

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

THE MANUFACTURERS LIFE INSURANCE COMPANY

Applicant

- and -

2723 LANCASTER ROAD INC.

Respondent

**APPLICATION RECORD
(returnable January 8, 2016)**

December 18, 2015

CASSELS BROCK & BLACKWELL LLP

Barristers & Solicitors
Suite 2100, Scotia Plaza
40 King Street West
Toronto, Ontario M5H 3C2

David S. Ward LSUC# 33541W

Tel: 416.869.5960
Fax: 416.640.3154
dward@casselsbrock.com

Leonard Loewith LSUC# 65606N

Tel: 416.860.6471
Fax: 416.640.3092
lloewith@casselsbrock.com

Lawyers for the applicant

TO: **MEROVITZ POTECHIN LLP**
1565 Carling Avenue
Suite 300
Ottawa ON K1Z 8R1

Chuck Merovitz & Bram Potechin

Tel: 613.563.6690

Fax: 613.563.7544

chuck@mpottawa.com

Lawyers for the respondent

INDEX

I N D E X

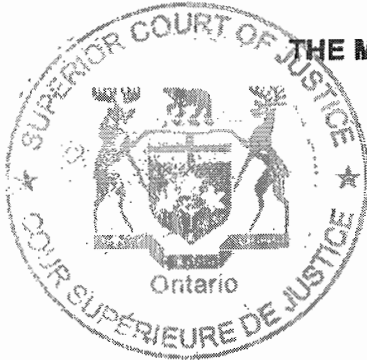
Tab	Document
1	Notice of Application issued December 18, 2015
A	Draft Order
B	Draft Order (Blacklined)
2	Affidavit of Robert Amos sworn December 17, 2015
A	Exhibit "A" - Mortgage receipted as OC147843
B	Exhibit "B" - Mortgage Renewal Agreement dated May 6, 2010
C	Exhibit "C" - Loan extension letter dated April 28, 2015
D	Exhibit "D" - Title search for 2723 Lancaster Road, Ottawa, Ontario
E	Exhibit "E" - Personal property registration system search results for 2723 Lancaster Road Inc.
F	Exhibit "F" - Notice of Intention to Enforce Security dated October 1, 2015
G	Exhibit "G" - Standard Charge Terms 200211
3	Consent of Collins Barrow Toronto Limited dated December 15, 2015

TAB 1

Court File No. 15-66931

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:



THE MANUFACTURERS LIFE INSURANCE COMPANY

Applicant

- and -

2723 LANCASTER ROAD INC.

Respondent

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

NOTICE OF APPLICATION

TO THE RESPONDENT

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

THIS APPLICATION will come on for a hearing on Friday, January 8, 2016, at 10:00 a.m., at 161 Elgin Street, 2nd Floor, Ottawa, Ontario, K2P 2K1.

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

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

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. If you wish to oppose this application

but are unable to pay legal fees, legal aid may be available to you by contacting a local Legal Aid office.

Date: December ¹⁸ 17, 2015

Issued by: 
Local Registrar

Address of court office: 161 Elgin Street, 2nd Floor
Ottawa, ON K2P 2K1

TO: **MEROVITZ POTECHIN LLP**
1565 Carling Avenue
Suite 300
Ottawa ON K1Z 8R1

Chuck Merovitz & Bram Potechin
Tel: 613.563.6690
Fax: 613.563.7544
chuck@mpottawa.com

Lawyers for the respondent

APPLICATION

1. The applicant, The Manufacturers Life Insurance Company ("**Manulife**"), makes an application for:

- (a) to the extent necessary, an order validating service of the notice of application and the application record in the manner effected, abridging the time for service thereof (if necessary), and dispensing with service thereof on any party other than the parties served, such that the application is properly returnable on January 8, 2016;
- (b) an order (the "**Order**") substantially in the form attached hereto as **Schedule "A"**, appointing Collins Barrow Toronto Limited ("**Collins Barrow**") as receiver of the property, assets and undertakings of 2723 Lancaster Road Inc. ("**2723**"); and
- (c) such further and other relief as counsel may advise and this Honourable Court may permit.

2. The grounds for the application are:

Background

- (a) Pursuant to a mortgage agreement dated November 27, 2002, Manulife advanced a loan of \$2.9 million to 2723 (the "**Loan**").
- (b) As security for the Loan, Manulife obtained a first-ranking mortgage (the "**Mortgage**") against the property municipally known as 2723 Lancaster Road in Ottawa (the "**Property**"). The Property is owned by 2723 and consists of approximately 1.7 acres of land on which is located a two-storey commercial building of approximately 34,000 square feet.

- (c) Pursuant to a mortgage renewal agreement dated May 6, 2010, Manulife and 2723 agreed to renew the Mortgage for a term of five years.
- (d) The maturity date of the Loan was extended to August 1, 2015 pursuant to an extension letter dated April 28, 2015.
- (e) A search of title against the Property discloses the following registrations:
 - (i) the Mortgage in favour of Manulife; and
 - (ii) a Notice of Lease registered April 29, 2004 in respect of a lease between 2723 and Her Majesty the Queen in Right of Canada as Represented by the Minister of Public Works and Government Services.
- (f) A search conducted against 2723 under the personal property registration system discloses one registration in favour of Manulife and no other registrations or other secured parties.

Default

- (g) Pursuant to the Loan and the Mortgage, 2723 is required (among other things) to make monthly payments of principal in the amount of \$16,568.79 in addition to regular monthly payments of interest.
- (h) The Mortgage matured on August 1, 2015 with an outstanding principal balance of \$1,987,725.89. As at August 14, 2015, the amount outstanding under the Mortgage was \$1,982,741.26.
- (i) Manulife issued a notice of intention to enforce security on October 1, 2015.

- (j) On November 27, 2015, Manulife engaged Bridgeport (Comot) Inc. c.o.b. Bridgeport Realty Management as property manager. Manulife is currently in possession of the Property.
- (k) On December 1, 2015, Manulife engaged CBRE Limited as listing broker to sell the Property.
- (l) As at December 15, 2015, the amount owing under the Mortgage, exclusive of legal fees, is \$2,014,524.67.

Receivership

- (m) The standard charge terms to the Mortgage provide that Manulife has the right to appoint a receiver in the event that the Mortgage is in default. Pursuant to term 6.10.1:

6.10.1 Appointment and removal. When we can enforce the security, we may in writing appoint anyone to be a receiver or a receiver and manager as to the property, on any terms, including remuneration, that we think are reasonable... We need not obtain security from the receiver and are not limited by any law in our choice of the receiver. We may make the appointment even if we have taken possession of property and, when we do so, we will be treated as having gone out of possession... We may also ask a court to appoint a receiver.

- (n) It appears that there may be widely divergent opinions of value as to the Property. Additionally, it may be that certain remedial work ought to be undertaken in respect of the Property in furtherance of a marketing and sales process.
- (o) It is in the best interests of all parties that a receiver be appointed to realize on the Property in a manner that is efficient, open and transparent. The proposed receiver, Collins Barrow, would be required to seek court approval for the sale of the Property on notice to all interested parties.

- (p) Accordingly, it is just and convenient in the circumstances to appoint a receiver over the undertaking, property and assets of 2723 with the power to market and sell the Property for the benefit of Manulife and any other creditors.
- (q) Collins Barrow has informed Manulife that it is prepared to act as receiver if so appointed.
- (r) Section 101 of the *Courts of Justice Act*, R.S.O., c. C.43, as amended.
- (s) Section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3.
- (t) Such further and other grounds as counsel may advise and this Honourable Court may permit.

3. THE FOLLOWING DOCUMENTARY EVIDENCE WILL BE USED AT THE HEARING OF THE APPLICATION:

- (a) The affidavit of Robert Amos sworn December 17, 2015;
- (b) The consent of Collins Barrow to act as receiver; and
- (c) Such other materials as counsel may advise and this Honourable Court may permit.

December 17, 2015

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

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

Leonard Loewith LSUC #: 65606N
Tel: 416.860.6471
Fax: 416.640.3092
lloewith@casselsbrock.com

Lawyers for the applicant

THE MANUFACTURERS LIFE INSURANCE COMPANY

and

2723 LANCASTER ROAD INC.

Applicant

Respondent

Court File No.

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

NOTICE OF APPLICATION

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

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

Leonard Loewith LSUC #: 65606N
Tel: 416.860.6471
Fax: 416.640.3092
lloewith@casselsbrock.com

Lawyers for the Applicant

TAB A

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE) FRIDAY, THE 8TH
JUSTICE) DAY OF JANUARY, 2016

THE MANUFACTURERS LIFE INSURANCE COMPANY

Applicant

- and -

2723 LANCASTER ROAD INC.

Respondent

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

ORDER
(appointing Receiver)

THIS APPLICATION made by The Manufacturers Life Insurance Company (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 Collins Barrow Toronto Limited as receiver (the "**Receiver**") without security, of all of the assets, undertakings and properties of 2723 Lancaster Road 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 Robert Amos sworn December 17, 2015 and the exhibits thereto and on hearing the submissions of counsel for the Applicant, no one appearing for the Respondent although duly served as appears from the affidavit of service of Leonard Loewith

sworn December 18, 2015 and on reading the consent of Collins Barrow Toronto Limited to act as the Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the notice of application and the application record is hereby abridged and validated so that this application is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, Collins Barrow Nation Cooperative Incorporated 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 \$50,000.00, provided that the aggregate consideration for all such transactions does not exceed \$250,000.00; 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, 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;

- (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 \$250,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in 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.collinsbarrow.com/en/toronto-ontario/2723-Lancaster-Road>.

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.

GENERAL

27. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

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

29. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

30. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within

proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

31. THIS COURT ORDERS that the 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.

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

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that Collins Barrow Toronto Limited, the receiver (the "**Receiver**") of the assets, undertakings and properties 2723 Lancaster Road 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 December, 2015 (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 December, 2015.

Collins Barrow Toronto Limited, solely in its
capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

TAB B

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE ———)
JUSTICE ———)
WEEKDAY ~~FRIDAY~~, THE # 8TH
DAY OF MONTH JANUARY, 20YR 2016

PLAINTIFF¹

Plaintiff

THE MANUFACTURERS LIFE INSURANCE COMPANY

Applicant

- and -

DEFENDANT

Defendant

2723 LANCASTER ROAD INC.

Respondent

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

ORDER
(appointing Receiver)

¹The 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.

THIS MOTION APPLICATION made by the Plaintiff² The Manufacturers Life Insurance Company (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 ~~[RECEIVER'S NAME]~~ Collins Barrow Toronto Limited as receiver ~~[and manager]~~ (in such capacities, (the "**Receiver**") without security, of all of the assets, undertakings and properties of ~~[DEBTOR'S NAME]~~ 2723 Lancaster Road 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]~~ Robert Amos sworn ~~[DATE]~~ December 17, 2015 and the ~~Exhibits~~ exhibits thereto and on hearing the submissions of counsel for ~~[NAMES]~~ the Applicant, no one appearing for ~~[NAME]~~ the Respondent although duly served as appears from the affidavit of service of ~~[NAME]~~ Leonard Loewith sworn ~~[DATE]~~ December 18, 2015 and on reading the consent of ~~[RECEIVER'S NAME]~~ Collins Barrow Toronto Limited to act as the Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the ~~Notice~~ notice of ~~Motion~~ application and the ~~Motion~~ application record is hereby abridged and validated³ so that this ~~motion~~ application 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]~~ Collins Barrow Nation Cooperative Incorporated 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**").

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.

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.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 \$ 50,000.00, provided that the aggregate consideration for all such transactions does not exceed \$ 250,000.00; 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;~~

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.

(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;
- (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;

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.

- (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.⁶

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 \$ 250,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it

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".~~

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.collinsbarrow.com/en/toronto-ontario/2723-Lancaster-Road>.

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.

GENERAL

27. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

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

29. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

30. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within

proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

31. THIS COURT ORDERS that the ~~Plaintiff~~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~~Applicant's security or, if not so provided by the ~~Plaintiff~~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.

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

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that ~~[RECEIVER'S NAME]~~Collins Barrow Toronto Limited, the receiver (the "**Receiver**") of the assets, undertakings and properties ~~[DEBTOR'S NAME]~~2723 Lancaster Road 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 December, 2015 (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 _____, 2015, December, 2015.

~~[RECEIVER'S NAME]~~ Collins Barrow Toronto Limited, solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

TAB 2

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

THE MANUFACTURERS LIFE INSURANCE COMPANY

Applicant

- and -

2723 LANCASTER ROAD INC.

Respondent

**AFFIDAVIT OF ROBERT AMOS
(sworn December 17, 2015)**

I, ROBERT AMOS, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY:

1. I am an Investment Officer, Special Assets with The Manufacturers Life Insurance Company ("**Manulife**"), the applicant in this proceeding. I have personal knowledge of the matters to which I hereinafter depose. Where I do not have personal knowledge of the matters set out herein, I have stated the source of my information and, in all such cases, believe it to be true.

I. PURPOSE

2. I swear this affidavit in support of an application brought by Manulife to appoint Collins Barrow Toronto Limited ("**Collins Barrow**") as receiver over the property, assets and undertakings of the respondent, 2723 Lancaster Road Inc. ("**2723**").

II. BACKGROUND

3. Pursuant to a mortgage agreement dated November 27, 2002, Manulife advanced a loan of \$2.9 million to 2723 (the "**Loan**").

4. As security for the Loan, Manulife obtained a first-ranking mortgage (the "**Mortgage**") against the property municipally known as 2723 Lancaster Road in Ottawa (the "**Property**"). The Property is owned by 2723 and consists of approximately 1.7 acres of land on which is located a two-storey commercial building of approximately 34,000 square feet. A copy of the Mortgage is attached hereto as **Exhibit "A"**.

5. Pursuant to a mortgage renewal agreement (the "**Mortgage Renewal Agreement**") dated May 6, 2010, Manulife and 2723 agreed to renew the Mortgage for a term of five years, to May 1, 2015. A copy of the Mortgage Renewal Agreement is attached hereto as **Exhibit "B"**.

6. The maturity date of the Loan was extended to August 1, 2015 pursuant to an extension letter dated April 28, 2015. A copy of the letter dated April 28, 2015 is attached hereto as **Exhibit "C"**.

7. A search of title against the Property discloses the following registrations:

- (a) the Mortgage in favour of Manulife; and
- (b) a Notice of Lease registered April 29, 2004 in respect of a lease between 2723 and Her Majesty the Queen in Right of Canada as Represented by the Minister of Public Works and Government Services.

A copy of the title search is attached hereto as **Exhibit "D"**.

8. A search conducted against 2723 under the personal property registration system discloses one registration in favour of Manulife and no other registrations or other secured

parties. A copy of the personal property registration system search results is attached hereto as **Exhibit "E"**.

III. DEFAULT

9. Pursuant to the Loan and the Mortgage, 2723 is required (among other things) to make monthly payments of principal in the amount of \$16,568.79 in addition to regular monthly payments of interest.

10. The Mortgage matured on August 1, 2015 with an outstanding principal balance of \$1,987,725.89. As at August 14, 2015, the amount outstanding under the Mortgage was \$1,982,741.26.

11. Manulife issued a notice of intention to enforce security on October 1, 2015. A copy of the notice of intention to enforce security is attached hereto as **Exhibit "F"**.

12. On November 27, 2015, Manulife engaged Bridgeport (Comot) Inc. c.o.b. Bridgeport Realty Management as property manager. Manulife is currently in possession of the Property.

13. On December 1, 2015, Manulife engaged CBRE Limited as listing broker to sell the Property.

14. As at December 15, 2015, the amount owing under the Mortgage, exclusive of legal fees, is \$2,014,524.67.

IV. RECEIVERSHIP

15. The standard charge terms to the Mortgage provide that Manulife has the right to appoint a receiver in the event that the Mortgage is in default. Pursuant to term 6.10.1:

6.10.1 Appointment and removal. When we can enforce the security, we may in writing appoint anyone to be a receiver or a receiver and manager as to the property, on any terms, including remuneration, that we think are reasonable...

We need not obtain security from the receiver and are not limited by any law in our choice of the receiver. We may make the appointment even if we have taken possession of property and, when we do so, we will be treated as having gone out of possession... We may also ask a court to appoint a receiver.

A copy of the standard charge terms to the Mortgage are attached hereto as **Exhibit "G"**.

16. It appears that there may be widely divergent opinions of value as to the Property. Additionally, it may be that certain remedial work ought to be undertaken in respect of the Property in furtherance of a marketing and sales process.

17. It is in the best interests of all parties that a receiver be appointed to realize on the Property in a manner that is efficient, open and transparent. The proposed receiver, Collins Barrow, would be required to seek court approval for the sale of the Property on notice to all interested parties.

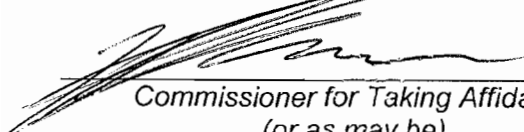
18. Accordingly, it is just and convenient in the circumstances to appoint a receiver over the undertaking, property and assets of 2723 with the power to market and sell the Property for the benefit of Manulife and any other creditors.

19. Collins Barrow has informed Manulife that it is prepared to act as receiver if so appointed.

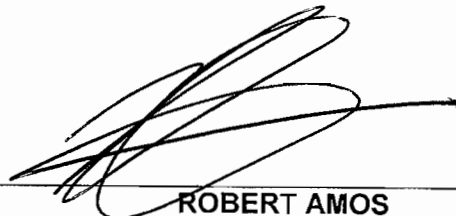
IV. CONCLUSION

20. I swear this affidavit in support of the application brought by Manulife to appoint Collins Barrow as receiver over 2723.

SWORN/AFFIRMED BEFORE ME
at the City of Toronto
in the Province of Ontario
this 17th day of December, 2015



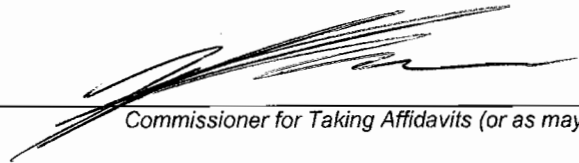
Commissioner for Taking Affidavits
(or as may be)



ROBERT AMOS

TAB A

This is Exhibit "A" referred to in the Affidavit of Robert Amos
sworn December 17, 2015

A handwritten signature in black ink, consisting of several overlapping, sweeping strokes that form a cursive, somewhat illegible name.

Commissioner for Taking Affidavits (or as may be)

840273

ERO # 4 Charge/Mortgage
The applicant(s) hereby applies to the Land Registrar.

Received as OC147843 on 2002 12 02 at 16:12
yyyy mm dd Page 1 of 2

Properties

PIN 04262 - 0027 LT **Estate/Qualifier** Fee Simple Absolute
Description PCL A-14, SEC 4M-121 ; PT BLK A, PL 4M-121 , PART 1, 2, 3, 4 AND 6 , 4R6646 , S/T
LT496170; T/W LT496170; S/T LT601576 ; S/T LT608689 OTTAWA/GLOUCESTER
Address 02723 LANCASTER RD
OTTAWA

Chargor(s)

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

Name 2723 LANCASTER ROAD INC.
Address for Service 200 Catherine Street, Suite 600
Ottawa, Ontario
K2P 2K9

I, Steven Gordon, President, have the authority to bind the corporation.

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

Chargee(s)

Capacity

Share

Name THE MANUFACTURERS LIFE INSURANCE COMPANY
Address for Service 55 Metcalfe Street, Suite 1490
Ottawa, Ontario
K1P 6L5

Statements

Schedule: See Schedules

Provisions

Principal \$ 2,900,000.00 **Currency** CDN
Calculation Period half-yearly, not in advance
Balance Due Date 2010/01/01
Interest Rate 6.75% per annum
Payments \$ 19,866.44
Interest Adjustment Date 2003 01 01
Payment Date 1st monthly
First Payment Date 2003 02 01
Last Payment Date 2010 01 01
Standard Charge Terms 200211
Insurance Amount See standard charge terms
Guarantor

Signed By

Bram Stanley Potechin 301-200 Catherine Street acting for Chargor(s) Signed 2002 12 02
Ottawa K2P 2K9
Tel 6135637544
Fax 6135634577

Submitted By

MEROVITZ - POTECHIN 301-200 Catherine Street 2002 12 02
Ottawa K2P 2K9
Tel 6135637544
Fax 6135634577

Fees/Taxes/Payment

Statutory Registration Fee \$60.00
Total Paid \$60.00

Schedule "A"

Additional Provisions

Payment Obligations.

1. **Non-Recourse.** We agree with you as follows. We will not, except for the purpose of enforcing our remedies against property under security, obtain a judgement against you. We will not enforce a judgement against you by execution against your assets other than property over which we have security. These agreements do not take away or lessen our remedies against property under security, or our rights against anyone other than you.
2. **Transfer change of control or encumbrance.** The subsection headed **Non-recourse** ceases to apply if we become entitled at our option to require immediate payment of the payment obligations under the sections headed **Immediate payment after transfer, change of control, condominium or change in tax status** or **Further encumbrance** in the standard charge terms included in the mortgage. In the event we give our prior written approval to a transfer, such that the subsection headed **Non-Recourse** continues to apply to you, such subsection will continue to apply to you notwithstanding that the approved transferee either does not have the benefit of the subsection headed **Non-Recourse** or that such subsection ceases to apply to it.

Our Security.

3. **Electronic Registration.** Where the mortgage is in electronic format, we may also hold a written mortgage. If so, the mortgage in electronic format registers the written mortgage in electronic format, as far as the mortgage in electronic format contains the particulars of the written mortgage. Despite a mortgage being in another format, or any term of the mortgage, or any law, the mortgage in each format continues in force.
4. **Specific Assignment of Lease.** Our security under the section headed **Rights to income** of the standard charge terms also covers the following:
 - 4.1 A lease by The Glenview Corporation, by its Receiver, Progeny Management Inc. to Her Majesty the Queen in right of Canada as represented by the Minister of Public Works and Government Services dated the 7th day of October, 2002, which lease has been assigned to you.
5. **Encumbrances.** The real estate is subject to the encumbrances listed below. You are not liable for a breach of your obligations under the section headed **Your title obligations** of the standard charge terms merely because of these encumbrances. The encumbrances are as follows:
 - 5.1 A Site Plan Agreement in favour of The Corporation of the City of Ottawa registered on November 14, 1986 as Instrument No. LT481817, as amended by Instrument No. LT593589 registered December 8, 1988 and Instrument No. LT666897 registered April 11, 1990.
 - 5.2 An Easement in favour of The Hydro-Electric Commission of the City of Ottawa registered April 4, 1989 as Instrument No. LT608689.

Manulife Financial
Electronic Mortgage Agreement

You,

2723 Lancaster Road Inc.,

agree with us,

The Manufacturers Life Insurance Company

as follows.

1 Authorized persons.

Person: **Rocco D'Angelo**

Firm: **Borden Ladner Gervais LLP**

Person: **Bram S. Potechin**

Firm: **Merovitz Potechin LLP**

2 Terms used. Enter an agreement includes any of negotiate, agree to, sign, release, prepare and register the agreement. **Person** includes corporation.

3 This agreement. This agreement consists of these terms and everything attached to this agreement. This agreement is both an authority to every person referred to under the heading **Persons**, and an agreement between you and us. We accept this agreement by accepting or acting on an electronic document referred to under the heading **Authority**. You are bound by this agreement even if it is not registered, or a document says it is not authorized under a power.

4 Mortgage. You give us a mortgage in accordance with the form of mortgage attached to this agreement and you agree to be bound by all of its terms, including the standard charge terms referred to in it. You give the mortgage and agree to be bound despite the fact that the form may be a print of an electronic mortgage and may not have been signed or submitted for registration. Despite this mortgage, or any term of this mortgage, or any law, a mortgage in electronic format continues in force.

5 Authority. You irrevocably authorize every person referred to under the heading **Persons**, severally, to enter for you every electronic document referred to under the heading **Electronic documents**. You irrevocably authorize the person to make any statement for you in the electronic document. You ratify every such electronic document or statement that the person has entered or made for you. The person may enter on any terms that the person decides. Where a firm is referred to, the persons are each of its members. You agree to be bound by every other electronic document that binds you under this agreement.

6 Persons. The persons referred to under the heading **Authority** are each of the following. Any person named under **Authorized persons** above. Any firm named under **Authorized persons** above (even if a person is also named). A user under the same account as that person or firm. A person that has represented you in dealings with us, or that has represented a person referred to in this section, in dealings with us relating to an electronic document referred to under the heading **Electronic documents**. A land registrar. And an employee or agent of any of those persons. You irrevocably authorize any of the persons to give authority to other persons, and the others to give authority, and so on. A person gives authority to another if the person gives the other authority in a way permitted by the land registration system, either general or for the specific document. The persons include others given any authority in these ways.

7 Electronic documents. An electronic document is one referred to under the heading **Authority** if it meets any of the following tests. It conforms to the terms of the form of mortgage attached to this agreement. It is a mortgage. It is completed in the course of a mortgage. It relates to a property referred to in the form of mortgage attached to this agreement. Or a person referred to under the heading **Persons** decides that it should be entered for any of the above purposes.

8 Additional authorities. You irrevocably authorize every person referred to under the heading **Persons** to enter for you any change to an electronic document referred to under the heading **Electronic documents**. Change includes adding to or replacing. The change may be after a document is submitted for registration. The person may enter or waive on any terms that the person decides. You ratify every such change or waiver that the person has entered or made for you.

9 Authority to us. You irrevocably authorize us and a person acting for us to enter the following for you. Where an electronic document has been signed for you, would bind you under this agreement, and has been submitted for registration, we may enter a change to it or replacement of it, but only where we reasonably decide the change or replacement is needed to register the document. Where an electronic document that binds you under this agreement has

been registered, we may enter an electronic document that we reasonably decide is needed to further register the document.

10 Our protection. Everything done using the means provided to a person referred to under the heading **Persons** under the land registration system is conclusively deemed to be done by the person. Entry of an electronic document described in this authority is conclusive evidence that you authorized the electronic document, provided we acted at the time in good faith. It is conclusive evidence even if any of the following happens. Completing the document contravenes an instruction or escrow or other agreement, even if we or anyone acting for us actually knows that (or should after reasonable inquiries have known). Or anyone acting for both you and us does not act in good faith. If we ask (or anyone acting for us asks) for evidence of authority other than what this agreement gives, that does not limit our rights under this agreement. If a term of this agreement is or becomes invalid or unenforceable, that does not make the agreement or other terms invalid or unenforceable.

11 Your rights. This agreement does not limit the following rights of yours, but only as between

you and a person referred to under the heading **Persons**. A right under a duty that the person owes to you. And a right to instruct the person how to act for you.

12 Termination of authority. You may give notice which, if it is valid, terminates the authority under the sections headed **Authority** and **Additional authorities** for the documents described below (but not under the section headed **Authority to us**). The notice is valid only if it meets all of the following requirements. It must be in writing and be signed by you. It must be handed personally to a senior officer of ours who is familiar with the transaction. It must also be handed personally to a lawyer acting for us (or to an employee of a title insurer acting) in the transaction who is familiar with the transaction. It must clearly refer to this agreement. And it must clearly state its purpose. If a valid notice is given, the authority ends for documents registered more than ten days after the notice was given. It does not end until it is terminated under this section, or for documents registered before or within the ten days (or under the section headed **Authority to us**).

Name. 2723 LANCASTER ROAD INC.

By:

Corporate
Seal

Signature. 

Name. Steven Gordon

Title. President

I have authority to bind the corporation.

Date. November 29, 2002

Attachments:

1. Acknowledgement and Direction.
2. Charge/Mortgage including the Schedule attached thereto in the principal amount of \$2,900,000.00, which Charge/Mortgage includes, inter alia, a General Assignment of Leases and Rents, a Specific Assignment of Lease and a security interest in moveable property.

ACKNOWLEDGEMENT AND DIRECTION

TO: Rocco D'Angelo
{insert lawyer's name}

AND TO: BORDEN LADNER GERVAIS LLP
{insert Firm name if applicable}

RE: The Manufacturers Life Insurance Company - 2723 Lancaster Road Inc. -
Financing of 2723 Lancaster Road, Ottawa, Ontario
{insert brief description of transaction}

This will confirm that:

- I/we have reviewed the information set out below, and that this information is accurate;
- You are authorized and directed to register electronically on my behalf the document(s) described in this Acknowledgement and Direction as well as any other document(s) required to complete the transaction described above;
- You are authorized and directed to enter into an escrow closing arrangement substantially in the form attached hereto as Schedule "A" and I/we acknowledge that I/we shall be bound by the terms of that Agreement.
- The effect of the electronic documents described in this Acknowledgement and Direction has been fully explained to me/us and I/we understand that I/we are parties to and bound by the terms and provisions of these electronic document(s) to the same extent as if I/we had signed these documents; and
- I/we are in fact parties named in the electronic documents described in this Acknowledgement and Direction and I/we have not misrepresented our identities to you.

DESCRIPTION OF CHARGE/MORTGAGE (for the Chargor(s)):

Properties			
<i>PIN</i>	04262 - 0027 LT	<i>Estate/Qualifier</i>	Fee Simple Absolute
<i>Description</i>	PCL A-14, SEC 4M-121 ; PT BLK A, PL 4M-121 , PART 1, 2, 3, 4 AND 6 , 4R6646 , S/T LT496170; T/W LT496170; S/T LT601576 ; S/T LT608689 OTTAWA/GLOUCESTER		
<i>Address</i>	02723 LANCASTER RD OTTAWA		

Chargor(s)

Name 2723 LANCASTER ROAD INC.
I, Steven Gordon, President, have the authority to bind the corporation.
This document is not authorized under Power of Attorney by this party.

Chargee(s)	Capacity	Share
Name	THE MANUFACTURERS LIFE INSURANCE COMPANY	

Statements

Schedule: See Schedules

ACKNOWLEDGEMENT AND DIRECTION

Page 2 of 2

Provisions

<i>Principal</i>	\$ 2,900,000.00	<i>Currency</i>	CDN
<i>Calculation Period</i>	half-yearly, not in advance		
<i>Balance Due Date</i>	2010/01/01		
<i>Interest Rate</i>	6.75% per annum		
<i>Payments</i>	\$ 19,866.44		
<i>Interest Adjustment Date</i>	2003 01 01		
<i>Payment Date</i>	1st monthly		
<i>First Payment Date</i>	2003 02 01		
<i>Last Payment Date</i>	2010 01 01		
<i>Standard Charge Terms</i>	200211		
<i>Insurance Amount</i>	See standard charge terms		
<i>Guarantor</i>			

Dated at OTTAWA, this 29 day of NOVEMBER, 2002.

Witness: (as to all signatures, if applicable)

2723 LANCASTER ROAD INC.

PER:


NAME: STEVEN GORDON

TITLE: PRESIDENT

This document has not been submitted and may be incomplete.

Properties

PIN 04262 - 0027 LT **Estate/Qualifier** Fee Simple Absolute
Description PCL A-14, SEC 4M-121 ; PT BLK A, PL 4M-121 , PART 1, 2, 3, 4 AND 6 , 4R6646 , S/T
 LT496170; T/W LT496170; S/T LT601576 ; S/T LT608689 OTTAWA/GLOUCESTER
Address 02723 LANCASTER RD
 OTTAWA

Chargor(s)

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

Name 2723 LANCASTER ROAD INC.
 Acting as a company
Address for Service 200 Catherine Street, Suite 600
 Ottawa, Ontario
 K2P 2K9

I, Steven Gordon, President, have the authority to bind the corporation.

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

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

Name THE MANUFACTURERS LIFE INSURANCE COMPANY
 Acting as a company
Address for Service 55 Metcalfe Street, Suite 1490
 Ottawa, Ontario
 K1P 6L5

Statements

Schedule: See Schedules

Provisions

Principal	\$ 2,900,000.00	Currency	CDN
Calculation Period	half-yearly, not in advance		
Balance Due Date	2010/01/01		
Interest Rate	6.75% per annum		
Payments	\$ 19,866.44		
Interest Adjustment Date	2003 01 01		
Payment Date	1st monthly		
First Payment Date	2003 02 01		
Last Payment Date	2010 01 01		
Standard Charge Terms	200211		
Insurance Amount	See standard charge terms		
Guarantor			

Schedule "A"

Additional Provisions

Payment Obligations.

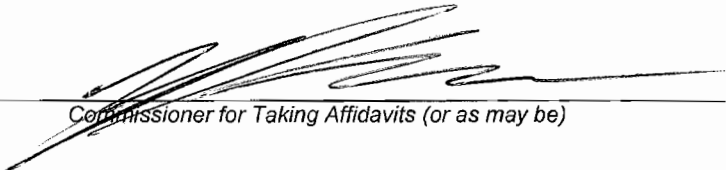
1. **Non-Recourse.** We agree with you as follows. We will not, except for the purpose of enforcing our remedies against property under security, obtain a judgement against you. We will not enforce a judgement against you by execution against your assets other than property over which we have security. These agreements do not take away or lessen our remedies against property under security, or our rights against anyone other than you.
2. **Transfer change of control or encumbrance.** The subsection headed **Non-recourse** ceases to apply if we become entitled at our option to require immediate payment of the payment obligations under the sections headed **Immediate payment after transfer, change of control, condominium or change in tax status or Further encumbrance** in the standard charge terms included in the mortgage. In the event we give our prior written approval to a transfer, such that the subsection headed **Non-Recourse** continues to apply to you, such subsection will continue to apply to you notwithstanding that the approved transferee either does not have the benefit of the subsection headed **Non-Recourse** or that such subsection ceases to apply to it.

Our Security.

3. **Electronic Registration.** Where the mortgage is in electronic format, we may also hold a written mortgage. If so, the mortgage in electronic format registers the written mortgage in electronic format, as far as the mortgage in electronic format contains the particulars of the written mortgage. Despite a mortgage being in another format, or any term of the mortgage, or any law, the mortgage in each format continues in force.
4. **Specific Assignment of Lease.** Our security under the section headed **Rights to income** of the standard charge terms also covers the following:
 - 4.1 A lease by The Glenview Corporation, by its Receiver, Progeny Management Inc. to Her Majesty the Queen in right of Canada as represented by the Minister of Public Works and Government Services dated the 7th day of October, 2002, which lease has been assigned to you.
5. **Encumbrances.** The real estate is subject to the encumbrances listed below. You are not liable for a breach of your obligations under the section headed **Your title obligations** of the standard charge terms merely because of these encumbrances. The encumbrances are as follows:
 - 5.1 A Site Plan Agreement in favour of The Corporation of the City of Ottawa registered on November 14, 1986 as Instrument No. LT481817, as amended by Instrument No. LT593589 registered December 8, 1988 and Instrument No. LT666897 registered April 11, 1990.
 - 5.2 An Easement in favour of The Hydro-Electric Commission of the City of Ottawa registered April 4, 1989 as Instrument No. LT608689.

TAB B

This is Exhibit "B" referred to in the Affidavit of Robert Amos
sworn December 17, 2015



Commissioner for Taking Affidavits (or as may be)



MORTGAGE RENEWAL AGREEMENT

Date: May 6, 2010

Mortgagor: 2723 Lancaster Road Inc. (the "Mortgagor" or "you")
c/o The Regional Group
Address: 1737 Woodward Avenue
2nd Floor
Ottawa, Ontario
K2C 0P9
Attention: Mr. Jeff Gould

Mortgage No.: 840273:11

Property Address: 2723 Lancaster Road, Ottawa (the "Property")

Registration No.: OC 147843

The above referenced mortgage (the "Mortgage") matured on May 1, 2010 (the "Maturity Date" or "Renewal Date"). On the Maturity Date, the principal balance will be approximately \$2,473,049.73 (the "Principal").

The Manufacturers Life Insurance Company ("Manulife", "we" or the "Mortgagee") hereby offers to renew the Mortgage on the terms noted below.

Term of the Renewal:	5 years
New Interest Rate (calculated semi-annually, not in advance):	4.72%
New Monthly Payment:	\$16,668.79
New Maturity Date:	May 1, 2015
New Amortization:	18 years 8 months
Renewal Processing Fee:	\$4,000.00

Should you accept this offer to renew, you will pay a final monthly payment under the existing Mortgage term on May 1, 2010 and your New Monthly Payment will start on June 1, 2010.

With the acceptance of this Mortgage Renewal Agreement, you agree to have commissioned the reports listed below, and to pay the cost of these reports.

- 1) Property Condition Assessment ("PCA") as prepared by Pinchin Environmental; and
- 2) Appraisal prepared by Juteau Johnson Comba Inc. confirming a value of not less than \$4,125,000.00.

Ottawa Mortgage Office
55 Metcalfe Street
Suite 1490
Ottawa, ON K1P 6L5
Tel: (613) 234-2999 Fax: (613) 563-3367

www.manulife.com

The Manufacturers Life Insurance Company
Manulife Financial and the block design are registered service marks and trademarks of The Manufacturers Life Insurance Company
and are used by it and its affiliates including Manulife Financial Corporation.

The findings of the PCA and/or Appraisal must be acceptable to Manulife in every respect, failing which, Manulife may, in its absolute discretion, terminate this offer. If we decide to terminate this offer, we may, despite any other terms of the Mortgage or this offer, accelerate repayment of the Mortgage and require you to immediately pay the full amount required to discharge the Mortgage.

The Specific Assignment of the Federal Government Lease is to remain in full force and effect including any and all Lease Extensions or Amendments.

During the Term of the Renewal, you may prepay the Mortgage in whole, but not in part, at any time subject to the following conditions (the "Prepayment Privilege"):

- a) You shall notify the Mortgagee in writing of your intention to prepay the Mortgage in full and the date the Mortgagee receives the notification shall be the notice date (the "Notice Date"). The date prepayment is to be made (the "Prepayment Date") shall be a date five (5) business days following the Notice Date.
- b) The Rate (as hereinafter defined) used to calculate the present value for determining the compensation amount due to the Mortgagee will be equal to the yield, at the close of business on the third (3rd) last business day prior to the Prepayment Date (the "Calculation Date") on a Government of Canada bond (the "Bond") or Treasury Bill maturing the same date as the New Maturity Date or, if no such Bond or Treasury Bill exists, the yield on such Bond or Treasury Bill maturing closest to, but prior to, the New Maturity Date (the "Rate"). In the event a Treasury Bill yield is used to calculate the present value, the yield will first be converted to a semi-annual equivalent yield. In no event will the Rate used to calculate the present value as set out in c) i. below exceed the interest rate on the Mortgage.
- c) The amount required to prepay the Mortgage in full will be equal to the principal amount outstanding under the Mortgage on the Prepayment Date, plus any accrued interest, the Mortgagee's administrative fee and any other capitalized fees and charges, plus the compensation amount, which is to be the greater of three (3) months of interest or the difference between:
 - i. the present value, at the Prepayment Date, of the remaining New Monthly Payments and the principal balance that would have been payable at the New Maturity Date (had the prepayment being requested not occurred and assuming all remaining New Monthly Payments would have been made on the due date) discounted at the Rate as defined in b) above; and
 - ii. the principal amount outstanding under the Mortgage as at the Prepayment Date.
- d) All legal costs associated with prepayment are to be borne by the Mortgagee.
- e) Failure to make the prepayment after the Mortgagee receives written notice will nullify the Prepayment Privilege for the remainder of the Term of the Renewal.
- f) The Prepayment Privilege expires automatically at the New Maturity Date.

This renewal offer is subject to the other terms in this Mortgage Renewal Agreement and the attached Schedule.

To accept this renewal offer, please complete the acceptance section in this Mortgage Renewal Agreement. Please also have the witness sign and complete the acceptance (if indicated). Please retain a copy of the Mortgage Renewal Agreement for your own records and return one signed original agreement to us.

This offer to renew will be void if we have not received your written acceptance on or before 3:00 p.m. on Wednesday, May 12, 2010.

The Principal, plus the accrued interest and capitalized fees and charges (if any), is due and payable on the Maturity Date. If you wish to fully repay the Mortgage on the Maturity Date, please advise and we will provide you with the full amount required to discharge the Mortgage.

By accepting this offer, if the Mortgage Renewal Agreement is to be electronically registered, you agree as follows:

- 1) Manulife and its solicitors are authorized and directed to register this Mortgage Renewal Agreement electronically on behalf of the undersigned;
- 2) the undersigned confirms that it is a party to and bound by the terms of the electronically registered Mortgage Renewal Agreement; and
- 3) the individuals signing on behalf of the undersigned have authority to bind the undersigned and are to be named in the electronic registration of the Mortgage Renewal Agreement and such individuals have not misrepresented their identities.

You agree, when returning your acceptance, to provide the following, if not already supplied:

- 1) your cheque in favour of The Manufacturers Life Insurance Company for the Renewal Processing Fee set out above; and
- 2) a copy of the interim 2010 Property tax bill and proof that you have paid the realty taxes to date (for example, a copy of receipted tax bills or a certificate from your treasurer or financial officer that the taxes are paid).

Manulife's solicitors will complete the legal work needed to give effect to the Renewal. You will pay their applicable reasonable legal fees and disbursements plus GST.

The Manufacturers Life Insurance Company



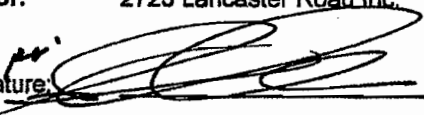
Name: Sid VanderMeulen
Title: AVP & Regional Director
Office: Ottawa Mortgage Branch

I have authority to bind the corporation.

ACCEPTANCE

SIGNING CLAUSES

Mortgagor: 2723 Lancaster Road Inc.

Signature:  *pr*

Date: _____

Name: *pr*: STEVE GORDON

Title: President

Signature: _____

Date: _____

Name: _____

Title: _____

I/We have authority to bind the corporation. If there is only one signature, I confirm that one person has authority to bind the corporation.

SCHEDULE

Renewal Terms

1. **Effect of renewal.** This agreement does not provide for a new loan, but merely changes the terms of the Mortgage. The New Interest Rate, New Monthly Payment and New Maturity Date in this agreement will, with effect from the Maturity Date, be substituted for those in the Mortgage. All of the terms of the Mortgage that are not changed by this agreement apply to the loan as changed by this agreement. This agreement amends the Mortgage and its terms become part of the Mortgage. By accepting this offer you acknowledge and agree that the Mortgage is amended to give Manulife, in addition to the rights contained in the Mortgage, the rights contained in this agreement. In the event of conflict between a term, or terms, in this agreement and the Mortgage, the term or terms in this agreement will prevail. Any other security, such as an assignment of rents, secures the Mortgage as so changed. This agreement adds to Manulife's rights and does not reduce the benefit to Manulife of any other right we may have. You agree to comply with all of the terms of the Mortgage and other security as so changed. You agree that we will have security over all kinds of property that were contemplated when we advanced the loan, even if it was acquired afterwards or by someone else. You will execute any other document and do anything else that is reasonable to give effect to this agreement. You agree that, if you are entitled to an interest in other property and the other property or interest is used in connection with Property described in the Mortgage, you grant, mortgage and charge both the Property and the other property or interest to Manulife and its heirs and successors. However, if your interest in the other property is leasehold, you do not grant, mortgage and charge the premises to Manulife; instead you agree to sublease to Manulife the leased property except for the last day of the term. You agree that you are the owner of the property with a good freehold title free from any encumbrances other than those we have consented to. You will have any subsequent mortgage postponed to this agreement and the other documents. You confirm that the taxes on the property are paid to date. If you do not comply with any of your obligations under this agreement, that you will be in breach of the terms of the Mortgage. Manulife's registration of this agreement or taking any other step is not a waiver of Manulife's rights if you have not complied with any of your obligations under this agreement.
2. **Principal.** The Principal owing will be as stated only if all payments due under the Mortgage, up to the Maturity Date and any other payments of principal or interest, are paid as agreed. If you or we show that there has been an error in the calculation of the Principal owing, we will correct the error. Subject to the above, you agree that the Principal owing is correctly stated.
3. **Interest.** All rates of interest apply both before and after maturity, default and judgment.
4. **Interest Act.** The Mortgage is amended to deem the date of the Mortgage to be the Renewal Date.
5. **Payments.** We will apply payments first to pay the interest that has accrued and then to reduce the Principal. Payments are to be made to us at our head office in Canada or at any other place in Canada that we may state in writing. For a payment to be treated as made on a particular day, it must be made before 3 p.m., in the time of the place where the payment is to be made. If we ask in writing, you will authorize your bank to make payments or you will make any other reasonable arrangement for them to be paid. If we require you to pay instalments for Property taxes, the terms of our current commercial standard charge terms as to the instalments apply in place of any existing terms about instalments of taxes (except existing terms of a mortgage insured under the National Housing Act).
6. **Prepayment or other privileges.** You have no right to prepay except where the right to prepay is set out in this agreement, and any previous right to prepay is cancelled.

7. **Taxes and costs.** You agree that we are to receive payment of the money owing under the Mortgage free from every cost other than the costs referred to below. You agree to pay every other cost and, specifically, every other cost relating to the Property, even if it does not arise during the Mortgage. You also agree to pay interest on every cost or expense that you must pay us under the Mortgage, from the time that it is incurred. We are however responsible for our costs in receiving payment in the normal course of the payment obligations. The terms of our current commercial standard charge terms as to taxes and costs apply and add to any of Manulife's rights under existing terms of the security. Where the Mortgage refers to a specific expense, that does not limit this section. The interest rate on any cost, expense or additional tax that you must pay Manulife is the rate on the unpaid payment obligations. The Mortgage secures the taxes, costs, and interest.
8. **Insurance.** All proceeds of insurance are to be made payable to The Manufacturers Life Insurance Company. Insurance on a building must contain a "Mortgage Clause" in the standard form approved by the Insurance Bureau of Canada.
9. **Legal requirements and our rights to inspect and get reports.** You must ensure that the Property and its use comply with every law, including laws dealing with the protection of the environment. We may at any time, before or after we can enforce the security, inspect the Property, make appraisals of it, make tests of it, take samples from it, conduct environmental testing of it, or monitor any activity on it. We may have another person do these things for us. Where a person has done any of the things for you, you consent to the person doing them for Manulife or giving Manulife any information. You must permit Manulife, and anyone we authorize, to enter the Property at reasonable times, before or after default and for any purpose we think is necessary. You must pay our reasonable costs for exercising our powers under this section when we ask in writing for them. Exercising the powers in this section does not put Manulife or our agent in possession, management, or control of the Property; nor does it give you any rights against Manulife or a person we have do these things on our behalf. This section does not limit any other rights under the Mortgage.
10. **Specific environmental problems.** You promise that you have not done, and will not do, any of the following things or permit anyone else to do them, and that, as far as you know, no one else has done them. This promise does not limit Manulife's rights under the previous section. The promise does not apply to anything about which you have fully informed Manulife in writing. The things are as follows: insulating a building on the Property with urea-formaldehyde foam; using asbestos as an insulating or building material for a building on the Property; placing an underground storage tank in the Property; depositing or burying a pollutant on or in the Property; having polychlorinated biphenyls (PCBs) on the Property; disposing of garbage or hazardous waste on or in the Property; spilling a pollutant on the Property; allowing petroleum products to leak into the Property; allowing a pollutant to enter the drains of the Property; keeping a pollutant on the Property other than a reasonable quantity that is to be used on the Property in the normal course within a reasonable time; or putting radioactive material in or on the Property.
11. **Your keeping accounts and giving us statements and rent rolls.** You must at all times keep records and accounts for the Property in accordance with sound accounting practice. Within 120 days after the end of each financial year, you must give Manulife a copy of the financial statements for you, and only if applicable under the existing Mortgage, everyone who is responsible for payment obligations, every guarantor, indemnifier and, where property is held by a trustee, every beneficial owner. A chartered accountant must prepare the statements in accordance with generally accepted accounting principles. If we reasonably ask in writing, an independent firm of chartered accountants must audit them. For anyone that is an individual and is responsible for payment obligations or is a guarantor or indemnifier, you must provide a current personal net worth statement of that individual by the end of March of each year. Within 120 days after the end of each financial year, you must also give Manulife a separate operating statement for the Property. It must at least show, by category, the income and operating expenses for the Property, and the net income. Within 120 days after the end of each financial year, you must also

give Manulife a rent roll for the Property as at the end of the year. It must at least show every tenant, and for each the rentable area in square feet; the annual and per square foot rent; the commencement and expiry dates of the lease; details of future rent increases; and whether rents are net or gross.

12. **Your conduct of business and using professional management.** You must use, manage and operate the Property in a reasonably prudent manner, in doing so you must comply with every law, and you must pay all expenses for doing so. If we decide that you have not complied with these requirements, we may give you a written notice requiring you to comply. If 30 days after the notice we decide that you have still not complied, we may give you a notice requiring you to use a manager chosen by us. You must then employ and use that manager to manage the Property. You must pay the manager's remuneration and expenses. If you are a corporation, you must maintain your corporate existence.
13. **Notification of Transfer or Change in control.** You must give Manulife written notice of a transfer at least 30 days before it occurs, together with all information we might reasonably require to decide whether to approve the transfer. This must include a copy of every agreement of purchase and sale or any other agreement for the transfer, a copy of the most recent financial statements for the business of every transferee and a net worth statement for every individual transferee and major shareholder of a non-public corporate transferee. Except where we have already received the details, the notice must include the price or consideration, the full name and address of every transferee and where the transferee is a trustee, the same information for a beneficial owner. You must also give Manulife a separate operating statement for the Property. It must at least show, by category, the income and operating expenses for the Property, and the net income. You must also give Manulife a current rent roll for the Property. It must at least show every tenant, and for each the rentable area in square feet; the annual, monthly and per square foot rent; the commencement and expiry dates of the lease; details of future rent increases; and whether rents are net or gross.


In this section, **transfer** includes a transfer by law and, for a non-public corporation, a change of control (direct or indirect) or amalgamation of the corporation. (For the purpose of this section, we will treat the change or amalgamation as a transfer of the interest of the corporation, and the person receiving control or the successor after the amalgamation as the transferee.) This section applies to a transfer if it meets all of the following tests: it must be of an interest of an owner that is subject to our security; or where the interest is subject to a bare trust, the interest of a trustee or beneficial owner; where the interest is held by more than one person, it must be of 50% or more of the interests of both or all of the persons; and, for a partnership, it must be by the partnership or, for a transfer of interests in the partnership, it must be of 50% or more of the interests of the partners in a general partnership, or of the general partners in a limited partnership. If a transfer is part of a series of transfers, both or all are treated as one.

14. **Immediate payment after transfer.** Despite other terms of the Mortgage, we may at our option require immediate payment of all of the payment obligations whenever there is a transfer as defined in the previous section of this Schedule. The previous sentence does not apply where we give our prior written approval to the transfer. You agree that there will not without our prior written approval be a transfer to which, under the previous subsection, this section applies. We may not withhold approval to a transfer under this subsection unreasonably. We do not withhold approval unreasonably where we are not satisfied that a transferee is creditworthy or has the expertise needed to manage the Property. We do not withhold approval unreasonably where we require a transferee to agree with us to comply with the Mortgage or a major shareholder of a non-public corporate transferee to give us a guarantee or indemnity. We do not withhold approval unreasonably if we do so while we can enforce the security. Our approving a transfer does not impair or waive our right under this section on a future transfer. This subsection does not impair any other right that we may have to approve or consent to a transfer.

15. **Immediate payment after further encumbrance.** You agree that there will not without our prior written approval be a mortgage or charge on the interest in all or part of the Property of an owner. Despite other terms of the Mortgage, we may require immediate payment of all of the payment obligations whenever, after our Mortgage is given, a further mortgage or charge is given on the interest in all or part of the Property of an owner. This section does not apply where we give our prior written approval to such further mortgage or charge. We may not withhold approval unreasonably. We do not withhold approval unreasonably if we do so while we can enforce the security. Our approving a mortgage or charge does not impair or waive our right under this section on a future mortgage or charge. You must give us written notice of a mortgage or charge at least 30 days before it occurs, together with all information we might reasonably require to decide whether to approve the mortgage or charge. This must include a copy of every agreement for the mortgage or charge; the amount, rate and terms of repayment of the obligations secured; details of the purpose for which the obligations are incurred; and the name, address and description of the intended holder of the mortgage or charge.
16. **Transfer by Manulife.** We may transfer or otherwise deal with the benefit of all or part of our rights, or any interest in or power relating to all or part of our rights, under the loan, Mortgage, or any guarantee or other right relating to the loan or the Mortgage, free from any set-off, counterclaim or other equity or claim. You must at our expense do everything to facilitate the transfer or dealing that we may ask for in writing. If a transferee of all or part of our rights agrees to assume an obligation of ours relating to the rights, we are, after the transfer, released from liability for the obligation. We may delegate powers or responsibilities of ours, for example, to a person servicing the Mortgage. When we do anything under this section, or propose to do so, we may disclose any information we have received.
17. **Preferred claims.** This section applies to a preferred claim. This is a right or amount to which any of our rights under the Mortgage is or may become subject, which takes or may take away any of those rights or which impairs or may impair those rights. A preferred claim includes: a lien, implied lien, charge, trust, deemed trust or other claim on the Property, or on the income or any other benefit from the Property; a right preventing us from receiving, or a receiver, manager from giving Manulife, the full benefit of our security; a right that runs with the Property or imposes an obligation on anyone who acquires an interest in the Property from us; or a right that allows a person supplying an important service for the Property to cut off the service. You must pay every preferred claim when it is due. If the claim became due before this agreement was signed and is unpaid, you must pay it immediately. Where anything that you do may create a preferred claim in the future, you must set and keep money aside to pay the claim.
18. **Rights Against Parties.** This agreement does not take away or lessen our rights against anyone who is not a party to this agreement; we reserve those rights. Those rights include our rights against anyone who is responsible in any way for money owing under the Mortgage or for loss we may suffer relating to the Mortgage, our rights to security provided by anyone else and our rights against anyone who has a subsequent mortgage or other interest in the Property.
19. **Successors, joint borrowers, time and signing.** This agreement binds and benefits you and our heirs, personal representatives, successors and assigns. All powers in the Mortgage may be exercised by our successors and assigns. If there is more than one of you, the liability of each of you is joint and several. Time is of the essence of this agreement. A person is bound by this agreement who signs a copy that is materially the same as a copy signed by other parties (a counterpart), or who sends by fax a copy of a signing page that appears to be signed by the person.

TAB C

This is Exhibit "C" referred to in the Affidavit of Robert Amos
sworn December 17, 2015



Commissioner for Taking Affidavits (or as may be)



April 28, 2015

2723 Lancaster Road Inc.
c/o The Regional Group
1737 Woodward Drive, 2nd Floor
Ottawa, ON K2C 0P9

Via Email

Attention: Jeff Gould – Senior Vice President
Chris Millican – Property Manager

Dear Sirs,

Re: **Loan No. 840273:11** (the "Loan")
2723 Lancaster Road Inc. (the "Borrower")
Property Address: 2723 Lancaster Road, Ottawa

The above referenced Loan in favour of The Manufacturers Life Insurance Company ("Manulife") will mature on May 1, 2015, with an estimated principal balance outstanding of \$2,005,275.67 * after receipt of the final monthly installment due at maturity.

To allow you more time to prepare for and/or secure refinancing, please be advised that Manulife hereby extends the maturity date of the Loan by a period of three (3) months, to August 1, 2015. This extension is granted under the same terms and conditions as currently exist under the mortgage and security collateral thereto (all of which are incorporated herein by reference). To reiterate the terms of the monthly installments:

1. Blended payments of principal and interest are due on the 1st day of each month, in the amount of \$16,568.79.
2. The interest rate will continue at 4.72% per annum calculated semi-annually not in advance.
3. Payments will continue to be deducted from your bank account pursuant to the terms of our pre-authorized debit arrangement, including the monthly installment due at the end of the extension period.

In consideration of Manulife agreeing to the aforesaid extension, the Borrower hereby agrees to pay to Manulife an extension fee in the amount of \$2,000.00.

We ask that a copy of this extension letter be executed by the Borrower and if applicable, any beneficial owners(s) and guarantor(s) by April 30, 2015; regardless, the terms as noted above shall be applicable for the term of this extension. Furthermore, this one-time extension granted hereby shall not be deemed to express our willingness to grant any further extensions and time remains of the essence.

Ottawa Mortgage Office
55 Metcalfe Street, Suite 1490
Ottawa, ON K1P 6L5
Tel: (613) 234-2999 Fax: (613) 563-3367


www.manulife.com

The Manufacturers Life Insurance Company
Manulife Financial and the block design are registered service marks and trademarks of The Manufacturers Life Insurance Company and are used by it and its affiliates including Manulife Financial Corporation.

During the term of this extension, you may pay off the outstanding principal balance along with all accrued interest and outstanding fees (if any), at any time, with three (3) business days notice to our Mortgage Administration department at fax number 416-926-3123 or via email to the Mortgage Administrator assigned to your loan, Anne Degryse (Anne_Degryse@manulife.com). Also, please note Mortgage Administration's toll free number is 800-286-1909.

Sincerely,

THE MANUFACTURERS LIFE INSURANCE COMPANY

By: 
Sid VanderMeulen
AVP & Regional Director

* This figure is only an estimate of the principal balance outstanding on May 1, 2015 and is not to be relied upon for discharge purposes. (E&OE)

cc. Ken Noronha – Canadian Mortgages
Chany Hor-Tek – Mortgage Closing Services
Anne Degryse – Mortgage Administration

.....
The foregoing is understood and agreed to this ____ day of April, 2015:

Borrower:


2723 Lancaster Road Inc.

Authorized Signing Officer
(please print name below line)

Authorized Signing Officer
(please print name below line)

TAB D

This is Exhibit "D" referred to in the Affidavit of Robert Amos
sworn December 17, 2015



Commissioner for Taking Affidavits (or as may be)



PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

LAND
REGISTRY
OFFICE #4

04262-0027 (LT)

PAGE 1 OF 5
PREPARED FOR Loliveira
ON 2015/12/14 AT 12:06:55

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

PROPERTY DESCRIPTION: PCL A-14, SEC 4M-121 ; PT BLK A, PL 4M-121, PART 1, 2, 3, 4 AND 6, 436646, S/T LT496170; T/W LT496170; S/T LT601576 ; S/T LT608689
OTTAWA/GLOUCESTER

PROPERTY REMARKS:
ESTATE/QUALIFIER:
FEE SIMPLE
ABSOLUTE
OWNERS' NAMES:
2723 LANCASTER ROAD INC.
BENO
CAPACITY SHARE
RECENTLY:
FIRST CONVERSION FROM BOOK OM42
EIN CREATION DATE:
1996/01/29

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHED
EFFECTIVE 2000/07/29 THE NOTATION OF THE "BLOCK IMPLEMENTATION DATE" OF 1996/01/29 ON THIS PIN						
WAS REPLACED WITH THE "PIN CREATION DATE" OF 1996/01/29						
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE: 1996/01/26 **						
LT477412	1986/10/16	NOTICE	*** COMPLETELY DELETED ***		CANADA POST CORPORATION	
LT481817	1986/11/14	NOTICE			THE CORPORATION OF THE CITY OF OTTAWA	C
485656	1987/01/28	PLAN REFERENCE				C
LT593589	1988/12/08	NOTICE			THE CORPORATION OF THE CITY OF OTTAWA	C
486646	1989/01/27	PLAN REFERENCE				C
LT601576	1989/02/09	TRANSFER	*** COMPLETELY DELETED ***		THE GLENVIEW CORPORATION	
LT608689	1989/04/04	TRANSFER EASEMENT			THE HYDRO-ELECTRIC COMMISSION OF THE CITY OF OTTAWA	C
LT625160	1989/07/19	CHARGE	*** COMPLETELY DELETED ***		THE MANUFACTURERS LIFE INSURANCE COMPANY	
LT625161	1989/07/19	NOTICE	*** COMPLETELY DELETED ***			
REMARKS: LT625160						
LT655216	1990/01/17	NOTICE OF LEASE	*** COMPLETELY DELETED ***		CANADA POST CORPORATION	
LT666897	1990/04/11	NOTICE			THE CORPORATION OF THE CITY OF OTTAWA	C

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

04262-0027 (LT)

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
LT762101	1992/03/18	CHARGE		*** DELETED AGAINST THIS PROPERTY ***	UNIFIED INVESTMENT CORPORATION LIMITED	
LT762102	1992/03/18	NOTICE		*** DELETED AGAINST THIS PROPERTY ***		
LT833164	1993/06/11	CHARGE		*** COMPLETELY DELETED ***	ANDRIDGE CAPITAL CORPORATION	
LT833165	1993/06/11	NOTICE		*** COMPLETELY DELETED ***		
LT833441	1993/06/15	TRANSFER OF CHARGE		*** COMPLETELY DELETED ***	ROYNAT INC	
		REMARKS: LT833164				
LT833442	1993/06/15	POSTPONEMENT		*** COMPLETELY DELETED ***		
		REMARKS: LT762101, LT833164				
LT833443	1993/06/15	NOTICE		*** DELETED AGAINST THIS PROPERTY ***		
LT833931	1993/06/16	CHARGE		*** DELETED AGAINST THIS PROPERTY ***	SHABINSKY, LAYA	
LT833932	1993/06/16	NOTICE		*** DELETED AGAINST THIS PROPERTY ***		
LT838840	1993/07/09	NOTICE		*** DELETED AGAINST THIS PROPERTY ***		
		REMARKS: LT762101				
LT933384	1995/05/04	NOTICE		*** COMPLETELY DELETED ***		
		REMARKS: LT625160				
LT933387	1995/05/04	NOTICE		*** DELETED AGAINST THIS PROPERTY *** THE GLENVIEW CORPORATION	SHABINSKY, LAYA	
		REMARKS: N57741, N662232 AND LT833931				

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



Ontario ServiceOntario

LAND
REGISTRY
OFFICE #4

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

PAGE 3 OF 5

PREPARED FOR Loliweira
ON 2015/12/14 AT 12:06:55

04262-0027 (LT)

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
LT933404	1995/05/04	TRANSFER OF CHARGE REMARKS: MULTIPLE CORRECTIONS: 'PARTY' CHANGED FROM		*** COMPLETELY DELETED *** ROYNAT INC.	ANDRIDGE CAPITAL CORPORATION	
LT933413	1995/05/04	NOTICE REMARKS: N611441 AND LT762101		*** DELETED AGAINST THIS PROPERTY *** THE GLENVIEW CORPORATION	UNIFIED INVESTMENT CORPORATION LIMITED	
LT933461	1995/05/05	NOTICE REMARKS: LT833164		*** COMPLETELY DELETED *** THE GLENVIEW CORPORATION	ANDRIDGE CAPITAL CORPORATION	
LT1006394	1996/10/22	TRANSFER OF CHARGE REMARKS: N611441 AND LT762101		*** DELETED AGAINST THIS PROPERTY *** UNIFIED INVESTMENT CORPORATION LIMITED	GREENBERG, BESSIE	
LT1060870	1997/07/23	CHARGE CORRECTIONS: 'CHARGE' CHANGED FROM 'THE MANUFACTURERS LIFE INSURANCE COMPANY' 'CHARGE: COMPANY' DELETED ON 2002/12/03 BY MONICA WASAG.		*** COMPLETELY DELETED *** THE GLENVIEW CORPORATION	THE MANUFACTURERS LIFE INSURANCE COMPANY ON 2002/12/03 BY MONICA WASAG.	
LT1060871	1997/07/23	POSTPONEMENT REMARKS: LT625160 TO LT1060870.		*** COMPLETELY DELETED *** THE MANUFACTURERS LIFE INSURANCE COMPANY	THE MANUFACTURERS LIFE INSURANCE COMPANY	
LT1060872	1997/07/23	POSTPONEMENT REMARKS: LT833164 TO LT1060870.		*** COMPLETELY DELETED *** ANDRIDGE CAPITAL CORPORATION	THE MANUFACTURERS LIFE INSURANCE COMPANY	
LT1060873	1997/07/23	POSTPONEMENT REMARKS: LT762101 TO LT1060870.		*** COMPLETELY DELETED *** GREENBERG, BESSIE	THE MANUFACTURERS LIFE INSURANCE COMPANY	
LT1060874	1997/07/23	POSTPONEMENT REMARKS: LT833931 TO LT1060870		*** COMPLETELY DELETED *** SHABINSKY, LAYA	THE MANUFACTURERS LIFE INSURANCE COMPANY	

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



Ontario ServiceOntario

LAND
REGISTRY
OFFICE #4

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

PAGE 4 OF 5
PREPARED FOR Loliveira
ON 2015/12/14 AT 12:06:55

04262-0027 (LT)

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHRD
LT1160133	1998/10/30	CHARGE		*** DELETED AGAINST THIS PROPERTY *** THE GLENVIEW CORPORATION	GLENVIEW SERVICES CORPORATION	
LT1254228	1999/12/21	TRANSFER OF CHARGE REMARKS: LT833164		*** COMPLETELY DELETED *** ANDRIDGE CAPITAL CORPORATION	HSCB BANK CANADA	
LT1254229	1999/12/21	NOTICE REMARKS: LT833165		*** COMPLETELY DELETED *** ANDRIDGE CAPITAL CORPORATION	HSCB BANK CANADA	
LT1259889	2000/01/25	NOTICE REMARKS: N662232, LT833931		*** COMPLETELY DELETED *** THE GLENVIEW CORPORATION	SHABINSKY, LAYA	
LT1259890	2000/01/25	TRANSFER OF CHARGE REMARKS: N662232, LT833931		*** COMPLETELY DELETED *** SHABINSKY, LAYA	HSCB BANK CANADA	
LT1331062	2000/10/24	APL (GENERAL) REMARKS: TO DELETE NO. LT747432		*** COMPLETELY DELETED *** THE MANUFACTURERS LIFE INSURANCE COMPANY		
LT1367181	2001/03/12	TRANSFER OF CHARGE REMARKS: N611441 AND LT762101		*** COMPLETELY DELETED *** GREENBERG, BESSIE	SHABINSKY, LAYA	
OC147360	2002/12/02	APL (GENERAL) REMARKS: DELETING LT625160		*** COMPLETELY DELETED *** THE MANUFACTURERS LIFE INSURANCE COMPANY		
OC147842	2002/12/02	TRANS POWER SALE REMARKS: LT625160	\$3,750,000	THE MANUFACTURERS LIFE INSURANCE COMPANY	2723 LANCASTER ROAD INC.	C
OC147843	2002/12/02	CHARGE	\$2,900,000	2723 LANCASTER ROAD INC.	THE MANUFACTURERS LIFE INSURANCE COMPANY	C
OC147844	2002/12/02	NO SEC INTEREST REMARKS: OC147843	\$1	THE MANUFACTURERS LIFE INSURANCE COMPANY		C
OC147939	2002/12/03	DISCH OF CHARGE REMARKS: RE: LT1060870		*** COMPLETELY DELETED *** THE MANUFACTURERS LIFE INSURANCE COMPANY		

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



PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

LAND
REGISTRY
OFFICE #4

PAGE 5 OF 5
PREPARED FOR Loliveira
ON 2015/12/14 AT 12:06:55

04262-0027 (LT)

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

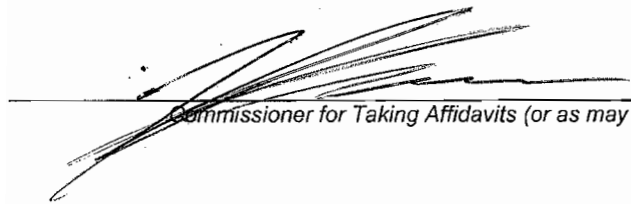
REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHED
OC192305	2003/04/29	NOTICE OF LEASE		2723 LANCASTER ROAD INC.	HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF PUBLIC WORKS AND GOVERNMENT SERVICES	C
OC1110945	2010/05/26	NOTICE	\$1	THE MANUFACTURERS LIFE INSURANCE COMPANY	2723 LANCASTER ROAD INC.	C

REMARKS: OC147843

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

TAB E

This is Exhibit "E" referred to in the Affidavit of Robert Amos
sworn December 17, 2015



Commissioner for Taking Affidavits (or as may be)



PERSONAL PROPERTY SECURITY
REGISTRATION SYSTEM (ONTARIO)
ENQUIRY RESULTS

Prepared for :	CASSELS BROCK - O. D'INNOCENZO
Reference :	238
Docket :	25788-376
Search ID :	608058
Date Processed :	12/11/2015 10:01:08 AM
Report Type :	PPSA Electronic Response
Search Conducted on :	2723 LANCASTER ROAD INC.
Search Type :	Business Debtor

DISCLAIMER :

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

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

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

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: 2723 LANCASTER ROAD INC.

FILE CURRENCY: December 10, 2015

RESPONSE CONTAINS: APPROXIMATELY 1 FAMILIES and 1 PAGES.

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

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

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

TYPE OF SEARCH: BUSINESS DEBTOR
CONDUCTED ON: 2723 LANCASTER ROAD INC.
FILE CURRENCY: December 10, 2015

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 1 OF 1 ENQUIRY PAGE : 1 OF 1

SEARCH : BD : 2723 LANCASTER ROAD INC.

00 FILE NUMBER : 889544349 EXPIRY DATE : 27NOV 2027 STATUS :
01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :
REG NUM : 20021127 1034 1590 8157 REG TYP: P PPSA REG PERIOD: 25
02 IND DOB : IND NAME:
03 BUS NAME: 2723 LANCASTER ROAD INC.
OCN :
04 ADDRESS : 200 CATHERINE STREET, 6TH FLOOR
CITY : OTTAWA PROV: ON POSTAL CODE: K2P 2K9
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
THE MANUFACTURERS LIFE INSURANCE COMPANY
09 ADDRESS : 1490-55 METCALFE STREET
CITY : OTTAWA PROV: ON POSTAL CODE: K1P 6L5
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X
YEAR MAKE MODEL V.I.N.

11
12

GENERAL COLLATERAL DESCRIPTION

13
14
15

16 AGENT: BORDEN LADNER GERVAIS LLP - OTTAWA [RDA]
17 ADDRESS : 1100-100 QUEEN STREET
CITY : OTTAWA PROV: ON POSTAL CODE: K1P 1J9
LAST SCREEN

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

TAB F

This is Exhibit "F" referred to in the Affidavit of Robert Amos
sworn December 17, 2015



Commissioner for Taking Affidavits (or as may be)

NOTICE OF INTENTION TO ENFORCE SECURITY

TO:

2723 Lancaster Road Inc.
2723 Lancaster Road
Ottawa, ON K1B 0B1

2723 Lancaster Road Inc.
200 Catherine Street, Suite 600
Ottawa, ON K2P 2K9

2723 Lancaster Road Inc.
c/o The Regional Group
1737 Woodward Avenue
2nd Floor
Ottawa, ON K2C 0P9

Attention: Jeff Gould – Senior Vice President
Chris Millican – Property Manager

2723 Lancaster Road Inc.
c/o Bram Potechin, Esq.
Merovitz Potechin LLP
Barristers & Solicitors
300-1565 Carling Avenue
Ottawa, ON K1Z 8R1

TAKE NOTICE THAT:

1. **THE MANUFACTURERS LIFE INSURANCE COMPANY** a secured creditor, intends to enforce its security on the property of the insolvent person described below:

Lands and premises municipally known as 2723 Lancaster Road, Ottawa, ON.

2. The security that is to be enforced is in the form of:
- (a) a Mortgage registered in the Land Registry Office at Ottawa, Ontario, for the Land Registry Division of Ottawa-Carleton (No. 4) on the 2nd day of December, 2002 as Instrument No. OC147843;
 - (b) a Notice of Security Interest registered in the Land Registry Office at Ottawa, Ontario, for the Land Registry Division of Ottawa-Carleton (No. 4) on the 2nd day of December, 2002 as Instrument No. OC147844;
 - (c) a Notice of Lease registered in the Land Registry Office at Ottawa, Ontario, for the Land Registry Division of Ottawa-Carleton (No. 4) on the 29th day of April, 2003 as Instrument No. OC192305;
 - (d) a Mortgage Renewal Agreement registered in the Land Registry Office at Ottawa, Ontario, for the Land Registry Division of Ottawa-Carleton (No. 4) on the 26th day of May, 2010 as Instrument No. OC1110945;

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

Principal Balance after application of the July 1, 2015 instalment	\$1,987,725.89
Interest from July 1, 2015 to August 1, 2015 @4.72%	7,742.60
Interest from August 1, 2015 to August 14, 2015 @4.72%	3,341.56
Less Credit of Funds in Suspense	(16,568.79)
Discharge fee	500.00
Legal costs	1,000.00
TOTAL:	<u>\$1,983,741.26</u>

expiry of the ten-day period following the sending of this Notice, unless the insolvent person consents to an earlier enforcement.

DATED at Toronto, the 14th day of August, 2015.

**THE MANUFACTURERS LIFE
INSURANCE COMPANY**

By its Solicitors:

CASSELS BROCK & BLACKWELL LLP

Suite 2100

40 King Street West

Toronto, Ontario

M5H 3C2

Per: 

Lanning J. Abramson

Canada Post / Postes Canada

Registration Receipt (Bulk)

Récépissé de recommandation (en nombre)

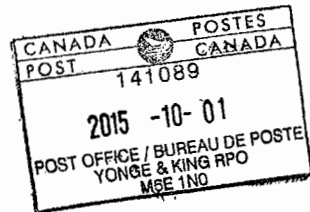
This receipt is necessary if enquiry is desired. / A presaire en case de réclamation

Mailed By (Name and address of firm)	Dépose par (Nom et adresse de la maison expéditrice)	Stamp of firm	Timbre de la maison expéditrice	Date Stamp of Post Office	Timbre à date du bureau de poste
25788-376 (LJAVC)	Cassels Brock & Blackwell LLP Barristers and Solicitors Scotia Plaza Suite 2100 Tower 40 King Street West Toronto, Ontario M5H 3C2				

Fragile and perishable articles are not indemnified against damage. Indemnity and REGISTRATION FEES information is available on request at the Post Office

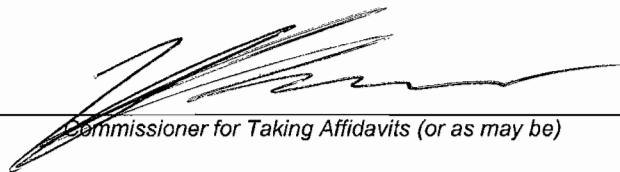
Aucune indemnité ne sera versée pour l'envoi d'un objet fragile ou périssable. Vous pouvez obtenir des renseignements sur les indemnités versées et les DROITS DE RECOMMANDATION en vous adressant à votre bureau de poste.

Number / Numero	Name	Address		
RN 051 274 366 CA	2723 Lancaster Road Inc.	2723 Lancaster Road Ottawa, ON K1B 0B1		
RN 051 274 335 CA	2723 Lancaster Road Inc.	200 Catherine Street, Suite 600 Ottawa, ON K2P 2K9		
RN 051 274 352 CA	2723 Lancaster Road Inc. c/o The Regional Group	1737 Woodward Avenue 2 nd Floor Ottawa, ON K2C 0P9 Attention: Jeff Gould – Senior Vice President Chris Millican – Property Manager		
RN 051 274 349 CA	2723 Lancaster Road Inc.	c/o Bram Potechin, Esq. Merovitz Potechin LLP Barristers & Solicitors 300-1565 Carling Avenue Ottawa, ON K1Z 8R1		
Sheet No.	Feuille No.	No. of articles / Nbre d'objets	Accepted by / (Postal Employee's Signature)	Accepté par / (Signature de l'employé des Postes)



TAB G

This is Exhibit "G" referred to in the Affidavit of Robert Amos
sworn December 17, 2015



Commissioner for Taking Affidavits (or as may be)

The Manufacturers Life Insurance Company

Ontario Conventional Commercial Mortgage

Land Registration Reform Act

SET OF STANDARD CHARGE TERMS

Filed by The Manufacturers Life Insurance Company

The following set of standard charge terms shall be deemed to be included in every charge in which the set is referred to by its filing number, as provided in section 9 of the Act.

In the mortgage, you are each person by whom security is given under the mortgage (and your and yours refer to that person). We are each person to whom security is given under the mortgage (and us, our and ours refer to that person). The mortgage is the mortgage or charge in which these terms are included, and includes these terms. Other expressions have the meanings set out at the end of these terms.

Contents

1 Preliminary matters	5 Your other responsibilities
2 Payment obligations	6 Enforcing security
3 Our security	7 Other terms
4 Condominium and leasehold property	8 Meaning of terms used

1 Preliminary matters.

1.1 Your verifying your knowledge. A promise by you to us in the mortgage may be limited to what you know. Where this is so, you promise that you have done what a reasonable person would do to verify the promise.

1.2 Information you have supplied. You promise that, as far as you know, all information that you have supplied to us for the mortgage is substantially accurate and complete.

1.3 Your legal obligations. You promise that you are not a party to a legal proceeding (except one that you have informed us about in writing), and are not in serious default under your legal obligations.

1.4 Your documents. You promise that you have given us a copy of all of the following documents relating to the property that are in your possession or control. Documents affecting the title (except those available in the land registration office). And surveys, tests and reports.

1.5 Work on the real estate. You promise that you are not giving the mortgage to secure the financing of work on the real estate. This statement is subject to anything as to which you have informed us in writing.

1.6 Your obligations under the mortgage. You promise that you are complying with all of your obligations under the mortgage when it is given.

1.7 Condition of the property. You promise that, as far as you know, the property has no defect that cannot be found by a reasonable inspection.

1.8 Legal requirements. You promise that, as far as you know, the property and its use comply substantially with every law. If we are making a loan for work on the real estate, you promise that, as far as you know, the law permits the work and its use.

1.9 Environmental. You promise that, as far as you know, nothing that is part of the real estate (including water) is composed of a pollutant that causes or is likely to cause harm to the life or health of a human being. This does not apply to anything about which you have fully informed us in writing.

1.10 Specific environmental problems. You promise that you have not done any of the following things or permitted anyone else to do them, and that, as far as you know, no one else has done them. This promise does not limit our rights under the previous section. The promise does not apply to anything about which you have fully informed us in writing. The things are as follows. Insulating a building on the real estate with urea-formaldehyde foam. Using asbestos as an insulating or building material for a building on the real estate. Placing an underground storage tank in the real estate. Burying a pollutant in the real estate. Having polychlorinated biphenyls (PCBs) on the real estate. Disposing of garbage or industrial waste on or in the real estate. Spilling a pollutant on the real estate. Allowing petroleum products to leak into the real estate. Allowing a pollutant to enter the drains of the real estate. Keeping a pollutant on the real estate other than a reasonable quantity that is to be used on the real

estate in the normal course within a reasonable time. Or putting radioactive material in or on the real estate.

1.11 Residence. You promise that the following are resident in Canada for tax purposes: every owner (as defined in Part 8) of an interest that is subject to our security and, where the interest is subject to a bare trust, every beneficial owner.

2 Payment obligations.

2.1 What obligations the mortgage secures. The mortgage secures all obligations to pay money under its terms. It secures all obligations that are described in its terms as secured by it. Where, as a result of the mortgage, the law requires you to make a payment, it secures your obligation to make the payment. And it secures compensation that is or may become payable because of a breach of your obligations under the mortgage or under any other agreement that relates to mortgage.

2.2 Your obligations under a term loan. Where the mortgage sets out payment terms for a term loan, the terms set out below apply. The details referred to are those in the mortgage.

2.2.1 Interest to interest adjustment date. You must pay interest, on as much of the principal amount as is owing, at the interest rate, calculated for the interest calculation period. Until the interest adjustment date, you must, on the same days as those for regular payments, pay the interest for the period to the day. On the interest adjustment date you must pay the interest to that date.

2.2.2 Regular payments. You must pay the amount of each payment on the first payment date, on every payment date after that until the last payment date, and on the last payment date. We must use each payment first to pay the interest on the principal up to the payment date, and then to reduce the principal.

2.2.3 Balance on maturity. On the maturity date or balance due date, you must pay the balance of the principal amount and any unpaid interest in full.

2.2.4 No prepayment. You must make payments only as the mortgage requires. You may not make early payments unless the mortgage specifically gives you the right to do so. If the mortgage gives you a right to prepay part of the amount owing, and you do so, you must continue after that to make the regular payments.

2.2.5 Dates on which interest is calculated. Where an interest rate is calculated half-yearly not in advance, the calculation is to be made on the half-yearly dates that we usually use.

2.2.6 Your liability. You are personally liable to pay the payment obligations under this section in the way in which the mortgage requires you to pay them.

2.2.7 Future changes. Whenever we agree to change the terms of payment obligations for the term loan in any way or replace it, the mortgage secures the payment obligations as changed or replaced. This is so, for example, if we renew the loan or extend the time for payment, and even if that increases the interest rate. You agree that, when the mortgage was given, we had not agreed to give any right to renew or extend.

2.3 Taxes. You must pay when due every tax on the mortgage and on every existing or future agreement which relates to the payment obligations or security for them. You must pay when due every additional tax in respect of amounts paid or payable under the mortgage. Additional tax is tax under the law of a jurisdiction outside Canada. It does not include a tax on our overall net income, unless it is deducted or withheld from an amount paid or payable under the mortgage. Tax is a present or future tax, charge, levy, impost, stamp tax, duty, deduction, withholding, compulsory loan, or similar amount, under the law of any jurisdiction; interest or a penalty on any of those things; and a payment for any of those things. You must indemnify us against every additional tax for which we become liable in respect of amounts paid or payable under the mortgage. You must make every payment under the mortgage free of, and without deduction for or on account of, any additional tax, except where you are compelled by law to make the payment subject to the tax. Where you are compelled by law to pay subject to the tax, you must pay the additional amount needed to ensure that we receive a net amount equal to the full amount we would have received had payment not been made subject to the tax. You must pay it in the currency in which the payment was to be made. Where we decide that additional tax on a payment does not increase our liability for tax, we must return to you the tax that you paid and as far as it does not increase our liability. A certificate of a financial officer of ours as to the amount to be returned is conclusive.

2.4 How interest is calculated. All rates of interest under the mortgage (including compound interest) apply both before and after demand, maturity, default or judgment.

2.5 Compound interest. If interest is not paid on the day that it is payable, interest must be paid on the unpaid interest. This interest must be paid at the same rate as the unpaid interest, is calculated in the same way, and must be paid on the same days. If interest on unpaid interest is not paid on the day that it is payable, interest must be paid on that interest as provided above, and so on.

2.6 Costs.

2.6.1 You agree that we are to receive payment under the payment obligations free from every cost other than the costs referred to below. You agree to pay every other cost and, specifically, every other cost relating to the property, even if it does not arise during the security. You agree to pay every cost payable under the mortgage, including these terms. We are however responsible for our costs in receiving payment in the normal course of the payment obligations. Where the mortgage refers to a specific cost, that does not limit this subsection.

2.6.2 You must pay us our costs in taking our security, whether an advance is made or not. The costs include costs for negotiating the security, searching title to the property, obtaining title insurance, and preparing or registering the security. You must pay us money payable under a commitment for the mortgage.

2.6.3 You must pay us our costs for the following. Renewing a filing or registration. Providing a statement other than a statement sent to you regularly. Giving a consent or approval under the mortgage and checking that conditions are met.

Protecting our security or ourselves from claims relating to it, for example, under liens of those who do work on the real estate. Giving effect to a right you may exercise at your option. Doing anything relating to the mortgage that we are not required to do and that you want us to do, for example, entering into an agreement.

2.6.4 Wherever the mortgage requires you to pay a cost, the following terms apply. If it was caused by an act of ours, it is payable if we acted honestly. Its amount must be reasonable. It includes lawyers' fees and disbursements, charged on the basis that applies between a lawyer and his or her own client, and even though we may not have taken court proceedings. It includes fees and expenses for other professionals or agents. It includes a fee for the time and services of an employee or agent of ours. It includes a usual service charge of ours. If the cost is for something we do, and doing the thing is part of our business, it includes our normal charge. You must pay it to us as soon after it has been incurred as we ask in writing for it. You must pay interest on it from when it is incurred. Where the interest rate on any of the unpaid payment obligations is a floating rate, the interest rate is the floating rate (or, if there is more than one, the highest floating rate), plus 2% per annum. Where the interest rate on none of the unpaid payment obligations is a floating rate, the interest rate is the rate on the unpaid payment obligations (or, if there is more than one, the highest rate).

2.7 **General terms as to payments.** Except where the mortgage provides otherwise, all amounts are expressed in Canadian money and are payable in Canadian money. All payments must be made to us at our head office in Canada. But if we ask in writing for payments to be made to us at another place in Canada, payments must be made there. Payments must be made while we are open for business where they must be made. If we ask in writing, you must authorize your bank to make payments, or you must make any other reasonable arrangement for them to be paid. If a payment is made on a day after 3 p.m., Toronto time, it is treated for calculating interest as made on the next business day. Payments must be made without set-off, counterclaim or deduction. A payment is not made until we have actually and irrevocably received the full amount in immediately available funds.

2.8 **How we may apply payments.** Except where we specifically agree otherwise, we may apply a payment made to us to reduce whatever part of the payment obligations we choose. After doing so, we may apply the payment to reduce a different part of the payment obligations as we choose.

3 Our security.

3.1 **Real estate.** The following terms apply wherever the mortgage includes land or an interest in land in the security. They do not apply where your interest in the land is as a tenant under a lease.

3.1.1 **Described land.** You grant, mortgage, charge, bargain, sell, and release all your claims on, the land described in the mortgage, to us and our heirs and successors, together with all rights that go along with the land.

3.1.2 **Abutting land.** Where the law would make security under the mortgage invalid because you have an interest in abutting land, you grant, mortgage, charge, bargain, sell, and release all your claims on,

all abutting land that must be included in the mortgage to make the security valid, to us and our heirs and successors, together with all rights that go along with the land.

3.1.3 **Security on other related land.** If you are entitled to an interest in other land and the other land or interest is used in connection with land described in the mortgage, you grant, mortgage, charge, bargain, sell, and release all your claims on, the other land, to us and our heirs and successors, together with all rights that go along with the land. You also agree that, if you obtain, or become entitled to obtain, an interest in other land, and the other land or interest is used in connection with land described in the mortgage, you must grant, mortgage, charge, bargain, sell, and release all your claims on, the other land, to us and our heirs and successors, together with all rights that go along with the land. Land is subject to this subsection only if it is used directly and exclusively in connection with the land that is covered by the mortgage.

3.2 **What is included in land.** The land includes the land to which the mortgage relates and fixtures on the land, whether they exist when the mortgage is given or come into existence after then. Without limiting this, the land includes the things listed below, whether they exist when the mortgage is given or come into existence after then. You agree that these things are intended to be fixtures on the land. The things are the following. Buildings on the land; other structures on the land, and fences on the land or improvements to the land. A structure on the land that is being used like a building, even if the structure is mobile or designed to be made mobile, or was wholly or partly made before being placed on the land. Equipment on the land for heating, ventilating or air-conditioning a building. Fixed machinery and mechanical equipment on the land serving a building, including elevators and escalators. Equipment on the land for supplying electricity, gas, steam, hot or cold water and communications. Lighting equipment on the land, including bulbs and tubes. Window or door screens, storm windows and window blinds, shutters and awnings for a building on the land. Antennas, satellite dishes and similar equipment on the land. Fire alarm and security systems on the land. Wall to wall floor covering in a building on the land and fixed mirrors. Crops and plants on the land. Built-in appliances on the land such as a stove or dishwasher. And a sculpture or other work of art on the land outside a building.

3.3 **Rights to insurance.** You assign and give us a security interest in the full benefit of, and you irrevocably appoint us as your attorney to exercise at any time, the following rights. The rights under every insurance policy covering loss of or damage to property. The rights under every insurance policy covering loss of present and future income, rents or profits from the property. And the rights under any insurance policy covered by the mortgage. This applies whether the right exists when the mortgage is given, or comes into existence after then. We are not bound to enforce a right under an insurance policy or comply with your obligations in respect of it. We need only account for money we actually receive.

3.4 **Rights to income.** You assign and give us a security interest in the full benefit of, and you irrevocably appoint us as your attorney to exercise at any time, the rights set out below. This applies whether the right exists when the mortgage is given, or

comes into existence after then. The landlord's rights under every lease. The landlord's rights to rent and other money payable under every such lease and every other right to income from the real estate. And the landlord's rights in respect of every lease, including a guarantee or indemnity, a security and a right to insurance. Lease includes a lease specifically covered by the mortgage. We are not bound to collect the income from the property, to enforce a lease or to comply with the landlord's obligations under a lease. We need only account for income we actually receive. This section and anything we do under it do not put us in possession of real estate. Nor do they authorize you to enter into a lease. Nor do they give the interest of a tenant priority over the mortgage or create a relationship of landlord and tenant between a tenant and us.

3.5 Other rights. You grant and assign to us, and you give us a security interest in, the full benefit of, and you irrevocably appoint us as your attorney to exercise at any time, every right of yours described below. This applies whether your right exists when the mortgage is given, or comes into existence after then. A right under an encumbrance to which your interest in the property is subject. A right to repayment of a property tax. A right to occupy, use or enjoy a benefit over adjacent or other land in connection with land described in the mortgage. This includes a licence, an encroachment agreement or a right to park. A right to require anyone to make good a defect in the property or to pay any loss you may suffer because of a defect. This includes a warranty. A right to require anyone to provide a service for maintaining or operating the property. A right to a supply of services or materials for work on the real estate or relating to work on the real estate. This includes an approval, permit or similar right. It also includes a construction contract or consultant's agreement. A right under a trust or other agreement relating to an insurance policy that covers loss of or damage to any part of the real estate. A right under an agreement to sell or dispose of an interest in the property or part of it. And any other right covered by the mortgage. You also assign to us the full benefit of all of your rights in connection with these rights, including a guarantee, indemnity, letter of credit or bond, a security and a right to insurance. We are not bound to enforce a right or comply with your obligations in respect of it. We need only account for money we actually receive. This section does not authorize you to enter into an agreement that binds us or our interest in the property. Where your giving the security under this section would be a breach of the agreement, it is effective when it can be made without a breach. You must if we ask in writing use your best efforts to make the security effective.

3.6 Movable property and other security. Except where your interest in property is as a tenant under a lease, you grant, mortgage, release all your claims on, and give us a security interest over the following. Your interest in all property that is needed for or relates exclusively to the real estate. Where the real estate is a residential unit, an appliance provided by the landlord to a tenant in the real estate, such as a stove or refrigerator. Where work is being done on the real estate, your interest in materials and equipment for the work. Any property covered by the mortgage. And the proceeds of an interest of yours in all or part of the property intended to be subject to security under the mortgage. You grant, mortgage, charge, assign, bargain, sell, and release all your claims on, your interest in that interest or property, to and our heirs and successors. This applies whether the property or your interest exists when the mortgage is given, or comes

into existence after then. Where the property is on the real estate, you must not, without our prior written consent, remove it from the real estate, except under the section headed **Your rights to remove and dispose of property.** The word "property" in this section has its ordinary meaning, and includes rights under agreements, intellectual property, goodwill and a claim for damages.

3.7 When security attaches. The time for attachment of a security interest under the mortgage has not been postponed. For property in which you have an interest when the mortgage is given, the security interest attaches then. For property in which you have an interest after then, the security interest attaches when you acquire the interest.

3.8 Registration. You irrevocably authorize us, and a person we authorize, to agree to, sign and register for you an electronic document needed to register the mortgage or further register it.

3.9 Our priority. Our security under the mortgage has priority for the payment obligations over every interest in the property created after the mortgage in favour of another person. It has priority even if we make an advance after the other person's interest was created. It has priority even if an agreement creating or changing payment obligations is entered after the mortgage was given, and even if the agreement not registered. Where the law limits our priority after we have notice of an interest in the property in favour of another person, a notice is not valid unless it is in writing, is handed personally to a senior officer of ours, clearly refers to the mortgage, and clearly states its purpose. Every person acquiring an interest in the property must be taken to agree to the terms of this section. We may have entered into an agreement with a tenant of the real estate (or any part of it) that affects our priority or other rights under the mortgage, on terms that we chose. We may do so in the future, on any terms that we choose. You agree that your interest is bound by the agreement. In particular, you agree that, if the agreement affects our priority over the tenant, it does not affect our priority over you. This section does not limit any other term of the mortgage or right of ours under it.

3.10 Future interests of yours. You agree that, if after the mortgage is given you acquire another interest in the property, the interest will be security for the payment obligations. This also applies if your interest increases, for example, through a joint owner's right of survivorship. Our security under this section has priority over any interest in the property in favour of anyone else created after you acquire your interest. This section does not limit any other term of the mortgage or right of ours under it.

3.11 Other parties or interests. Every person who is a party to the mortgage, other than you and us, and including a spouse, agrees with us as follows. If the person is a spouse, the person consents to the mortgage where it affects the interest of the person's spouse, and postpones every claim as spouse to the mortgage. Where the person has an interest in the property or its proceeds, and the interest is not being mortgaged under other terms of the mortgage, the person gives us security over the interest in the same way as if the person was you, or agrees to do so. This applies whether the interest exists when the mortgage is given, or comes into existence after then. As to the interest, the person grants, mortgages, charges, bargains, sells, releases all claims on, assigns, gives a security interest

in, transfers, and subleases, the property to us and our heirs and successors in the ways set out in the mortgage. As to the interest, the person agrees to be subject to all of the terms of the mortgage, and gives us all of the powers under the mortgage, as if the person was you. Where the person has a claim on money that leads to payment obligations, the person releases us from any liability for the claim.

3.12 Your enjoyment of the property. Until we can enforce the security, you may remain in possession of your interest in the real estate and continue to use movable property that is subject to the mortgage. Until we can enforce the security, we authorize you to collect the rent currently due under a lease. This authorization does not detract from the legal effect of an assignment in the mortgage. You may not do anything beyond these things, and we are not bound by anything beyond them that you do.

3.13 Your rights to remove and dispose of property. You may remove property from the real estate and dispose of it provided all of the following conditions are met. When you remove the property, we must not be entitled to enforce the security. The property must be movable or be machinery or equipment in a building. The property must be obsolete, be worn out, be such that it cannot be repaired or not be needed for the operation of the real estate. And, if the property needs to be replaced, it must be replaced immediately, the replacement of it must be at least as good as the property replaced and you must own the replacement free from encumbrances.

3.14 Your title obligations.

3.14.1 Nature of your title. Where you give us security over property, you will be taken to give security over the absolute ownership of or absolute right to the property. Where this section refers to your interest in property, it refers to that ownership or right. For real estate, this is an estate in fee simple. For all property it is the absolute ownership or absolute right, both legally and beneficially. However, where the mortgage specifically says that you have another interest, this section refers to the interest described in the mortgage.

3.14.2 Your obligations.

3.14.2.1 You promise that you have a good title to your interest in the property, free from encumbrances or defects. Where the mortgage refers to your interest in the property as being less than the absolute ownership, you give us the following promises as to your interest and every interest on which your interest depends. The interest conforms to every description in the mortgage and has not been changed. The person that created the interest had a good title to the interest required to create a valid interest, free from encumbrances. The interest is valid and in force. The interest has not been terminated or surrendered, and is not voidable. And there is no outstanding default in complying with obligations relating to the interest. Where the property is a right, such as a right to income or an insurance policy, you promise that the right is valid.

3.14.2.2 You promise that you have the right, power and authority (including any required approval or consent) to mortgage, charge, bargain and sell, assign or deal with your interest in the property in the manner set out in the mortgage, free

from encumbrances. Where the mortgage refers to your interest in the property as being less than the absolute ownership, you promise that the person that created every interest on which your interest depends had the right, power and authority (including any required approval or consent) to create the interest, free from encumbrances.

3.14.2.3 You promise that you have not done, omitted or permitted anything by which your interest in the property is or may be affected or made subject to an encumbrance. You agree that, while we are entitled under the terms of the mortgage to possess or enjoy your interest in the property, we will have quiet possession or enjoyment of your interest in the property free from encumbrances. You must at our request do anything that we think is necessary or advisable to confirm any of our rights under the mortgage and pay our costs for that. You must defend your title to the property. You must not create or attempt to create an encumbrance that is prior to the mortgage or has the same priority as the mortgage. You must give us a copy of all of the documents relating to the property that are in your possession or control affecting the title (except those available in the land registration office), including surveys.

3.14.2.4 You promise that the real estate conforms to every description or plan given to us, and that it includes all buildings and improvements in every description. If your interest in the property is subject to an encumbrance, you promise that the encumbrance conforms to every description given to us.

3.14.3 Rights included. Where you give us security over property, our security covers every claim of yours on the property, interest of yours in it, or right of yours over it. For example, if you are a co-owner, partner or trustee, it includes your rights as co-owner, partner or trustee.

3.15 Permitted encumbrances. You are not liable for a breach of your obligations under the section headed Your title obligations merely because of the encumbrances described below. You promise that you have given us full details of all of those encumbrances that exist when the mortgage is signed.

3.15.1 The encumbrances include a lien for a property tax that is not yet due or can only be estimated because the assessment has not yet been made.

3.15.2 The encumbrances include a construction lien for an improvement that is being made in accordance with the terms of the mortgage, as long as it is not yet payable and no step has been taken to preserve, perfect or enforce it.

3.15.3 The encumbrances include an exception or reservation in favour of the Crown for mines or minerals, a right of way, any other easement, a licence similar to an easement, a restrictive covenant or a municipal bylaw provided that, in every case, it does not prevent the real estate from being used in a way that it is being used or that you have led us to expect that it will or could be used. We must postpone the mortgage to a right of way, other easement, licence or restrictive covenant that you reasonably wish to give, provided that it does not prevent the real estate from being used in that way. We need do this only if you meet all of the following

conditions. You must ask us in writing. When we are to give the postponement, we must not be entitled to enforce the security. And you must show us that the encumbrance is one described above and pay our costs.

3.15.4 The encumbrances include a title defect which is minor and which, with any other defects, has no material effect on our security.

3.15.5 The encumbrances include a lease a true copy of which you have given to us or our lawyer before the mortgage was signed. And they include a tenancy agreement for a residential unit which is in favour of a person who occupies the unit as a home, which is for a term ending no more than one year after this mortgage was signed and which conforms to the last rent roll that you delivered to us before the mortgage was signed.

3.16 Discharge. When the payment obligations have been paid on the dates they were due and in accordance with their terms, and you ask us in writing to do so, we must give a discharge of the mortgage and a reassignment to you any rights that you have assigned to us in the mortgage. Or, if you are entitled to and do require us to assign the mortgage and rights to someone else, we must do so. You must give us a reasonable time after payment to verify our records and complete the discharge or assignment. You must pay our costs for doing what this section requires. You are responsible for registering the discharge or assignment.

4 Condominium and leasehold property.

4.1 Condominium.

4.1.1 Meaning of terms used. In this part, **condominium law** is a condominium, strata or similar law. A **unit** is land that is a unit governed by a condominium law, or that is a part that you have a right to occupy or from which you have the right to income, of real estate held by or for more than one person or by a corporation. A **complex** is the land governed by the condominium law of which real estate is a part, or of which a unit is a part. **Documents** are documents by which the complex or part of it is governed, for example, a declaration, bylaw, resolution, regulation, rule or agreement. The **entity** is a person, partnership, trust, association, syndicate or other body holding or managing the complex. **Common expenses** are the expenses, contributions to reserves or other payments that the condominium law or the documents require you to pay. Where the condominium law or the documents impose an obligation on or give a right to an owner of your interest in the real estate but do not treat you as the owner of the interest, or impose obligations of an owner on us, you will for the purpose of the mortgage be treated as the owner under the law or documents. Where under the terms in this section a thing is to be substantial, it is so where it is in fact so or the condominium law treats it as so.

4.1.2 Where this section applies. This section applies where real estate is governed by a condominium law when the mortgage is given or becomes so governed after then, or is or becomes a unit. All of the other terms of the mortgage apply, except where stated below.

4.1.3 Our security.

4.1.3.1 Our security on land or an interest in land includes an interest that, under the condominium law or documents, goes along with the land or interest or is to go along with it. Where your interest in property is as a tenant under a lease, the terms that apply to our security are those in this part under the heading Leasehold property.

4.1.3.2 Except where your interest in property is as a tenant under a lease, you transfer to us the benefit of, and irrevocably appoint us your attorney to exercise, all your rights relating to the complex. In particular, we may exercise your right to vote or consent, or to require or call a meeting. The rights include a right to proceeds of a sale, expropriation or insurance; a right to fair market value after a sale; and a right to assets of the entity. If we give you instructions about how we require you to exercise a right of yours, you must follow the instructions. When we exercise a right of yours, or give instructions, under this part, that does not mean that we have taken possession of property. We have no obligation to exercise any of your rights.

4.1.4 Voting. If we arrange for you to vote, we may at any time cancel the arrangement. You must give us written notice if you are asked to exercise the rights listed below and you must not exercise those rights without first obtaining our written consent. The rights are to give a consent (as distinct from voting); to vote on anything that requires more than a simple majority of those present at a meeting; to have any interest of yours purchased, dealt with or changed; or to receive assets or a payment from the entity. You must not without our prior written consent vote for any action that might reduce the value of your unit or interest or our security. Where we are not in a position to exercise your right to vote, you may do so, provided you comply with these terms.

4.1.5 Insurance. The entity may be responsible for insurance that the mortgage requires. Despite this, you must comply with all of your obligations under other terms of the mortgage as to insurance as far as the entity does not in fact comply with the obligations. However, the amount of your insurance for a building need only be your share of the cost of replacing it. We will regard the entity as having complied even though its insurance limits our rights as the holder of a mortgage, provided that the law or the documents impose the limit despite anything you and we have agreed to. We have the rights as to insurance given to us by other terms of the mortgage. For example, if we have a valid requirement to which the entity's insurance does not conform, you must insure in conformity with our requirement. Where the entity's insurance does not cover an improvement, your own insurance must cover it. We may require you to insure against risk caused by a failure of the entity to insure. The terms in Part 5 in the section headed Using insurance proceeds to restore property do not apply.

4.1.6 Common expenses. Your obligation under the terms of the mortgage to pay taxes and other charges extends to common expenses. Whenever we ask in writing, you must allow us to pay the common expenses. The terms of the mortgage as to our paying property taxes apply to common expenses with the necessary changes. When we pay a common

expense, we can rely on any statement that appears to be issued by the entity showing the amount of the common expense and the date it is due. The terms in Part 5 in the section headed **Your rights to contest taxes or other payments** do not apply.

4.1.7 Maintenance. The entity may be responsible for repairs or replacements that the mortgage requires. Despite this, you must comply with your obligations under other terms of the mortgage as to repair or replacement as far as you have the right to do so. Where the entity is not responsible for repairing or replacing an improvement, you must keep it in good repair or replace it if it cannot be repaired.

4.1.8 Other obligations. You must comply with all of your obligations under the condominium law and the documents. Your obligations under the condominium law include obligations that the condominium law causes you to enter. You must give us any proof of compliance that we reasonably ask in writing for. You must not do anything that materially increases your obligations under the condominium law and the documents.

4.1.9 Notice and information. You must give the entity and others notice of the mortgage in a way that protects our right to vote, our rights in insurance and our other rights. You must forward to us a copy of notices, assessments, bylaws, rules, financial statements and other documents that you receive from the entity. You must if we ask in writing give us any information or document that you are entitled to obtain from the entity. You authorize us to obtain any information or document from the entity.

4.1.10 Our costs. You must pay us our costs relating to the following. A bylaw, resolution, rule or other matter (other than a resolution for which only a majority present at a meeting is required). The enforcement of a right to have the entity or another owner comply with the condominium law or the documents. And our exercising rights to vote or consent.

4.1.11 Immediate payment if certain events occur. We may require immediate payment of payment obligations, if any of the following events occurs. The entity fails to comply with a material obligation under the condominium law or the documents. A court makes a judgment or order against the entity. The entity in our opinion seriously fails to manage the complex in a prudent manner. A court appoints an inspector, administrator or similar officer under the condominium law. The entity becomes insolvent (and that term has the meaning given in Part 6 under the heading **When we can enforce the security**). An amount is added to the common expenses that is not added to the common expenses of all owners, or a step is taken for that. Substantial work is started on the complex, or there is a substantial increase in the common expenses or a substantial decrease in the services that the entity provides, or a step is taken for any of those things. An obligation of an owner of your interest in the real estate is enforced against us, or a step is taken for that. There is substantial damage to the complex. There is a material change to any of the documents, or a step is taken for that. The complex or part of it ceases to be governed by the condominium law or the documents, or is sold or expropriated, or the entity is amalgamated, or a step is taken for any of those things. Or the entity passes a resolution or makes a

decision for which more than a simple majority present at a meeting is required. We may require immediate payment even if we voted for or consented to any of the above.

4.1.12 Your transfers. Before you transfer your interest in the real estate, you must have the transferee agree with us to comply with the terms of this part.

4.2 Creation of a condominium. You agree that none of the following things will be done without your first obtaining our written consent. Your interest real estate, or an interest that will go along with your interest in real estate, becoming governed by a condominium law. An entity being amalgamated. A new phase being created (for example, by adding to the units or common elements). Or anything that causes a condominium law to require us either to accept a repayment or to discharge a part of the real estate from the mortgage. We can enforce the security if any of those things is done. Nothing in these terms requires us to consent under this paragraph. If we now have an obligation to consent (under the mortgage or otherwise), or if we in the future become subject to an obligation to consent, you agree that we need not consent unless both of the following conditions are met (in addition to any others). You must show us that, except as far as we have specifically agreed otherwise or do so, when the thing is done, the terms of the payment obligations will be the same as before it was done, or that we will have the benefit of new payment obligations that are the same as before. And you must show us that that the terms of the mortgage (except as far as we have specifically agreed otherwise or do so), and the value and marketability of the real estate, will be at least as good for us as before, or that we will have the benefit of new security under which they are at least as good for us as before.

4.3 Leasehold property. The following terms apply where we would have received security under part 3 if your interest in the property had not been as a tenant under a lease. They also apply where you give us security over property in which your interest is as a tenant under a lease.

4.3.1 Lease. We refer in this section to the lease to you as the lease. In this section lease does not include the other agreements referred to in the definition of lease in part 8. We refer to the property leased by the lease as the leased property. We refer to your interest in the leased property as a tenant under the lease as your leasehold interest.

4.3.2 How the mortgage applies to a leasehold interest. You do not grant, mortgage, charge, assign, bargain sell, or release all your claims on, the leased property or lease to us under part 3; instead you give us the security provided for below. No assignment of rights in part 3 applies to your leasehold interest or the lease. All other terms of the mortgage apply to the leased property. However, if the lease gives you both a leasehold interest and some other interest in the leased property, this section applies to the leasehold interest and part 3 applies to the other interest.

4.3.3 Our security. You grant us the following security over the leased property. Except as set out in the next sentence, you mortgage or charge the leasehold interest to us. But, where the effect of the previous sentence, or any other term of the mortgage, would be to assign your leasehold interest to us, the

sentence or term does not apply. You sublease the leased property to us for the rest of the term of the lease, except the last day of the term. Because you have not assigned the lease to us, your giving us the security does not put us under an obligation to your landlord to comply with your obligations under the lease. Although you have not assigned the lease to us, you must hold your remaining leasehold interest in trust for us. You must, when we can enforce the security, dispose of or deal with your interest under the lease, as we require. We may at any time after we can enforce the security appoint anyone as a new trustee in place of you or any other trustee, and we may use every power given by law to a person who appoints a new trustee to transfer the leasehold interest to the new trustee.

4.3.4 Landlord's interest. You agree that, even if you acquire the landlord's interest under the lease, the lease will continue to exist. If you have a right when the mortgage is given or after then to acquire the interest of any landlord in the leased property, you must give us security over the interest.

4.3.5 Renewal. If you have an option to renew or extend the lease, you must exercise the option and do everything needed to obtain the new lease or extension. If you have a right when the mortgage is given or after then to obtain a new lease of the leased property or to extend the lease, you must give us security over the new lease or extension.

4.3.6 Power of attorney to us. You irrevocably appoint us your attorney to do for you everything that this section requires you to do. We may authorize anyone to exercise this power for us.

5 Your other responsibilities.

5.1 Insurance.

5.1.1 Kinds of insurance required. You must insure your interest in every building and other improvement on the real estate against loss or damage by fire, extended perils and other risks normally covered by a fire insurance policy. If there is a boiler or machinery on the real estate, you must insure your interest against losses usually covered by a boiler and machinery policy. Where the real estate is leased, your insurance must cover your loss of rents and payments by tenants towards costs for at least a year. Where you use the real estate for a business purpose, the insurance must cover your loss of income for at least a year. You must also insure against general public liability. Where work is being done on the real estate, your insurance must cover builder's risks. In addition, you must carry that insurance for all of the property that a careful owner would usually carry when insuring a similar property and using it in a similar way and in a similar locality. You must also carry any insurance that any other agreement between you and us requires you to carry. If we ask in writing, you must carry any kind of insurance relating to the property that we reasonably require you to carry.

5.1.2 Insurance against damage. Your insurance against loss of or damage to a building or other property must be for the cost in Canadian dollars of replacing all of the building or property with a similar building or property. The policy must provide that the proceeds of any loss are payable to us and the insurer must, if we ask in writing, consent to the transfer of the benefit of the policy to us.

Insurance on a building must contain a mortgage clause in the standard form approved by the Insurance Bureau of Canada. The policy must also contain any other usual term for the protection of the holder of a mortgage and a provision for us to receive at least 30 days notice before the policy is cancelled or materially altered.

5.1.3 Company and terms. All insurance required by the mortgage must be with a reputable insurer. If we ask in writing, insurance must be with an insurer we reasonably require. The policy must be for an amount and contain terms that a careful owner would usually require when insuring similar property, using it in a similar way and in a similar locality. If we ask in writing, the policy must also be for any amount or contain any other terms that we reasonably require. If we at any time ask in writing, you must cancel a policy and replace it with a policy approved by us and issued by an insurer approved by us.

5.1.4 Compliance. You must promptly pay the premiums and other costs for all insurance required by the mortgage, comply with all of your obligations in relation to the policy and comply with all of the terms relating to your right to collect under the policy. You must, if we ask in writing, ensure that we receive a certified copy of every policy for the insurance required by the mortgage and every amendment to the policy. Where a policy expires, you must, if we ask in writing, ensure that we receive proof of the renewal or replacement at least 30 days before the expiry. You must also, if we ask in writing, provide us with a receipt for the premium and other proof that you are complying with your obligations as to insurance.

5.1.5 Claims and proceeds. If any of the property that is insured is lost or damaged, you must notify us in writing, make a claim in accordance with the insurance policy, and ensure that the proceeds are paid to us. Despite the loss or damage, you remain liable under your obligations to us, and you must pay the payment obligations as agreed. Despite any law, we may require the proceeds of all insurance against loss of or damage to property (including income) to be used either to reduce or pay payment obligations (even though they may not then have become payable), or to restore or replace the property, or partly in one way and partly in the other. This is subject to the section headed **Using Insurance proceeds to restore property.**

5.1.6 Our right to insure. If you do not comply with any of your obligations as to insurance in the mortgage, we may obtain any insurance that the mortgage requires you to obtain or any insurance that we think is needed to protect our interest. We are not obliged to do so and have no responsibility to you for any insurance we obtain. Anything we pay under this subsection is a cost that you must pay.

5.2 Using insurance proceeds to restore property.

5.2.1 When you have a right to use proceeds. We must allow you to receive the insurance proceeds for a loss to real estate, or make them available to you, under this section only if the other conditions in this section are met and both of the following conditions are met when the loss occurs. The principal owing under the mortgage must be two million dollars or more. And the remaining term of the mortgage must be five years or more.

5.2.2 Proceeds under \$100,000. If the conditions in the subsection headed **When you have a right to use proceeds** are met and the insurance proceeds for a loss to real estate are less than \$100,000, we must allow you to receive the proceeds. We need not do so after anything has happened which gives us a right to enforce the security. And we need do so only if you give us written notice asking for the proceeds before we use them to pay or reduce payment obligations. You must use the proceeds to restore the real estate.

5.2.3 Proceeds over \$100,000. If the conditions in the subsection headed **When you have a right to use proceeds** are met and the insurance proceeds for a loss to real estate are \$100,000 or more, we must make them available to you by progress payments to pay the cost of restoring the real estate provided all the conditions set out below are met.

5.2.3.1 Preliminary conditions. The following conditions must be met if we are to pay any proceeds to you. Within 30 days after the loss, you must give us written notice asking us to make the proceeds available. Within 90 days after the loss, you must satisfy us of the following. That the restoration is commercially reasonable. That the restoration, and the real estate after it, will comply with all laws. That during the restoration all expenses will be paid and we will receive payment the payment obligations as agreed. (We may require you to do that by depositing cash with us or giving us other security acceptable to us to cover the expenses or payments.) And that no material lease of any part of the real estate is terminated or can be terminated because of the loss and, when the restoration is completed, all material leases of the real estate will continue. We must within 90 days after the loss have given our written approval to the plans and specifications for the restoration (and we may not withhold approval unreasonably). And you must have started the restoration promptly after the loss and, in any event, within 120 days after the loss.

5.2.3.2 Conditions for each payment. The following conditions must be met when we make each payment to you. You must have complied with your obligations under the mortgage particularly those as to work on the real estate. Nothing must have happened which gives us the right to enforce the security. You must have satisfied us that the proceeds we will retain or receive after the payment are sufficient to pay all unpaid costs for the restoration and provide a reasonable reserve for contingencies. You must have given us a certificate signed by a professional architect or professional engineer who has been approved by us and has supervised the restoration. The certificate must state that all the requirements of the mortgage relating to the restoration have been fulfilled. It must also set out in reasonable detail the costs of the restoration to date and the estimated costs to complete. You must have satisfied us that you have a right to the payment. You must have satisfied us that the payment will be used to pay the cost of restoring the real estate. We must have received an opinion from our lawyer that there is no encumbrance on the real estate that has priority over the mortgage (except a permitted encumbrance). And not more than two years must have passed since the loss occurred.

5.2.4 When we require you to restore. Where we have a right to require the proceeds of insurance

to be used to restore or replace property and do so, the following terms apply. We need only make the proceeds available to you by progress payments to pay the cost of restoring the real estate. And we may require any of the conditions in the subsection headed **Conditions for each payment** to be met when we make each payment to you.

5.2.5 Effect of enforcement. When we can enforce the security, we may give you written notice that we require proceeds of insurance to be used to reduce or pay payment obligations. When we do so, your rights under this section come to an end as to proceeds that we then hold or that we receive after then for the same loss. If we have required proceeds of insurance to be used to restore or replace property, the requirement ceases to apply to proceeds that we then hold or that we receive after then for the same loss.

5.2.6 Holding proceeds. We need not pay or credit you with interest on insurance proceeds while we hold them. However, we must invest proceeds for you, at your risk and expense, in any investment that you ask us in writing to make, provided that it is an investment that the law allows a trustee to make and we approve it. Any proceeds of investment must be added to the proceeds.

5.3 Taxes and other charges.

5.3.1 Payment by you. You must pay all property taxes when they are due. You must pay all other charges on the property when they are due. The charges include amounts under an encumbrance on the property. Every year, within two weeks after the last payment of realty taxes was due, you must give us a receipt or other proof that you have paid all of the realty taxes for the year. If we ask in writing you must give us a receipt or other proof that you have paid every property tax and other charge. This subsection is subject to the section headed **Your rights to contest taxes or other payments**.

5.3.2 Payment by us. Whenever we ask in writing, you must allow us to pay the property taxes on the real estate. You must then promptly forward to us all bills for property taxes that you receive. We may decide to pay property taxes once or twice a year in advance, even if they can be paid more frequently. We may require you to pay instalments to us to enable us to pay property taxes. We may estimate the amount needed to pay any property taxes and decide when to pay them. We may choose the period over which we wish to collect instalments. We may then require you to pay us the estimated property taxes by instalments at any intervals that we choose. If the period started before we began collecting the instalments, we may require you to pay a lump sum to cover previous instalments. We must use the instalments to pay the property taxes. However, if any of the payment obligations has not been complied with, we may use the instalments to reduce the payment obligations. If we have not collected enough to pay the property taxes, you must pay the shortfall when we ask in writing for it. We need not credit you with interest on the instalments except in accordance with our general administrative practice at the time for the same kind of mortgage.

5.4 Your rights to contest taxes or other payments. Where the mortgage requires you to pay a property tax and you wish in good faith to contest the tax, you need not pay it as long as all of the following conditions are

met. The total that you are contesting must not be more than 2% of the total payment obligations owing. You must be proceeding in good faith and in the best possible manner to contest the tax. You must have deposited with us cash or given us other security acceptable to us for the full amount that we think you might have to pay if your contest does not succeed. It must not be possible for your interest in the property to be forfeited, sold or affected in any other way while you are contesting the tax. We must not then have the right to enforce the security. And you must keep us fully informed of the proceedings.

5.5 Maintenance and replacement of property. You must put and keep the property in good repair. You must restore or replace property that cannot be repaired.

5.6 Alterations or additions.

5.6.1 Restrictions. Except as set out in the subsection headed **Permissions** below, you must not, without our prior written approval do any of the following things, even if the work was proposed or in progress when the mortgage was given. Make or permit a structural alteration, structural addition or major change to the real estate. Remove any machinery or equipment that serves a building on the real estate. Demolish a building on the real estate. Or do or permit anyone else to do anything that lowers the value of the real estate. We may make our approval subject to conditions.

5.6.2 Permissions. You need not obtain our approval for an alteration or addition to a building where all of the following requirements are met. The purpose of the alteration or addition must be to make the building suitable for a tenant or occupant or to replace equipment that has become obsolete. The alteration or addition must be made in the ordinary course of business and must not interfere with the rights of a tenant or occupant. The alteration or addition must not weaken the structure of the building. The cost of all alterations and additions in progress at any time must not be more than 5% of the total payment obligations then owing. And we must not then have the right to enforce the security.

5.7 Work on real estate. Where you do work on the real estate, you must comply with the following obligations. You must do the work in a good and workmanlike manner, using good materials. You must conform to any contracts, plans, specifications or other description that we may have approved, and you must comply with any conditions to which our approval is subject. You must do the work with reasonable speed and without interruption until it is completed, and you must not abandon it.

5.8 Liens.

5.8.1 You must comply with all your legal obligations as to payment for any work on the real estate and you must comply with laws relating to encumbrances of those who do the work. If a claim is made for an encumbrance against your interest in the real estate, you must if we ask in writing immediately have it removed, by court order if necessary. If you fail to do so, we may have the encumbrance removed and provide any security needed for the purpose. Anything we pay under this section is a cost that you must pay.

5.8.2 If we reasonably conclude that our security may be subject to a construction lien, we may do any of the following things. We may require you to ensure that a certificate or declaration of substantial performance for the work is published in accordance with the law. When enforcing the security, we may provide anyone dealing with us with a financial guarantee bond or other security to cover a risk of there being a construction lien on the real estate.

5.9 Obligations affecting property. You must comply with every covenant, condition and other obligation that affects your interest in the property. If your interest in the property is subject to an encumbrance, they include those under the encumbrance. If property is leased to you, they include those under the lease. You agree that nothing will be done or omitted under them that might impair your interest in the property. This includes anything that could accelerate an amount owing under an encumbrance.

5.10 Preferred claims. This section applies to a preferred claim. This is an amount to which any of our rights under the mortgage is or may become subject, which takes or may take away any of those rights or which impairs or may impair those rights. It includes an amount that does or may do so in any of the following ways, for example. It causes a lien, implied lien, charge, trust, deemed trust or other claim on the property, or on the income or any other benefit from the property. It prevents us from receiving, or a receiver, manager from giving us, the full benefit of our security. It runs with the property or imposes an obligation on anyone who acquires an interest in the property from us. Or it may allow a person supplying an important service for the property to cut off the service. You must pay every preferred claim when it is due. If the claim became due before the mortgage was given and is unpaid, you must pay it immediately. Where anything that you do may create a preferred claim in the future, you must set and keep money aside to pay the claim.

5.11 Legal requirements and environmental. You must ensure that the property and its use comply with every law. You must not put or allow anyone else to put a pollutant in or on any part of the real estate (including water) that causes or is likely to cause harm to the life or health of a human being. You must not, without our prior written approval, use the real estate or allow it to be used, in a way that creates or increases a risk of a breach of this section, even if the use was proposed or in progress when the mortgage was given. We may make our approval subject to conditions, including security for clean-up costs, and you must comply with those conditions. You must give us prompt written notice of any material fact of which you become aware and which relates to the status of the real estate under any law or to any pollutant on or in the real estate, and a copy of any report that you prepare or receive on that. You agree to pay to the persons described below all loss that they suffer and that is caused by any of the causes listed below, and the persons are not liable to you for any loss so caused. The loss includes loss from a liability or from a cost relating to the liability. The causes are a breach of any law relating to the real estate or its use, or a pollutant in or on the real estate (including water), even if the breach occurred, or the pollutant was in or on the real estate, when the mortgage was given. The persons are as follows. Us, a person for whom we hold the payment obligations, a person for whose benefit we or the person hold any of the payment obligations, and a receiver or receiver and manager appointed under the

mortgage. A shareholder, director, officer, employee and agent of us, the person or the receiver or receiver and manager. And an heir, legal representative, successor or assignee of anyone listed in the previous two sentences. This section does not limit a right of us or a person who benefits under this section under any other term of the mortgage.

5.12 Specific environmental problems. You have given us a promise about things in a list in section 1.10. You agree not to do or allow anyone else to do any of the things. This does not limit our rights under the previous section. It does not apply to anything for which you have obtained our prior written approval under the previous section.

5.13 Leases.

5.13.1 Our approval required for some leases. Before entering into any of the following leases, you must obtain our written approval to the lease. A lease of more than 20% of all rentable areas on the real estate. A lease (or series of related leases) at a net rent of more than 20% of the total net rent from the real estate. (The total net rent is the actual net rent for premises then leased, the proposed net rent for the premises then being leased and the projected net rent for all other unleased premises.) A lease of premises which were previously leased, if the net rent under the lease is at a rate for the rentable area of less than 85% the highest yearly rate under the previous lease. And a lease to a tenant not dealing at arm's length with you. In calculating net rent under this subsection, we may reduce the rent to take into account your expenses, such as for inducements. You will be bound by a calculation of the percentages under this subsection that we make in good faith. We will not withhold our approval to a lease unreasonably, except to a lease to a tenant not dealing at arm's length with you. Our approving a lease does not mean that our interest is bound by it.

5.13.2 Your general obligations as to leases. You must not enter into a lease unless the lease satisfies the following conditions. The lease is to a tenant, at a rent and on terms, that are reasonable to the landlord, and you have taken the steps in entering into the lease that would be taken by a prudent landlord. The lease restricts the tenant's use of the premises to a use that is appropriate for the real estate. The lease does not require the tenant to pay rent more in advance than monthly or make any other kind of advance payment to you for the benefit of the lease (except for any security deposit of not more than one month's rent). The lease prevents the tenant from setting-off against or deducting from the rent or from other payments due to the landlord under the lease any amount that the tenant may claim from the landlord.

5.13.3 Your dealings with tenants. You must not accept rent under a lease more than one month in advance (except for a security deposit of not more than one month's rent). We are not bound by it if you do. We are not bound by any of the things listed below unless we give our prior written approval to them. We may not withhold our approval unreasonably. The things are the following. A surrender or termination of a lease or an agreement to surrender or terminate a lease. A material amendment of a lease. A release or waiver by you of a material obligation under a lease. Or a release by you of any of your remedies for a serious breach of an obligation under a lease. If a tenant of the real estate becomes insolvent, you must give us written

notice of that, and you must if we ask in writing give us the opportunity to take part in any proceeding.

5.13.4 Rent control and standards. You must comply with every law as to the rents that may be charged to tenants of the real estate and as to the standards to which the real estate must conform.

5.13.5 Your obligation to obtain agreements between tenants and us.

5.13.5.1 If we ask in writing, you must exercise your rights and use your best efforts to have the tenant under every lease that exists when the mortgage is signed enter into an agreement with us. If we ask in writing, you must have the tenant under every other lease enter into an agreement with us.

5.13.5.2 In the agreement, the tenant must postpone the lease to the mortgage. The tenant must also agree, if we ask in writing, to permit us (including a purchaser from us) to enforce the lease. The agreement must contain such terms as we reasonably require.

5.13.5.3 In the agreement referred to in this section, we must agree not to enforce our rights under the mortgage to disturb the tenant's possession or use of the real estate as tenant under the lease, as long as the tenant pays all rent and other money under the lease without set-off or deduction and is complying with all the tenant's other obligations under the lease. However we need enter into this agreement only if all of the following conditions are met. The tenant is at arms' length to the landlord. The lease conforms to all of the requirements of the mortgage. We have given our written approval to the lease (and we may not withhold our approval unreasonably). The tenant has executed all documents that the tenant is obliged to execute. The landlord and the tenant have substantially completed all work required by the lease to make the premises ready for use. The landlord has done substantially everything else that the lease requires of the landlord at or around the beginning of the lease, for example, taking over other premises of the tenant or paying an inducement or improvement allowance. The tenant has taken possession of all of the leased premises, has started to carry on business in them and has started to pay rent. And we do not then have the right to enforce the security.

5.14 Proceedings affecting the property. You must immediately notify us in writing if you or anyone else takes or threatens any action under any law or encumbrance relating to the property. This includes anyone taking a step to enforce a claim for work on the real estate, a court action, a proceeding before an administrative body (such as a zoning hearing or environmental assessment), an official action (such as an expropriation or order to comply with a bylaw), or a notice of default under an encumbrance.

5.15 Our rights to inspect and get reports, including environmental. We may at any time, before or after we can enforce the security, inspect the real estate, make appraisals of it, make tests of it, take samples from it, conduct environmental testing of it, or monitor any activity on it. We may have another person do these things for us. Where a person has done any of the things for you, you consent to the person doing them for us or giving us any information. You must permit us and anyone we authorize to enter the real

estate at reasonable times, before or after default and for any purpose we think is necessary. You must pay us our reasonable costs for exercising our powers under this section when we ask in writing for them. Exercising the powers in this section does not put us or our agent in possession, management or control of the real estate. Nor does it give you any rights against us or a person we have to do the things for us. This section does not limit any other right of ours under the mortgage.

5.16 Your giving us proof. Where the mortgage requires you to make a payment to anyone other than us, or comply with another obligation, you must if we ask give us proof that you have made the payment or complied. You must do so within a reasonable time, and in any event within 30 days.

5.17 Your giving us information. You must give us and anyone we authorize any financial, tax or other information that you have or can reasonably obtain and that we ask for in writing, about the following. About you, everyone who is responsible for payment obligations, every guarantor and, where property is held by a trustee, every beneficial owner. About the property. Or about how you are complying with your obligations. You authorize anyone else to give us that information. You must permit us and anyone we authorize to inspect the information at reasonable times and make a copy of it. You must if we ask in writing give us a budget for the real estate containing information we reasonably require.

5.18 Your keeping accounts and giving us statements and rent rolls. You must at all times keep records and accounts for the property in accordance with sound accounting practice. Within 120 days after the end of each financial year, you must give us a copy of the financial statements for you, everyone who is responsible for payment obligations, every guarantor and, where property is held by a trustee, every beneficial owner. A chartered accountant must prepare the statements in accordance with generally accepted accounting principles. If we reasonably ask in writing, an independent firm of chartered accountants must audit them. Within 120 days after the end of each financial year, you must also give us a separate operating statement for the real estate. It must at least show, by category, the income and operating expenses for the real estate, and the net income. Within 120 days after the end of each financial year, you must also give us a rent roll for the real estate as at the end of the year. It must at least show every tenant, and for each the rentable area in square feet; the annual, monthly and per square foot rent; the commencement and expiry dates of the lease; details of future rent increases; and whether rents are net or gross.

5.19 Your conduct of business. You must use, manage and operate the property in a reasonably prudent manner, in doing so you must comply with every law, and you must pay all expenses for doing so. If you are a corporation, you must maintain your corporate existence.

5.20 Your using professional management. If we decide that you have not complied with the previous section, we may give you a written notice requiring you to comply. If 30 days after the notice we decide that you have still not complied, we may give you a notice requiring you to use a manager chosen by us. You must then employ and use that manager to manage the real estate. You must pay the manager's remuneration and expenses.

5.21 Use of income. Until you have paid all current expenses directly attributable to the ownership and operation of the real estate, including all payment obligations, that have become payable, you must not use any rent and other money payable under a lease, or any other income from the real estate, for any other purpose.

5.22 No change in use of real estate. You must not, without our prior written approval, make a major change in the use of the real estate. You must not abandon the real estate or leave a building on it vacant.

5.23 Indemnity and release. You agree to pay to the persons described below all loss that they suffer and that is caused by any of the causes listed below, and the persons are not liable to you for any loss so caused. The loss includes loss from a liability or from a cost relating to the liability. The causes are injury to or death of a person or loss of or damage to property on or about the real estate; a use, non-use or condition on or about the real estate; and a breach of any law relating to the real estate or its use. The persons are as follows. Us, a person for whom we hold the payment obligations, a person for whose benefit we or the person hold any of the payment obligations, and a receiver or receiver and manager appointed under the mortgage. A shareholder, director, officer, employee and agent of us, the person or the receiver or receiver and manager. And an heir, legal representative, successor or assignee of anyone listed in the previous two sentences. You agree to pay the loss to us, and we are not liable for the loss, even where it was caused by our negligence, but this sentence does not cover a loss while we were in possession of the real estate on or about which the loss was caused. This section does not limit a right of us or a person who benefits under this section under any other term of the mortgage.

5.24 Other agreements. You must comply with your obligations to us under any other agreement that relates to payment obligations.

6 Enforcing security.

6.1 When we can enforce the security. We can enforce the security after any of the events listed below has occurred. We can do so even if the cause of the event is outside anyone's control. We can do so without presentment, protest, demand or notice, all of which you waive. If you are more than one person, an event for each person is an event of default for both or all of you. The events are:

6.1.1 A payment, or part of a payment, under any of the payment obligations is not made when it is due. This applies whether the amount is due on demand or a fixed date and by acceleration or otherwise.

6.1.2 Any other obligation to us under the mortgage is not complied with. Or where you are to do or not to do something, on or to the property, or as to its use, another person does the thing. This subsection is subject to the section headed Notice of default below.

6.1.3 Anything happens that impairs any of our security or any interest of yours in the property.

6.1.4 Any of the promises made, or information given, to us under or in connection with the mortgage is materially incorrect or incomplete. A promise or information may have been limited to what the

person who made or gave it knew. However, we can enforce the security if we find that the matters in the promise or information are materially incorrect, even though the person making the promise or giving the information did not know that it was incorrect, or had done what was reasonable to verify it.

6.1.5 Any obligation to us under any other agreement that relates to payment obligations is not complied with, or an event of default occurs under such an agreement.

6.1.6 At any time during the mortgage the property or its use does not comply substantially with every law. Or a part of the real estate (including water) is composed of a pollutant that causes or is likely to cause harm to the life or health of a human being.

6.1.7 You become insolvent (or, if you are more than one person, any of you does). Or anyone who is responsible for all or part of the payment obligations becomes insolvent, including a guarantor or indemnifier. A person becomes insolvent when any of the following happens. The person becomes a bankrupt or an insolvent, or is found in a legal process to be bankrupt or insolvent. The person makes an assignment for the benefit of creditors. Anyone enforces a judgment, distress or similar process against an asset of the person. A liquidator, receiver, trustee or similar officer is appointed for all or part of the person's assets or income. The person or anyone else starts a bankruptcy, arrangement or readjustment of debt, dissolution, liquidation or similar proceeding relating to the person under any law, including a proposal. And the person admits in writing the person's inability to pay the person's debts as they become due. Where anyone other than the person enforces the process or starts the proceeding, the person becomes insolvent only if the process or proceeding has not been dismissed, discharged or bonded within 60 days after it was enforced or started.

6.1.8 In our opinion, there is a material adverse change in your financial condition, in the value of the real estate, or in the income from the real estate.

6.1.9 Any other event occurs after which the mortgage says we can enforce the security.

6.2 **Notice of default.** We cannot enforce the security under section 6.1.2 (that is, merely for a failure to comply with any obligation other than an obligation to pay money), unless we give you written notice of the failure and it is not cured 30 days after we give the notice. However, if you can cure the failure but it cannot be cured within 30 days, we cannot enforce the security for the failure if you start curing it within 7 business days after we give the notice, you proceed continuously with the cure as quickly as possible and you complete the cure within 60 days after we gave the notice. Despite the above, we may without notice use our powers to carry out any obligation with which you have failed to comply where we think an earlier remedy is necessary to protect the value of our security. And, wherever a term of the mortgage outside this part headed **Enforcing security** refers to our becoming entitled to enforce the security, it must be read as if the words like "or we would have become entitled to enforce the security had we not been required to give notice" had been added to it.

6.3 **We may require obligations to be paid immediately.** When we can enforce the security, we may require immediate payment of all payment obligations (including obligations that have not become payable). The obligation to make the payment is however subject to any provision of a law which applies despite what you and we have agreed to in this section and which gives you a right to avoid the consequences of this requirement.

6.4 **We may take action.** We may take legal action to collect the payment obligations.

6.5 **We may take possession.** When we can enforce the security, we may take possession of the property.

6.6 **We may collect income.** When we can enforce the security, we may collect income from the property.

6.7 **We may sell.** When we can enforce the security, we may sell or dispose of the interest in the property covered by our security, without going to court. We may also ask a court to order a sale of that interest.

6.8 **We may divide property.** When we are in a position to sell the interest in the property covered by our security, we may, if any other person also has an interest in the property, agree with that person to divide the property between persons who have interests in it or to acquire an interest of the person. We may pay or receive money for the purpose and money we pay is a cost that you must pay.

6.9 **We may exercise the powers of an owner.** When we take possession of or collect income from the property we may exercise all the powers of an owner of the interest in the property covered by our security and you are bound by our actions. These powers include the following. We may manage and operate the property and carry on a business relating to the property. We may make or continue a repair, alteration or addition to the property. We may take legal proceedings relating to the property. We may borrow money or advance money for the purpose of exercising our powers. We may enter into contracts for the purpose of exercising our powers.

6.10 **We may appoint a receiver (or receiver and manager).**

6.10.1 **Appointment and removal.** When we can enforce the security, we may in writing appoint anyone to be a receiver or a receiver and manager as to the property, on any terms, including remuneration, that we think are reasonable. References in the mortgage to a receiver include a receiver and manager. We need not obtain security from the receiver and are not limited by any law in our choice of the receiver. We may make the appointment even if we have taken possession of property and, when we do so, we will be treated as having gone out of possession. We may also in writing remove a receiver appointed by us. When we remove a receiver, we may appoint a new receiver. We may also ask a court to appoint a receiver.

6.10.2 **Effect of appointment.** A receiver appointed by us is considered to be your agent and not ours; the receiver's acts and defaults are considered your acts and defaults and not ours; and you alone are responsible for the receiver's acts and defaults. Neither the appointment nor anything done by the receiver puts us in possession of property or makes us accountable for money except money we

actually receive. You release every receiver appointed by us from all claims against the receiver as receiver, unless they are caused by the receiver's dishonesty or gross neglect. You agree to pay every receiver all losses suffered by the receiver under liabilities the receiver incurs as receiver, except as far as they are caused by the receiver's dishonesty or gross neglect.

6.10.3 Receiver's powers. A receiver appointed by us has the following powers. The receiver may exercise any right or power that we can exercise, except where the appointment restricts the receiver from exercising a right or power. The receiver may use any legal right or remedy of yours or ours, in your name or ours, to collect income from the property. The receiver may borrow money on the security of the interest in the property covered by our security in priority to the mortgage for the purpose of exercising the receiver's powers. We may require the receiver to pay money received to us, or we may direct the receiver to use it as follows. To pay the receiver's remuneration and expenses. To pay rents, property taxes, insurance premiums, costs of repair and other expenses relating to the property. To pay money owing under an encumbrance having priority over the mortgage. To pay or reduce any of the payment obligations. To pay any of the money that remains to the person who, if the receiver had not been appointed, would have been entitled to it.

6.11 We may lease. When we can enforce the security, we may do the following things. We may grant a lease. We may terminate a lease, accept a surrender of a lease or agree to amend a lease.

6.12 We may become the owner. When we can enforce the security, we may take proceedings to foreclose your right to redeem the real estate, and ourselves become the owner of the interest in the property covered by our security.

6.13 We may ourselves carry out an obligation of yours. When we can enforce the security, we may carry out any obligation with which you have failed to comply. We or anyone we authorize may enter the real estate for the purpose. We may pay an amount under an encumbrance on the property, if we decide it has priority over the mortgage, or a property tax. We may prepay the encumbrance and compensate its holder. We may settle with the holder the amount to be paid and any compensation. Nothing we do under this section puts us in possession of the interest in the property covered by our security. Anything we pay under this section is a cost that you must pay.

6.14 We may distraint. When we can enforce the security, we may distraint for arrears of payment obligations, as if they were rent and the real estate was leased to you. The arrears include, not only interest, but also principal, taxes and costs. The right to distraint is a right to take and dispose of goods. Our power is subject to any law that applies despite what you and we have agreed to, for example, where the real estate is a home. You waive any exemption from our right to distraint and any limit on it. Distraint does not put us in possession of the real estate and we need account only for money we actually receive. The right can be exercised by anyone who, after the mortgage is given, becomes the holder of the mortgage.

6.15 We may consolidate another mortgage. Where a principle of equity would give us a right to refuse a discharge of the mortgage, until another mortgage is

paid (that is, to consolidate mortgages), you agree that we have the right despite any statute.

6.16 We may recover costs. You must pay us all our expenses and costs in collecting under the payment obligations and exercising our rights under the mortgage, and even if we do not completely do so.

6.17 How we may exercise our powers. When we exercise any of our powers under the mortgage, the following terms apply.

6.17.1 We may exercise the power as to all or part of the property or as to any interest in all or part of the property. We may exercise the power without obtaining any consent or cooperation from you. We may exercise the power in your name or ours. We may exercise the power even if we have not taken possession of the property. We may exercise the power to enter into a sale, lease or other transaction in any way and on any terms that we think are reasonable. For example, we may do so by private contract as well as by public auction or tender, and we may sell on credit as well as for cash. If we sell on credit, we need not account for the proceeds until we receive them.

6.17.2 We may do everything that we think proper relating to a sale, lease or other transaction. For example, we may enter into an agreement to enter into the transaction, bring an agreement to an end, enter into a new agreement or amend an agreement. At an auction we may set a reserve price or buy in to prevent a sale that we think is inappropriate. We may give all documents that we think are necessary for the above purposes.

6.17.3 We may transfer or deal in any other way with every interest in the property that you had the power to dispose of or deal with. You must at our request do everything that we think is necessary or advisable to transfer your interest in the property or deal in any other way with it and you must pay our costs for that. You irrevocably appoint us as your attorney to do at any time anything we decide is needed or desirable to exercise a right under the mortgage. Wherever you appoint us as your attorney, you also appoint anyone we authorize or substitute, as your attorney for the same purpose.

6.17.4 Where your interest in property is a right, or is affected by an obligation, we may decide or settle a question as to the right or obligation.

6.17.5 Where a receiver exercises a right or power, this section applies as if all references to us were to the receiver.

6.18 Other terms relating to our rights.

6.18.1 Legal powers. Where a power that the mortgage gives to us goes beyond what is permitted by a law that applies despite what you and we have agreed to, we have the power as far as that law permits.

6.18.2 Legal requirements apply. Our rights in the mortgage are subject to our giving any notice or taking any other step that is required by a law that applies despite what you and we have agreed to. Subject to this and to the other terms of the mortgage, we can enforce our security without giving any notice or taking any other step, except where the mortgage expressly gives you a right to notice.

6.18.3 Other rights. The rights set out in the mortgage are not exhaustive; we may exercise any other right given to us by the mortgage, any other agreement, or the law. We may exercise more than one of the rights given to us by the mortgage, any other agreement, or the law, at the same time, at different times and in any order we choose.

6.18.4 Use of proceeds. We may use money that we receive from enforcing the security to reduce or pay any of the payment obligations in whatever way we decide.

6.18.5 Shortfall. If money we receive from enforcing the security falls short of the total payment obligations owing, we retain the right to recover the shortfall.

6.19 Things left on the real estate. If, when we enforce the security over real estate, there is anything on it over which we do not have security, you must pay a reasonable charge for storing the thing. You must also pay any costs we incur for it. We may remove it from the real estate. We may sell it. We are not liable for loss of it or damage to it, however caused, even if intentionally or by gross negligence.

6.20 Protection of persons who deal with us or a receiver.

6.20.1 When we sell, grant a lease, collect income or enter into any other kind of transaction authorized by the mortgage with another person, that person and any person deriving title under that person need only be satisfied that a discharge of the mortgage has not been registered and that the transaction is of a kind that we have the power to enter. When a receiver appointed by us enters into any kind of transaction with another person, that person and any person deriving title under that person need only be satisfied that a discharge of the mortgage has not been registered, that we have entered a document purporting to appoint the receiver, that the transaction is of a kind that we have the power to enter and that the transaction is not of a kind that the document entered by us restricts the receiver from entering. A statutory declaration by us or an officer of ours as to any fact set out in this subsection is conclusive evidence in favour of every person referred to above. Every such person may assume without inquiry that we can enforce the security, that we are using our powers properly and that the receiver is using the receiver's powers properly. The person is not affected by the fact that a transaction is improper, even if the person actually knows of the fact. In particular, the person may do the following things. The person may assume that there are outstanding payment obligations under the mortgage. The person may assume that an event has occurred which gives us the right to enforce the security, that we have given any required notice and that any required time has passed. Where we or the receiver can enforce the security on terms that we or the receiver think are reasonable, the person may assume that the terms on which we or the receiver enforce the security are reasonable. The person may pay money to us or the receiver without being concerned about what we or the receiver do with it.

6.20.2 Any transaction that conforms to the previous subsection binds you. You must not make any claim against the person who deals with us or the receiver or that person's successors on the ground that the transaction does not conform to other terms of the

mortgage. If you do have a claim for anything done by us, it is restricted to a claim for compensation against us, and is subject to all terms limiting our liability.

6.21 Our protection. We are not responsible for any loss arising in the course of our enforcing the security or exercising a right under any other term of the mortgage, even if it was caused by negligence, unless it results from our dishonesty or our gross neglect.

7 Other terms.

7.1 Immediate payment after transfer, change of control, condominium or change in tax status.

7.1.1 In this section, transfer includes a transfer by law and, for a non-public corporation, a change of control (direct or indirect) or amalgamation of the corporation. (For the purpose of this section, we will treat the change or amalgamation as a transfer of the interest of the corporation, and the person receiving control or the successor after the amalgamation as the transferee.) This section applies to a transfer if it meets all of the following tests. It must be of an interest in all or a substantial part of the real estate. It must be of an interest of an owner (as defined in Part 8) that is subject to our security or, where the interest is subject to a bare trust, the interest of a trustee or beneficial owner. Where the interest is held by more than one person, it must be of 50% or more of the interests of both or all of the persons. And, for a partnership, it must be by the partnership or, for a transfer of interests in the partnership, it must be of 50% or more of the interests of the partners in a general partnership, or of the general partners in a limited partnership. If a transfer is part of a series of transfers, both or all are treated as one.

7.1.2 Despite other terms of the mortgage, we may at our option require immediate payment of all of the payment obligations whenever there is a transfer to which, under the previous subsection, this section applies. The previous sentence does not apply where we give our prior written approval to the transfer. You agree that there will not without our prior written approval be a transfer to which, under the previous subsection, this section applies. We may not withhold approval to a transfer under this subsection unreasonably. We do not withhold approval unreasonably where we are not satisfied that a transferee is creditworthy or has the expertise needed to manage the real estate. We do not withhold approval unreasonably where we require a transferee to agree with us to comply with the mortgage or a major shareholder of a non-public corporate transferee to give us a guarantee or indemnity. We do not withhold approval unreasonably if we do so while we can enforce the security. Our approving a transfer does not impair or waive our right under this section on a future transfer. This subsection does not impair any other right that we may have to approve or consent to a transfer.

7.1.3 You must give us written notice of a transfer at least 30 days before it occurs, together with all information we might reasonably require to decide whether to approve the transfer. This must include a copy of every agreement for the transfer, a copy of the last financial statements for a business of every transferee, a net worth statement for every individual transferee and major shareholder of a non-public corporate transferee, a current operating statement and rent roll conforming to the requirements under

the heading **Your keeping accounts and giving us statements and rent rolls**, and a description of every business of every transferee.

7.1.4 Despite other terms of the mortgage or this section, we may at our option require immediate payment of all of the payment obligations whenever, after the mortgage is given, any of the following ceases to be resident in Canada for tax purposes: an owner (as defined in Part 8) of an interest that is subject to our security or, where the interest is subject to a bare trust, a beneficial owner.

7.2 **Effect of your selling or dealing with the property.** If you sell or deal in any other way with your interest in the property or part of it, you continue to be liable for your obligations under the mortgage, and our rights against you or anyone else are not affected. Nothing that we do in connection with a sale or dealing (including our approving a transfer or having a person agree to assume a liability or give us a guarantee or indemnity) impairs those rights.

7.3 **Your obligation to notify us after a transfer.** After a transfer of the interest in the real estate or any part of it of an owner or beneficial owner, you must promptly notify us in writing of the date of the transfer. Except where we have already received the details, the notice must include the price or consideration, the full name and address of every transferee and where the transferee is a trustee, the same information for a beneficial owner.

7.4 **Further encumbrance.** Despite other terms of the mortgage, we may require immediate payment of all of the payment obligations whenever, after the mortgage is given, a mortgage or charge is given on the interest in all or part of the real estate of an owner. This section does not apply where we give our prior written approval to the mortgage or charge. You agree that there will not without our prior written approval be a mortgage or charge on the interest in all or part of the real estate of an owner. We may not withhold approval unreasonably. We do not withhold approval unreasonably if we do so while we can enforce the security. Our approving a mortgage or charge does not impair or waive our right under this section on a future mortgage or charge. You must give us written notice of a mortgage or charge at least 30 days before it occurs, together with all information we might reasonably require to decide whether to approve the mortgage or charge. This must include a copy of every agreement for the mortgage or charge; the amount, rate and terms of repayment of the obligations secured; details of the purpose for which the obligations are incurred; and the name, address and description of the intended holder of the mortgage or charge.

7.5 **Additional terms as to our obligation to lend (including terms as to liens).** Our taking the mortgage, or our advancing money under it, does not put us under an obligation to lend money or to extend credit. Nor does it add to any such obligation that we may have. Despite any agreement, we need not lend money or extend credit while we can enforce the security. Or while we would have had the right to enforce the security if we had not been required to give notice or allow time to pass. Despite any agreement, we may reduce an amount we must lend, or for which we must extend credit, by what we think is needed to remove a prior encumbrance. We may do this only where our security is to have priority over the encumbrance and we think it may not, for example,

where you are constructing a building and we think a lien may have priority.

7.6 **Effect of law or other transactions, including any commitment.** The mortgage adds to our rights. Nothing in the mortgage takes away or reduces our rights under any law or other transaction. Nothing in any other transaction between you and us takes away or reduces our rights under the mortgage. If there is a conflict between the mortgage and a law or another transaction, it must be resolved to give us the rights under both or, where there is a conflict, the better rights. Subject to the above, the terms of a commitment or other agreement for the mortgage continue in force (and do not merge into the mortgage).

7.7 **Effect of subdivision of the real estate.** If any of the real estate is divided into a lot, condominium unit or other part, every part of the property secures the total payment obligations. This section applies whether the division exists when the mortgage is given, or takes place after then. The obligations must not be apportioned to parts of the real estate. You cannot require us to discharge a part of the real estate for part of the payment obligations. You waive any right given to you by law that is inconsistent with this section.

7.8 **Effect of our giving releases or discharges.** If we release anyone from an obligation or if we release any security, our rights against anyone else or under any other security are not affected. This applies when we agree to extend the time for payment of any of the payment obligations or to change their terms in any other way. It also applies when we discharge part of the property from the mortgage; if we do, the property not discharged secures the total payment obligations that remain owing. This section applies whatever are the terms on which we give the release or discharge and even if we receive nothing in return. We are not liable to you for the release or discharge, except to account to you for money that we both actually receive and accept to reduce the payment obligations.

7.9 **Effect of our delaying enforcing the security or waiving rights.** If we delay enforcing a right under the mortgage or any other agreement, or do not exercise the right, or do not exercise a right against anyone, we do not lose or impair the right or any other right. If we waive a breach of any obligation under the mortgage or any other agreement, we do not lose a right of ours in respect of any other breach of the obligation. If we waive a right, we do not lose or impair any other right of ours. We are not bound by an agreement that contains a waiver unless it is in writing and is signed by us.

7.10 **Effect of our dealings with future owners.** After the mortgage is given, a person may become an owner of the property and we may enter into an agreement with that person extending the time for payment of the payment obligations or changing the payment obligations in some other way. If so, we do not lose or impair our rights against anyone who had agreed to pay or had guaranteed the payment obligations or given an indemnity. The same applies if we deal in any other way with a new owner or deal in any way with any other person who has an interest in the property or part of it.

7.11 **Effect of our obtaining a judgment.** If we obtain a court judgment for a failure to pay any of the payment obligations or to perform any other obligation, the judgment does not supersede the obligation, or impair the obligation or our right to enforce our

security. We continue to be entitled to interest under the payment obligations, calculated and payable as agreed, and the judgment may so provide.

7.12 Effect of our paying security. If we pay an amount under an encumbrance on the property, we not only have the rights given to us by the mortgage, but we are also entitled to the rights of the person paid. If a person paid gives a discharge, we may hold it, without registering it, for longer than any period during which any law might otherwise require us to register it.

7.13 Your liability. Where more than one of you are liable for an obligation under the mortgage, both or all of you are jointly and severally liable for the obligation.

7.14 Your spouse. While any existing or future law gives your spouse any right if we enforce the security, you must keep us informed in writing of the full name and address of the spouse. Spouse includes anyone whom the law treats like a spouse for the purpose of the security.

7.15 Effect of expropriation.

7.15.1 This section applies where all or part of your interest in all or part of the real estate is expropriated, that is, taken without your consent by a government or anyone else in the exercise of a statutory power. It also applies where there is "injurious affection" to all or part of your interest in all or part of the real estate, that is where its value is reduced by an expropriation or other action under a statutory power.

7.15.2 Despite an expropriation or injurious affection, you remain liable under your obligations to us, and you must pay the payment obligations as agreed. Our security under the section headed **Other rights**, in the part headed **Our security**, also covers the benefit of your rights to compensation for the expropriation or injurious affection. We may require all or part of the compensation to be used to reduce or pay payment obligations (even though they may not then have become payable). The events after which we can enforce the security under the section headed **When we can enforce the security** include the expropriation or injurious affection.

7.15.3 Despite the above, compensation for an expropriation or injurious affection may be dealt with in the same way as insurance proceeds for loss to real estate. All of the terms of the section headed **When you may use insurance to restore property** that apply to those proceeds apply to the compensation. For this purpose, where the terms refer to the proceeds, they must be taken to refer to the compensation. Where they refer to restoring the real estate, they must be taken to refer to improving the real estate that remains subject to the mortgage. Where they refer to the loss, they must be taken to refer to the expropriation or injurious affection. Corresponding changes must be made to the rest of the terms. If we are to pay any of the compensation to you, you must satisfy us as to two further matters. First, that the improvement will increase the value of the real estate by at least the amount of the compensation. And second that the expropriation or injurious affection has not caused a material adverse change in the nature of our security.

7.16 Events beyond your control. If any of the events listed below or other similar event beyond your control prevents you from complying with an obligation under

the part headed **Your other responsibilities**, other than a payment obligation, and you could not by exercising a skill that we might reasonably have expected an owner of a similar property to have or by taking reasonable care have avoided the event, you are not responsible for a delay in complying caused by the event. The events referred to above are a fire, an act of God, a strike, a war and an act or omission of a governmental authority. An inability to pay money is not an event referred to in this section. This section does not apply while we have the right to enforce the security.

7.17 How the mortgage is affected if a term is invalid or unenforceable. If a term of the mortgage is or becomes invalid or unenforceable, that does not make the mortgage or other terms invalid or unenforceable. If our security is invalid or unenforceable as to part of the property or an interest in property, it remains valid or enforceable as to the remaining part or interest. If the mortgage is or becomes invalid or unenforceable as to any payment obligations, that does not make the mortgage invalid or unenforceable as to other payment obligations.

7.18 Changes to the mortgage must be in writing. We are not bound by any change to the terms of the mortgage that detracts from our rights unless it is in writing and signed by us.

7.19 Your responsibility. A right of ours under the mortgage does not relieve you from a duty as to the property or put a duty on us. Nor does our exercising the right. In particular, the right or exercise does not mean that we take over a duty based on possession, management or control. This section does not limit our rights.

7.20 We assume no additional responsibility. Nothing we do relating to the mortgage puts us under a duty of care towards you. You should not rely, for example, on an appraisal we make as showing the value of property, on our requiring insurance as showing that it is appropriate, on an inspection as showing that property is without defect, or on our approving a lease as showing that it is advisable.

7.21 Notices or other communications.

7.21.1 How we may give notices. Where the mortgage requires or allows us to give a notice in writing to any person (including you) or to communicate in any other way in writing with any person (including you), we may give the notice or communication in any of the following ways. We may deliver it personally to the person. If the person is a corporation or partnership, we may deliver it personally to anyone we reasonably believe to be a director, officer, general partner or responsible employee or agent of the corporation or partnership. We may leave it at the person's address last known to us with a grown-up person there or in a place where it should reasonably be seen by anyone at that address. We may mail it by prepaid mail addressed to the person at the person's mailing address last known to us, and we may choose whether to send it by ordinary, certified or registered mail. Every party to the mortgage consents to our providing it in an electronic form (including fax) to any person or, if the person is a corporation or partnership, to a director or other person described above. We may advertise it in a newspaper published or generally read in the area where any part of the real estate is situated.

7.21.2 Time of receipt. A notice or communication delivered, left or advertised in any of the ways set out above is regarded as given to the person when it is so delivered, left or published. A notice or communication mailed as set out above is regarded as given on the third business day after it was mailed, whether the person actually receives it or not. If there is a mail strike on the day that it is mailed or before it would be regarded as given, the mailed notice is not given until it is delivered. A notice or communication sent by fax on a business day and before 3 p.m. in the place to which it is sent is regarded as given on that day; otherwise it is regarded as given on the next business day after it was sent. A notice or communication provided in another electronic form is given, if the person (including a director or other person) has designated an information system for the purpose of receiving information, or has used an information system for the purpose of sending us information, when it enters the system last so used and becomes capable of being retrieved and processed by the person.

7.21.3 Addressee. A notice or communication is valid even though it is not addressed to anyone by name or description. It is also valid even though the person affected by it is not known, has not been identified or is under a disability.

7.21.4 Who is entitled to a notice or communication. Where the mortgage requires or allows us to give a notice to you or communicate with you in any other way, the notice or communication is valid if we give or make it to a person last known to us to be an owner of your interest in the real estate, as defined under Meaning of terms used. This is so even though the expression "you" may include others or the notice or communication relates to property other than real estate. Where there are more than one owner, the notice or communication is valid if we give or make it to either or any of them.

7.21.5 Law. This section does not take from us the benefit of any provision of the law dealing with a notice or communication. In particular, a notice of sale is validly given if it would be regarded as properly given under any law.

7.22 Transfer by us. We may transfer or otherwise deal with the benefit of all or part of our rights, or any interest in or power relating to all or part of our rights, under the mortgage, or any guarantee or other right relating to the mortgage, free from any set-off, counterclaim or other equity or claim. You must at our expense do everything to facilitate the transfer or dealing that we may ask for in writing. If a transferee of all or part of our rights agrees with us to assume an obligation of ours relating to the rights, we are after the transfer released from liability for the obligation. We may delegate powers or responsibilities of ours, for example, to a person servicing the mortgage. When we do anything under this section, or propose to do so, we may disclose any information we have received.

7.23 How others are affected by the mortgage.

7.23.1 Your obligations under the mortgage are binding on, and our obligations under it benefit, a legal or personal representative, successor in interest or assignee of yours, and every other person who after the mortgage is given becomes the holder of an interest or right in the property or a part of it.

Wherever the mortgage refers to you, that includes every such person, where the context allows.

7.23.2 The mortgage is binding on and benefits a legal or personal representative, successor in interest or assignee of ours, and every other person who after the mortgage is given becomes the holder of an interest or right in the mortgage or a part of it. Wherever the mortgage refers to us, that includes every such person, where the context allows. The person has the powers that the mortgage gives to us.

7.24 Your changing your location or name. You agree that there will not, without our prior written approval (which we may not withhold unreasonably), be a change in location for any person against whom we must register the mortgage in order to perfect it by registration, if the change causes us to need to register the mortgage under the law of another jurisdiction. This may apply to a change in the person's place of business if there is one, the person's chief executive office if there is more than one place of business, or otherwise the person's principal place of residence. You must promptly give us written notice of a change in a name against which we must register the mortgage in order to perfect it by registration. For an artificial body (for example, a partnership, an unincorporated body, an estate or a trust) this may, for example, be a change in the name of the body or of a member. You must, when asking for the approval or giving the notice, give us all the details we need to keep our registration current.

7.25 Our approvals, consents and other actions. Where under the mortgage we have a right to approve or consent to anything, or to be satisfied about anything, or to make any other decision, we have the sole discretion in exercising the right, except where the mortgage expressly provides otherwise. Where the mortgage expressly provides that we must act reasonably or in another way, we must be taken to have done so, unless you have shown us that we are acting unreasonably or not in that way. Where we act unreasonably or not in that way, we need not compensate you for any loss caused.

7.26 Conflict between these terms and the mortgage. If there is a conflict between any of these terms, or between these terms and the rest of the mortgage in which these terms are included, it must be resolved to give us the rights under both, or the better rights.

7.27 Governing law. The mortgage is governed by the law of the jurisdiction in which the real estate is located, including federal law in force in that jurisdiction. The courts of that jurisdiction have jurisdiction in matters under the mortgage.

7.28 Consideration. You agree that you are giving the mortgage in return for, among other things, one dollar, which you have received. Every other person entering the mortgage agrees that the person is doing so in return for, among other things, one dollar, which the person has received.

7.29 Counterparts. The mortgage may be signed in counterparts.

7.30 Terms included by law. Subsection 7(1) of the Land Registration Reform Act includes terms in a mortgage unless the mortgage excludes them. Neither those terms nor any similar terms in any future law are included in the mortgage.

8 Meaning of terms used.

8.1 What certain terms mean. Terms used in the mortgage have the following meanings:

8.1.1 **Business day** means any day other than a Saturday, Sunday or public holiday in the jurisdiction in which the real estate is located.

8.1.2 **Cost** includes every payment obligation that is referred to in the mortgage, or in any agreement containing payment obligations or relating to the mortgage, as a cost, charge or expense including those that, as a result of the mortgage, the law requires you to pay.

8.1.3 **Encumbrance** includes the following. An exception, reservation or condition. Any agreement intended to create security or raise finance, including a mortgage, charge, conditional sale, lien, pledge, assignment or lease. A lease, right of way or other easement or restrictive covenant. A reversion or trust. A claim under a marriage or family law. A claim by adverse possession or use. Or any other encumbrance (as that word is ordinarily understood). It includes any of these things even if it is inchoate, potential, unregistered or unperfected or affected property before it became part of other property.

8.1.4 **Land** includes real property. It includes buildings and the other things that land includes and that are referred to in part 3.

8.1.5 **Law** includes law that is either enacted or part of the common law. Enacted law includes law made by the federal, provincial or other government, by a municipality, or by any other governmental body. Law also includes a governmental action, such as an order, notice or approval.

8.1.6 **Lease** means a lease of all or part of the real estate, an agreement to give a lease of all or part of the real estate and an agreement giving anyone a right to occupy or use all or part of the real estate (except a right of way or other easement). If there has been an agreement changing the terms of such a lease or agreement, it means the lease or agreement as so changed. Where lease refers to an agreement giving anyone a right to occupy or use all or part of the real estate, **landlord** means the person whose interest is subject to the right and **tenant** means the person who has the right. In all cases lease includes a sublease.

8.1.7 **Owner** of an interest in a property that is subject to our security means a person who would ordinarily be regarded as an owner or holder of the interest. Where there is a mortgage on the interest subsequent to ours, it excludes the holder of the mortgage, and means a person whose interest is

subject to the mortgage (or last mortgage), or who holds the equity of redemption under that mortgage (or last mortgage). Where the interest is subject to a lease, it excludes the tenant. Where a person holds the interest in trust, it means the trustee, and excludes a beneficiary. When an owner or holder of an interest dies, it means the person who controls or represents the estate, and excludes a beneficiary, while the person does so. Where more than one person is an owner, it includes both or all (or either or any) of them.

8.1.8 **Payment obligations** are the obligations to pay money that are intended to be secured by the mortgage. Where the amount secured by the mortgage is limited, payment obligations are the obligations without regard to the limit.

8.1.9 **Person** includes corporation

8.1.10 **Pollutant** means a substance that can cause or probably could cause harm to the life or health of a human being. It may be a solid, liquid, gas, odour or radiation.

8.1.11 **Property** means any property an interest in which is intended to be subject to security under the mortgage. It includes real estate.

8.1.12 **Property tax** means every kind of tax, rate, duty, levy, charge, imposition, assessment and fee, general or special, on the property or any part of it or in respect of the property or any part of it, whether it is in favour of a federal, provincial or other government, a municipality, a church authority, or any other governmental body, and whether it is of a kind that exists when the mortgage is given or comes into existence after then. It does not include a tax on us in respect of our overall net income or gains or a tax in respect of a transfer by us of our interest in the mortgage or of the payment obligations.

8.1.13 **Real estate** means the land which, or an interest in which, is intended to be subject to security under the mortgage.

8.1.14 **Work on real estate** includes constructing anything that becomes part of the real estate, altering the real estate, adding to the real estate, repairing the real estate and demolishing a part of the real estate.

8.2 **Interpretation generally.** Where under the mortgage you or we promise, you or we must be taken to represent and warrant. Where under the mortgage you or we must do or not do anything, you or we agree and covenant to do or not do the thing. Your liability under your obligations in the mortgage continues after the payment obligations have been paid or the mortgage has been discharged.

Dated March 19, 2002.

The Manufacturers Life Insurance Company
By:

Corporate
Seal



Name: Lorne Down
Title: Vice President, Canadian Mortgage

THE MANUFACTURERS LIFE INSURANCE COMPANY

and

2723 LANCASTER ROAD INC.

Applicant

Respondent

Court File No. 15-66931

**ONTARIO
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT
OTTAWA

AFFIDAVIT OF ROBERT AMOS

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

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

Leonard Loewith LSUC #: 65606N
Tel: 416.860.6471
Fax: 416.640.3092
lloewith@casselsbrock.com

Lawyers for the Applicant

TAB 3

THE MANUFACTURERS LIFE INSURANCE COMPANY

Applicant

- and -

2723 LANCASTER ROAD INC.

Respondent

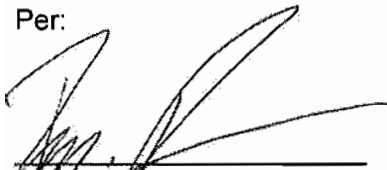
APPLICATION UNDER Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43

CONSENT

COLLINS BARROW TORONTO LIMITED hereby consents to act as receiver, without security, of all of the assets, undertakings and properties of 2723 Lancaster Road Inc.

Collins Barrow Toronto Limited
Per:

December 15, 2015



Bryan A. Tannenbaum
President

Court File No. 15-66931

THE MANUFACTURERS LIFE INSURANCE COMPANY
Applicant

2723 LANCASTER ROAD INC.
Respondent

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
OTTAWA

APPLICATION RECORD

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

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

Leonard Loewith LSUC 65606N
Tel: 416.860.6471
Fax: 416.640.3092
lloewith@casselsbrock.com

Lawyers for the applicant