,000.00	Borrower
Sep 1, 2016	\$ 81,811.17		\$ 81,811.17	Borrower
Oct 1, 2016	\$ 39,452.10		\$ 39,452.10	Borrower
Nov 1, 2016	\$ 40,767.17		\$ 40,767.17	Borrower
Dec 1, 2016	\$ 39,452.10		\$ 39,452.10	Borrower
Jan 1, 2017	\$ 40,767.17		\$ 40,767.17	Borrower
Feb 1, 2017	\$ 40,767.17		\$ 40,767.17	Borrower
Mar 1, 2017	\$ 36,821.96		\$ 36,821.96	Borrower
Apr 1, 2017	\$ 40,767.17		\$ 40,767.17	Borrower
May 1, 2017	\$ 39,452.10		\$ 39,452.10	Borrower
Jun 1, 2017	\$ 40,767.14		\$ 40,767.14	Borrower
Jul 1, 2017	\$ 39,452.10		\$ 39,452.10	Borrower
Aug 1, 2017	\$ 40,767.20		\$ 40,767.20	Borrower
Sep 1, 2017	\$ 40,767.17		\$ 40,767.17	Borrower
Oct 1, 2017	\$ 39,452.10		\$ 39,452.10	Borrower
Nov 1, 2017	\$ 42,580.84	\$ 1,000,000.00	\$ 1,042,580.84	Borrower
Nov 20, 2017		\$ 504,075.67	\$ 504,075.67	Borrower
Dec 1, 2017	\$ 40,438.50	\$ 31,533.33	\$ 71,971.83	Borrower
Jan 1, 2018	\$ 41,786.45		\$ 41,786.45	Borrower
Feb 1, 2018	\$ 42,361.71		\$ 42,361.71	Borrower
Mar 1, 2018	\$ 38,893.12		\$ 38,893.12	Borrower
Apr 1, 2018	\$ 43,060.24		\$ 43,060.24	Part Interest Reserve, Part Borrower
May 1, 2018	\$ 36,739.70		\$ 36,739.70	MZ Protective Advance - Tranche 2
Jun 1, 2018	\$ 48,027.08		\$ 48,027.08	MZ Protective Advance - Tranche 2
Jul 1, 2018	\$ 41,671.20		\$ 41,671.20	MZ Protective Advance - Tranche 2
Aug 1, 2018	\$ 43,060.24		\$ 43,060.24	MZ Protective Advance - Tranche 2
Sep 1, 2018	\$ 45,162.23		\$ 45,162.23	MZ Protective Advance - Tranche 2
Oct 1, 2018	\$ 42,904.20		\$ 42,904.20	MZ Protective Advance - Tranche 2
Nov 1, 2018	\$ 44,621.97		\$ 44,621.97	MZ Protective Advance - Tranche 2
Dec 1, 2018	\$ 44,136.90		\$ 44,136.90	MZ Protective Advance - Tranche 2
Jan 1, 2019	\$ 45,608.13		\$ 45,608.13	MZ Protective Advance - Tranche 2
Mar 1, 2019	\$ 87,115.89		\$ 87,115.89	Borrower
Apr 1, 2019	\$ 45,608.13		\$ 45,608.13	Borrower
May 1, 2019	\$ 44,136.90		\$ 44,136.90	Borrower
Jun 26, 2019	\$ 45,608.13		\$ 45,608.13	Borrower
Jul 1, 2019	\$ 44,462.10		\$ 44,462.10	Borrower
Aug 1, 2019	\$ 45,608.13		\$ 45,608.13	Borrower
Sep 1, 2019	\$ 45,608.13		\$ 45,608.13	Borrower
Grand Total	\$ 2,567,039.55	\$ 3,613,942.33	\$ 6,180,981.88	

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



A COMMISSIONER FOR TAKING AFFIDAVITS

Properties

PIN 03156 - 0317 LT *Interest/Estate* Fee Simple
Description PCL 3-2, SEC 65M2368 ; PT BLK 3, PL 65M2368 , PART 1 , 65R10347 ; S/T EASE
 OVER PT 2, 65R22016, AS IN LT1488237; TOWN OF RICHMOND HILL
Address RICHMOND HILL

PIN 03156 - 0552 LT *Interest/Estate* Fee Simple
Description BLK 39, PL 65M2079 EXCEPT PTS 1 & 2, EXPROP PL YR2257896 ; S/T LT74777; S/T
 EASEMENT AS IN YR1882796; S/T TEMPORARY EASEMENT FOR A PERIOD OF 4
 YEARS COMMENCING UPON REGISTRATION OF THIS PLAN OVER PTS 3 & 4,
 EXPROP PL YR2257896, AS IN YR2257896; S/T A TEMPORARY EASEMENT
 COMMENCING 2019/02/15 UNTIL 2021/04/30 OVER PARTS 1 & 2, EXPROPRIATION
 PLAN YR2818461 AS IN YR2818461; TOWN OF RICHMOND HILL
Address RICHMOND HILL

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 2305992 ONTARIO INC.
Address for Service 21 Roysun Road, Unit 17
 Woodbridge, Ontario
 L4L 8R3

I, WE NICODEMO IERFINO AND RUDY TREVISAN A.S.O., have the authority to bind the corporation.

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

Chargee(s)*Capacity**Share*

Name 2704553 ONTARIO INC.
Address for Service 21 Roysun Road, Unit 17
 Woodbridge, Ontario
 L4L 8R3

Provisions

Principal \$5,500,000.00 *Currency* CDN
Calculation Period
Balance Due Date
Interest Rate
Payments
Interest Adjustment Date
Payment Date
First Payment Date
Last Payment Date
Standard Charge Terms
Insurance Amount Full insurable value
Guarantor

Signed By

Davide Joseph Di Iulio 1000-120 Adelaide St. W. acting for Signed 2019 07 09
 Toronto Chargor(s)
 M5H 3V1

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. 2019 07 09
 Toronto
 M5H 3V1

Tel 416-363-2211

Fax 416-363-0645

Fees/Taxes/Payment

Statutory Registration Fee	\$64.40
Total Paid	\$64.40

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



A COMMISSIONER FOR TAKING AFFIDAVITS

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date	
2704553	2704553 ONTARIO INC.	2019/07/04	
		Jurisdiction	
		ONTARIO	
Corporation Type	Corporation Status	Former Jurisdiction	
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE	
Registered Office Address	Date Amalgamated	Amalgamation Ind.	
21 ROYSUN ROAD	NOT APPLICABLE	NOT APPLICABLE	
Suite # 17 WOODBRIDGE ONTARIO CANADA L4L 8R3	New Amal. Number	Notice Date	
	NOT APPLICABLE	NOT APPLICABLE	
Mailing Address	Letter Date	NOT APPLICABLE	
21 ROYSUN ROAD	Revival Date	Continuation Date	
Suite # 17 WOODBRIDGE ONTARIO CANADA L4L 8R3	NOT APPLICABLE	NOT APPLICABLE	
	Transferred Out Date	Cancel/Inactive Date	
	NOT APPLICABLE	NOT APPLICABLE	
	EP Licence Eff.Date	EP Licence Term.Date	
	NOT APPLICABLE	NOT APPLICABLE	
	Number of Directors Minimum Maximum	Date Commenced in Ontario	Date Ceased in Ontario
	00001 00010	NOT APPLICABLE	NOT APPLICABLE
Activity Classification			
NOT AVAILABLE			

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2704553	2704553 ONTARIO INC.

Corporate Name History	Effective Date
2704553 ONTARIO INC.	2019/07/04

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

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

Date Began	First Director	
2019/07/04	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
DIRECTOR		Y

CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

2704553

2704553 ONTARIO INC.

Administrator:

Name (Individual / Corporation)

Address

JOHN
DI MASSIMO

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

Date Began

First Director

2019/07/04

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

OFFICER

SECRETARY

Y

Administrator:

Name (Individual / Corporation)

Address

WILF
GOLDLUST

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

Date Began

First Director

2019/07/04

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

DIRECTOR

Y

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2704553	2704553 ONTARIO INC.

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

Date Began	First Director	
2019/07/04	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
OFFICER	AUTH'D SIGNING OFFICERY	

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

Date Began	First Director	
2019/07/04	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
DIRECTOR		Y

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2704553	2704553 ONTARIO INC.

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

Date Began	First Director	Resident Canadian
2019/07/04	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
OFFICER	PRESIDENT	Y

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

Date Began	First Director	Resident Canadian
2019/07/04	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
DIRECTOR		Y

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2704553	2704553 ONTARIO INC.

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

Date Began	First Director	Resident Canadian
2019/07/04	NOT APPLICABLE	
Designation	Officer Type	
OFFICER	TREASURER	Y

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2704553	2704553 ONTARIO INC.

Last Document Recorded		
Act/Code	Description	Date
CIA	INITIAL RETURN	2019/07/05 (ELECTRONIC FILING)

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

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

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

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



A COMMISSIONER FOR TAKING AFFIDAVITS



RichmondHill.ca
 225 East Beaver Creek Road, Richmond Hill, ON L4B 3P4

MILLER THOMSON LLP
 SCOTIA PLAZA
 5800-40 KING STREET WEST
 PO BOX 1011
 TORONTO ON M5H 3S1

Certificate of Treasurer

No: 65200 Fee Paid: \$86.00
 Date: September 23, 2019

Roll No: 38-06-0-081-16700-00000-03
 Location: 9750 YONGE ST
 Description: PL 65M2079 BLK 39 PL 65M2368 PT
 BLK 3 AND RP 65R10347 PT 1
 (9750-9760 YONGE ST)
 Owner: YH RICHMOND HILL
 YEE HONG CENTRE FOR
 GERIATRIC CARE
 Reference: 0207334.0011

Levy Information

Year	Interim	Annual	Supplementaries	Appeals	Apportionment	Cap/Clawback	Total
2019		78,796.22					78,796.22
2018		78,180.48					78,180.48

Tax Information

*** Future Instalments**

Year	Tax Owing	Pen/Int Owing	Total Owing		
2019	78,811.22	2,929.96	81,741.18	October 1, 2019	19,865.22
2018	492.18	67.65	559.83	November 1, 2019	19,865.00
2017					
2016 & Prior					
Sub Total	79,303.40	2,997.61	82,301.01		
Tax Loans					
Total	79,303.40	2,997.61	82,301.01	* included in total owing	

Additional Information

Collection Activity

Note: ****IMPORTANT NOTICE: ADVISE YOUR CLIENT(S) OF FUTURE INSTALMENTS AND NOTIFY OUR OFFICE IN WRITING OF ANY OWNERSHIP CHANGE(S) AFTER CLOSING TO OWNERCHANGE@RICHMONDHILL.CA**

****CERTIFICATE IS SUBJECT TO CLEARANCE OF CHEQUES THROUGH THE BANK****

****Penalty/Interest calculated to date of this certificate****

****This Certificate shows all arrears of taxes against the lands described hereon, and proceedings have not been commenced under the Municipal Act, unless otherwise indicated. Subsequent additional levies for the current year or prior years under the provisions of the Assessment Act and the Municipal Act, or other statutes, including those resulting from assessment reconsiderations and appeals, which may be billed in future years, are not included****

****There are no pending or existing local improvement charges unless indicated under additional information****

For Treasurer:

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



A COMMISSIONER FOR TAKING AFFIDAVITS



MILLER THOMSON
AVOCATS | LAWYERS

MILLER THOMSON LLP
SCOTIA PLAZA
40 KING STREET WEST, SUITE 5800
P.O. BOX 1011
TORONTO, ON M5H 3S1
CANADA

T 416.595.8500
F 416.595.8695

MILLERTHOMSON.COM

Private and Confidential

September 10, 2019

Via Courier

2305992 Ontario Inc.
21 Roysun Road, Unit 17
Woodbridge, Ontario
L4L 8R3

2305992 Ontario Inc.
51 Oak Avenue
Richmond Hill, Ontario
L4C 6R5

Attention: Alan Hirschfield, President
John Di Massimo, Vice President

Kyla Mahar
Direct Line: 416.597.4303
Direct Fax: 416.595.8695
kmahar@millerthomson.com

Dear Sirs:

Re: Indebtedness owing by 2305992 Ontario Inc. to MarshallZehr Group Inc.

And re: Yee Hong Garden Terrance Project (the "**Project**") located at the properties municipally known as 9740, 9750 and 9760 Yonge Street, Richmond Hill, Ontario (the "**Property**")

We are counsel to MarshallZehr Group Inc. ("**MZ**").

We refer to the Commitment Letter dated August 11, 2014 between 2305992 Ontario Inc. ("**230 Ontario**") as Borrower, and MZ, as Lender, and Mady Development Corporation, David Mady Investments (2008) Inc., D. Mady Investments Inc., D. Mady Holdings Inc., Charles Mady and David Mady, as Guarantors (the "**Commitment Letter**"), whereby MZ granted a loan to 230 Ontario in the amount of \$18,900,000, comprised of tranche 1 in the amount of \$6,000,000 and tranche 2 in the amount of \$12,900,000 (the "**Initial Loan**"), as amended by an Amendment dated July 4, 2017 thereby extending the maturity date of the Loan (as hereafter defined) to October 1, 2017 (the "**First Amendment**"), as further amended by an Amendment dated June 20, 2018, thereby increasing the Initial Loan to \$20,000,000 comprised of tranche 1 in the amount of \$6,000,000 and tranche 2 in the amount of \$14,000,000 (the "**Loan**") and extending the maturity date of the Loan to August 1, 2018 (the "**Maturity Date**") (the "**Second Amendment**", collectively with the Commitment Letter and First Amendment, the "**Commitment**").

We refer to the indebtedness owing under the Commitment, which is secured by, among other security, a first-ranking charge/mortgage registered on title to the Property as

Instrument No. YR2192811 on September 26, 2014 and a General Security Agreement dated September 26, 2014 over all of the assets and undertaking of 230 Ontario.

The Loan was not paid on the Maturity Date, and accordingly, the Loan is in default. The default has continued without cure from August 1, 2018, being the Maturity Date, until and including the date of this letter.

The outstanding amount owing by 230 Ontario to MZ under the Commitment, inclusive of principal, interest, costs and administrative fees is \$25,919,092.32 as of September 9, 2019 (as particularized in more detail in **Schedule A** attached to this letter), in respect of which interest, costs and expenses (including, without limitation, legal fees and expenses) will continue to accrue from and after September 9, 2019 (collectively, the "**Indebtedness**").

On behalf of MZ, we hereby demand payment from 230 Ontario of the said sum of \$25,919,092.32 in respect of the Indebtedness, together with interest thereon and all costs, including all legal fees and disbursements to the date of payment. Interest accrues on part of the Indebtedness at a rate that varies with the prime rate of interest. As of September 9, 2019, interest is accruing in the amount of the *per diem* interest is in the amount of \$7,452.59 per day. Payment can be made to the offices of Miller Thomson LLP, in trust.

We also enclose at this time a Notice of Intention to Enforce Security pursuant to section 244 of the *Bankruptcy and Insolvency Act* (Canada).

In the event that you fail to pay the Indebtedness in full, MZ shall pursue its remedies against you to recover payment of the Indebtedness.

Yours truly,

MILLER THOMSON LLP

Per:



Kyla Mahar
KM/as

Encl.



SCHEDULE "A"

**Indebtedness of 2305992 Ontario Inc.
to MarshallZehr Group Inc.
as at September 9, 2019**

Indebtedness	Principal Balance	Interest	Total	Pier Diem
Tranche 1	\$6,000,000.00	\$11,769.84 ¹	\$6,011,769.84	\$1,471.23
Tranche 2	\$13,349,429.01	\$6,226,345.06 ²	\$19,575,774.07	\$5,981.36
Outstanding Fees and Costs			\$331,548.41	
Total	\$19,349,429.01	\$6,238,114.9	\$25,919,092.32	\$7,452.59

1 - Interest accrues at Prime plus 5% per annum on the amount of \$6,000,000, calculated, compounded and payable monthly.

2 - Interest accrues at 13.5% per annum on the amount of \$14,000,000, as follows: 8% calculated, compounded and paid monthly and 5.5% calculated and compounded semi-annually, not in advance, with interest accruing to the maturity date or the date of full repayment of the loan.

E. & O. E.



**NOTICE OF INTENTION TO
ENFORCE SECURITY**
(Rule 124)

TO: 2305992 Ontario Inc., an insolvent person
21 Roysun Road, Unit 17
Woodbridge, Ontario
L4L 8R3

2305992 Ontario Inc.
51 Oak Avenue
Richmond Hill, Ontario
L4C 6R5

TAKE NOTICE THAT:

1. MarshallZehr Group Inc., a secured creditor, intends to enforce its security on the insolvent person's property described below:

All of the undertaking, property and assets of the insolvent person, both real and personal, now owned or hereafter acquired by or on behalf of the insolvent person, or in respect of which the insolvent person now or hereafter has any right, title or interest, including without limitation, the real property municipally known as 9740, 9750 and 9760 Yonge Street, Richmond Hill, Ontario (the "**Property**") and all of the personal property of the insolvent person situated on or used in connection with the Property.

2. The security that is to be enforced is the following:

The security set out in Schedule "A" attached hereto.

3. The total amount of indebtedness secured by the security is \$25,919,092.32 as at September 9, 2019, plus further interest, costs and expenses to the date of payment.
4. The secured creditor will not have the right to enforce the security until the expiry of the 10-day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at the City of Toronto, this 10th day of September, 2019.

) **MarshallZehr Group Inc., by its lawyers**
) **Miller Thomson LLP**
)
)
)

Per: 

Name: Kyla Mahar

Schedule "A"

1. A First Mortgage in the amount of \$20,000,000 granted by 2305992 Ontario Inc. in favour of MarshallZehr Group Inc. registered as instrument number YR2192811 on September 26, 2014;
2. General Assignment of Leases and Rents granted by 2305992 Ontario Inc. in favour of MarshallZehr Group Inc. registered as instrument number YR2192812 on September 26, 2014;
3. General Security Agreement granted by 2305992 Ontario Inc. in favour of MarshallZehr Group Inc. dated September 26, 2014;
4. Deficiency Agreement granted by 2305992 Ontario Inc., among other parties, in favour of MarshallZehr Group Inc. dated September 26, 2014;
5. Environmental Representations/Indemnity granted by 2305992 Ontario Inc. in favour of MarshallZehr Group Inc. dated September 26, 2014;
6. Assignment of Insurance Interest granted by 2305992 Ontario Inc. in favour of MarshallZehr Group Inc. dated September 26, 2014;
7. Assignment of Material Contracts granted by 2305992 Ontario Inc. in favour of MarshallZehr Group Inc. dated September 26, 2014;
8. Such further security, ancillary documents and agreements now or hereafter executed by 2305992 Ontario Inc. in favour of MarshallZehr Group Inc.

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



A COMMISSIONER FOR TAKING AFFIDAVITS

September 18, 2019

David N. Bleiwas
Telephone: 416-368-0600 ext. 248
Direct Line: 416-368-5956
email: dbleiwas@businesslawyers.com

Via E-mail (kmahar@millertomson.com)

Kyla Mahar
Miller Thomson LLP
Scotia Plaza
40 King Street West, Suite 5800
P.O. Box 1011
Toronto, Ontario M5H 3S1

Dear Ms. Mahar:

Re: 2305992 Ontario Inc. (the “Borrower”) and MarshallZehr Group Inc. (the “Lender”)

We are the lawyers for the Borrower and your demand letter to our client dated September 10, 2019, enclosing a Notice of Intention to Enforce Security (“NIES”), has been forwarded to us for reply.

Our client was surprised to receive the demand letter and NIES, given recent dealings between representatives of the parties, and takes the position that the details set out therein are inaccurate.

While the Loan was to have matured on August 1, 2018 pursuant to the Second Amendment, the maturity date was subsequently extended to May 1, 2019, as can be seen in the table included in your client’s April 5, 2019 e-mail message (copy attached).

More importantly, our clients entered into a subsequent informal agreement (the “**Forbearance Agreement**”) pursuant to which the Lender agreed to refrain from taking enforcement action as long as the Borrower continued making the agreed upon monthly interest payments. This Forbearance Agreement commenced in or about March 2019 and continues to date.

We understand that the Borrower has made monthly payments in March, April, May, June, July and August, 2019 pursuant to the Forbearance Agreement and in accordance with invoices delivered by the Lender.

Consistent with the pattern of required monthly interest payments, we also understand that the Borrower made the most recent payment on September 1, 2019 in the sum of \$45,608.13, the receipt of which was acknowledged by the Lender. In that regard, attached please find copies of the September 1, 2019 invoice, the wire payment confirmation and an e-mail message from the Lender acknowledging receipt of the wire payment.

One Toronto Street, P.O. Box 28, Suite 910, Toronto, Ontario M5C 2V6
Tel: 416.368.0600 Fax: 416.368.6068 www.businesslawyers.com
MBS:00853464-1 - 20190619

Based on the foregoing, we do not agree that the Loan is currently in default and, as such, your demand letter and NIES is premature and invalid.

In addition, the Borrower does not agree with your calculation of the amount owing as set out in your demand letter and NIES. Firstly, it is unclear whether the Borrower has been given credit for the September 1, 2019 payment and, in any event, the \$331,548.41 amount shown for Outstanding Fees and Costs is incorrect.

Our understanding is that the bulk of the Outstanding Fees and Costs item is made up of a \$5,000 per month Administration and Management Fee, which the Lender is claiming since January 2015. However, this monthly fee is only payable in respect of months (or parts thereof) in which the Loan is in default. In light of the amendments agreed upon in the First Amendment, the Second Amendment and the Forbearance Agreement, we do not agree that the Administration and Management Fee has been properly calculated. Given that the amount of the indebtedness as set out in the NIES is incorrect, the NIES is defective and invalid.

In light of the foregoing, the Lender is not currently in a position to take any enforcement steps. In particular, we understand that your client has verbally threatened to appoint a receiver. Under the circumstances, we do not believe it would be just or convenient to do so and any attempt to appoint one will be vigorously defended.

Given the circumstances, the Borrower has been actively negotiating with joint venture partners, new lenders and purchasers, including spending a considerable amount of time and money negotiating with certain purchasers at the direction of the Lender. Unfortunately, these deals promoted by the Lender did not come to fruition and the Borrower needs some additional time to finalize a deal and trusts that the Lender will act in a commercially reasonable manner.

In the meantime, the Lender is fully secured, given that the Property has been appraised at approximately \$38,000,000, and will continue to receive the agreed upon monthly interest payments. If your client wishes to enter into a more formal forbearance agreement, our client is certainly prepared to discuss the terms of a reasonable agreement.

We look forward to hearing from you.

Yours truly,

MORRISON BROWN SOSNOVITCH LLP



David N. Bleiwas
DNB/ac

c.c.: client

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



A COMMISSIONER FOR TAKING AFFIDAVITS



MILLER THOMSON
AVOCATS | LAWYERS

MILLER THOMSON LLP
SCOTIA PLAZA
40 KING STREET WEST, SUITE 5800
P.O. BOX 1011
TORONTO, ON M5H 3S1
CANADA

T 416.595.8500
F 416.595.8695

MILLERTHOMSON.COM

October 2, 2019

Kyla Mahar
Direct Line: 416.597.4303
kmahar@millerthomson.com

Private and Confidential

Morrison Brown Sosnovitch LLP
1 Toronto Street, P.O. Box 28, Suite 910
Toronto, ON M5C 2V6

Attention: David N. Bleiwas

Dear Mr. Bleiwas:

Re: Indebtedness of 2305992 Ontario Inc. to MarshallZehr Group Inc.

As you were aware, we are the lawyers for MarshallZehr Group Inc. (the "**Lender**"). We confirm that you are the lawyers for 2305992 Ontario Inc (the "**Debtor**"). We are in receipt of your letter dated September 18, 2019 wherein you raise issues with the Lender's demand for payment issued on September 10, 2019 (the "**Demand**") and its accompanying Notice of Intention to Enforce Security dated September 10, 2019 (the "**NITES**"). We take this opportunity to respond. Capitalized terms used herein and not otherwise defined shall have the meaning ascribed to them in the Demand.

The Lender disagrees that the Loan is not past due and that it is not in default such that the amount of the Loan is immediately due and payable. The Lender denies that there is any agreement in place to extend the Maturity Date past August 1, 2018. Moreover, the Lender denies that there is any "informal agreement" (as you refer to it), wherein the Lender agreed to forbear for an unspecified and apparently unlimited time period from taking any steps to enforce its rights or seek to be repaid the Loan as long as your client only paid interest on tranche 1 of the Loan.

Pursuant to the terms of the Commitment Letter no term or requirement under the Commitment Letter may be waived or varied orally or by any course of conduct of the Debtor or anyone acting on its behalf or by any officer, employee or agent of the Lender. Any alteration or amendment of the Commitment Letter must be in writing and signed by a duly authorized officer of the Lender and accepted by the Debtor. No such amendment was ever executed extending the Maturity Date past August 1, 2018.

The email message you enclose with your letter to support your proposition of the Maturity Date was extended to May 1, 2019 includes a screen shot of one of the Lender's internal spreadsheets that was used to track continued interest payments after the Loan's Maturity Date. It is not an amendment of the Commitment Letter extending the Maturity Date. Moreover, even in the event that your client was mistaken by the relevance of the email and thought it extended the Maturity Date to May 1, 2019, which is denied, based on a May 1, 2019 Maturity Date, the Loan is four months past due and the Debtor has still not repaid the Loan.

Notwithstanding the Loan is past due, the Lender continued to work with the Debtor to allow the Debtor an opportunity to sell the property municipally known as 9740, 9750 and 9760 Yonge Street, Richmond Hill (the "**Property**") or refinance. However, notwithstanding the generous amount of time the Lender has allowed, the Lender is no closer to having its Loan repaid.

We disagree that the Lender's NITES is invalid. First, the interest received on September 1, 2019 for tranche 1 was accounted for in the amount of the Indebtedness set out in the Demand. Second, the Loan has been in default since January, 2015. As a result, the Lender is entitled to receive a monthly administration fee given the ongoing default in accordance with the terms of the Commitment Letter. Moreover, even if the administrative fee is not payable under the terms of the Commitment Letter, which is denied, the amount claimed for this fee is \$285,000.00 as of the date of the Demand. This amounts to 1.09 percent of the amount owing to the Lenders of \$25,919,092.32 as of September 9, 2019. This amount is *di minimis* and does not invalidate the NITES. The purpose of a NITES is to put a debtor on notice that its secured creditor is going to seek to enforce its security over all or substantially all of the debtor's inventory, accounts receivable or other property. This purpose was achieved by the NITES issued by the Lender. Your client's right to dispute the quantum of the administration fee is not impacted by the issuance of the Lender's NITES.

The amount of the indebtedness is owing by the Debtor and its repayment is immediately due in full. Notwithstanding allowing your client additional time to seek to refinance or sell the Property, your client has still not repaid the Indebtedness. As a result, the Lender formally demanded repayment and issued its NITES on September 10, 2019. The statutory ten day period under the NITES expired on September 21, 2019 and the indebtedness remains unpaid.

As a result, we confirm that the Lender will be commencing an application seeking the appointment of a Receiver over the property, assets and undertaking of the Debtor. We have reserved time on October 8, 2019 before the Commercial List for the hearing of the Application. We anticipate being in a position to serve with the Lender's Application Record later today. Please confirm whether you will accept service of the Application Record.

If you have any questions or would like to discuss any of the foregoing, please contact the undersigned.

Yours truly,

MILLER THOMSON LLP

Per:



Kyla Mahar
Partner
KM/



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



A COMMISSIONER FOR TAKING AFFIDAVITS

Court File No.

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

BETWEEN:

MARSHALLZEHR GROUP INC.

Applicant

- and -

2305992 ONTARIO INC.

Respondent

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

CONSENT TO ACT AS RECEIVER

RSM Canada Limited hereby consents to act as the court-appointed receiver of the assets, properties and undertakings of 2305992 Ontario Inc. in accordance with the terms of the Order substantially in the form requested by the Applicant.

Date: October 2, 2019

RSM CANADA LIMITED



Name: Bryan Tannenbaum

Title: President

MARSHALLZEHR GROUP INC. 2305992 ONTARIO INC.
Applicant and Respondent

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

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

Proceeding commenced at Toronto

**AFFIDAVIT OF CECIL HAYES
(Sworn October 2, 2019)**

MILLER THOMSON LLP

Scotia Plaza
40 King Street West, Suite 5800
P.O. Box 1011
Toronto, ON Canada M5H 3S1

Kyla Mahar LSO#: 44182G

kmahar@millერთhompson.com
Tel: 416.597.4303 / Fax: 416.595.8695

Eduard Popov LSO#: 75657J

epopov@millერთhompson.com
Tel: 416.595.2975 / Fax: 416.595.8695

Lawyers for the Applicant

TAB 3

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE) TUESDAY, THE 8TH
)
JUSTICE) DAY OF OCTOBER, 2019
)

MARSHALLZEHR GROUP INC.

Applicant

- and -

2305992 ONTARIO INC.

Respondent

**IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243 OF THE
BANKRUPTCY AND INSOLVENCY ACT, 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 made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the “**CJA**”) appointing RSM Canada Limited (“**RSM Canada**”) as receiver and manager (in such capacities, the “**Receiver**”) without security, of all of the assets, undertakings and properties of 2305992 Ontario Inc. (the “**Debtor**”) acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Cecil Hayes sworn October 2. 2019 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant, and the Respondent, 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 RSM Canada to act as the Receiver,

SERVICE

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

APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, RSM Canada is hereby appointed Receiver, without security, of 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;
- (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, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary

course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;

- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (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 Debtor, 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 Debtor, 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 \$100,000.00, provided that the aggregate consideration for all such transactions does not exceed \$500,000.00; 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.

- (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 Debtor;

- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, 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, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being “**Persons**” and each being a “**Person**”) shall forthwith advise the Receiver of the existence of any Property in such Person’s possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver’s request.

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

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

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

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.

NO PROCEEDINGS AGAINST THE RECEIVER

8. **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 DEBTOR OR THE PROPERTY

9. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtor 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 Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

10. **THIS COURT ORDERS** that all rights and remedies against the Debtor, 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 Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor 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. **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 Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

12. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtor 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 Debtor 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 Debtor's 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 Debtor 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. **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. **THIS COURT ORDERS** that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's 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 section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

15. **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 Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

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

LIMITATION ON THE RECEIVER'S LIABILITY

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

RECEIVER'S ACCOUNTS

18. **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, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

19. **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.

20. **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. **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 \$500,000.00 (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 sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

orders that a Case Website shall be established in accordance with the Protocol with the following URL: <http://www.rsmcanada.com/2305992-ontario-inc>.

26. **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 creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

RETENTION OF LAWYERS

27. **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 with a conflict may arise in respect of the Applicant and the Receiver or a third party, the Receiver shall utilize independent counsel.

GENERAL

28. **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.

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

30. **THIS COURT ORDERS** that the Land Registry Office for the Land Titles Division of York Region (No. 65) shall register this Order against title to the real property municipally known as 9740, 9750 and 9760 Yonge Street, Richmond Hill, Ontario and more particularly described as PIN 03156-0317 (LT) and PIN 03156-0552 (LT) in Land Registry Office No. 65.

31. **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.

32. **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.

33. **THIS COURT ORDERS** that the Applicant shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

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

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that RSM Canada Limited, the receiver (the "**Receiver**") of the assets, undertakings and properties 2305992 Ontario Inc. acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the ___ day of _____, 20__ (the "**Order**") made in an action having Court file number ___-CL-_____, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [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 _____, 2019.

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

Per: _____

Name:

Title:

MARSHALLZEHR GROUP INC. 2305992 ONTARIO INC.
Applicant and Respondent

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

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

**RECEIVERSHIP ORDER
(OCTOBER 8, 2019)**

MILLER THOMSON LLP
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Lawyers for the Applicant

TAB 4

~~Court File No. _____~~

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE _____) ~~WEEKDAY, TUESDAY, THE #8TH~~
JUSTICE _____) DAY OF ~~MONTH, 20YR~~OCTOBER, 2019

~~PLAINTIFF[†]~~

~~Plaintiff~~

~~MARSHALLZEHR GROUP INC.~~

~~Applicant~~

- and -

~~DEFENDANT~~

~~Defendant~~

~~2305992 ONTARIO INC.~~

~~Respondent~~

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

~~[†]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.~~

ORDER
(~~appointing~~Appointing Receiver)

THIS MOTION made by the ~~Plaintiff~~²Applicant 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 ~~{RECEIVER'S NAME}~~RSM Canada Limited ("**RSM Canada**") as receiver ~~{and manager}~~ (in such capacities, the "~~Receiver~~") without security, of all of the assets, undertakings and properties of ~~{DEBTOR'S NAME}~~2305992 Ontario Inc. (the "~~Debtor~~") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of ~~{NAME}~~Cecil Hayes sworn ~~{DATE}~~October 2, 2019 and the Exhibits thereto and on hearing the submissions of counsel for ~~{NAMES}~~,the Applicant, and the Respondent, 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}~~RSM Canada to act as the Receiver,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of ~~Motion~~Application and the ~~Motion~~Application is hereby abridged and validated³ so that this motion is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, ~~{RECEIVER'S NAME}~~RSM Canada is hereby appointed Receiver, without security, of

²~~Section 243(1) of the BIA provides that the Court may appoint a receiver "on application by a secured creditor".~~

³~~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.~~

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;
- (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, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the ~~Receiver's~~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 to continue the business of the Debtor or any part or parts thereof;

- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the ~~Receiver's~~Receiver's name or in the name and on behalf of the Debtor, 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 Debtor, the Property or the Receiver, and to settle or compromise any such proceedings.⁴ 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 \$ ~~_____~~, \$100,000.00, provided that the aggregate

~~⁴This 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.~~

consideration for all such transactions does not exceed
~~_____;~~ \$500,000.00; 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 case may be,⁵ 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 Debtor;

~~⁵ 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.~~

- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, 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, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

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

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

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

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~~days' notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

~~7~~.8. **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 DEBTOR OR THE PROPERTY

~~8~~.9. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtor 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 Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

~~9~~.10. **THIS COURT ORDERS** that all rights and remedies against the Debtor, 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 Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor 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~~.11. **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 Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

~~11~~.12. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtor 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 Debtor 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 ~~Debtor's~~Debtor's 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 Debtor 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.~~13. **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.~~14. **THIS COURT ORDERS** that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the ~~Debtor's~~Debtor's 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 section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

~~14.~~15. **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 Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

~~15.~~16. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "~~“Possession”~~”) of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "~~“Environmental Legislation”~~”), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the ~~Receiver's~~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.~~17. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

~~RECEIVER'S~~RECEIVER'S ACCOUNTS

~~17.~~18. **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~~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~~Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.⁶

~~18.~~19. **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.~~20. **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.

~~⁶ 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".~~

FUNDING OF THE RECEIVERSHIP

~~20.~~21. **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 \$~~_____~~\$500,000.00 (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~~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 sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

~~21.~~22. **THIS COURT ORDERS** that neither the ~~Receiver's~~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.~~23. **THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as **Schedule "A"** hereto (the "~~Receiver's~~Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

~~23.~~24. **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~~Receiver's Certificates.

SERVICE AND NOTICE

~~24.~~25. **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/>~~<http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>)

shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL ~~'@>':~~ <http://www.rsmcanada.com/2305992-ontario-inc.>

~~25.26.~~ **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~~[Debtor's](#) creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

RETENTION OF LAWYERS

~~27.~~ **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 with a conflict may arise in respect of the Applicant and the Receiver or a third party, the Receiver shall utilize independent counsel.

GENERAL

~~26.28.~~ **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.

~~27.~~29. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

30. **THIS COURT ORDERS** that the Land Registry Office for the Land Titles Division of York Region (No. 65) shall register this Order against title to the real property municipally known as 9740, 9750 and 9760 Yonge Street, Richmond Hill, Ontario and more particularly described as PIN 03156-0317 (LT) and PIN 03156-0552 (LT) in Land Registry Office No. 65.

~~28.~~31. **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.

~~29.~~32. **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.

~~30.~~33. **THIS COURT ORDERS** that the ~~Plaintiff~~Applicant shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the ~~Plaintiff's~~Applicant's security or, if not so provided by the ~~Plaintiff's~~Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the ~~Debtor's~~Debtor's estate with such priority and at such time as this Court may determine.

~~31.~~34. **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'~~days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

|

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that ~~[RECEIVER'S NAME]~~RSM Canada Limited, the receiver (the "Receiver") of the assets, undertakings and properties ~~[DEBTOR'S NAME]~~2305992 Ontario Inc. acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the **"Property"**) appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the ___ day of _____, 20__ (the "Order") made in an action having Court file number __-CL-_____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [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 _____, ~~20__~~ 2019.

~~{RECEIVER'S NAME}~~, RSM Canada Limited,
solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

MARSHALLZEHR GROUP INC. 2305992 ONTARIO INC.
Applicant and Respondent

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

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at Toronto

RECEIVERSHIP ORDER
(OCTOBER 8, 2019)

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Applicant and Respondent

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

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

Proceeding commenced at Toronto

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

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