

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

IN THE MATTER OF Section 101 of the
Courts of Justice Act and Section 243 of the *Bankruptcy and Insolvency Act*

BETWEEN:

**TREZ CAPITAL LIMITED PARTNERSHIP,
TREZ CAPITAL (2011) CORPORATION AND
COMPUTERSHARE TRUST COMPANY OF CANADA**

Applicants

-and-

2501427 ONTARIO LIMITED and 2501431 ONTARIO LIMITED

Respondents

APPLICATION RECORD

November 4, 2016

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AND TO: 2501427 ONTARIO LIMITED
196 Sunway Square
Markham, ON L3P 7X3

Respondent

AND TO: 2501431 ONTARIO LIMITED
196 Sunway Square
Markham, ON L3P 7X3

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Tab 1

Court File No.: CV-16-11594-00CL

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

IN THE MATTER OF Section 101 of the
Courts of Justice Act and Section 243 of the *Bankruptcy and Insolvency Act*

BETWEEN:

**TREZ CAPITAL LIMITED PARTNERSHIP,
TREZ CAPITAL (2011) CORPORATION AND
COMPUTERSHARE TRUST COMPANY OF CANADA**

Applicants

-and-

2501427 ONTARIO LIMITED and 2501431 ONTARIO LIMITED

Respondents

NOTICE OF APPLICATION

TO THE RESPONDENT(S):

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 a date to be fixed by the Court, at the Ontario Superior Court of Justice, 330 University Avenue, Toronto, Ontario.

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

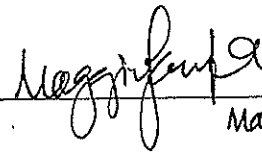
IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least 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: November 3, 2016

Issued by:


Maggie Sanka
Registrar

Address of court office: 330 University Avenue, 7th Floor
Toronto, ON M5G 1R7

TO: GARFINKLE BIDERMAN LLP
Barristers & Solicitors
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Lawyers for the Guarantor, Kin Keung Yau

AND TO: 2501427 ONTARIO LIMITED
196 Sunway Square
Markham, ON L3P 7X3

Respondent

AND TO: 2501431 ONTARIO LIMITED
196 Sunway Square
Markham, ON L3P 7X3

Respondent

APPLICATION

1. The Applicants, Trez Capital Limited Partnership ("TCLP"), Trez Capital (2011) Corporation ("Trez") and Computershare Trust Company of Canada ("Computershare") (collectively the "Lender") make an application for an Order:

- (a) abridging the time for service of the Notice of Application and the Application Record herein and dispensing with further service thereof;
- (b) appointing Ira Smith Trustee & Receiver Inc. (the "Receiver") as the receiver and manager (the "Receiver") in respect of 2501427 Ontario Limited and 2501431 Ontario Limited (collectively the "Borrowers") and all of its assets, undertakings and properties pursuant to Section 101 of the *Courts of Justice Act* (the "CJA") and Section 243 of the *Bankruptcy and Insolvency Act* (the "BIA");
- (c) for costs of this Application in such a manner as this Honorable Court may deem just; and
- (d) Such further and other relief this Honourable Court may deem just.

THE GROUNDS FOR THE APPLICATION ARE:

The Parties

2. Trez is a British Columbia corporation and is the general partner of TCLP. Trez has an office located in Toronto, Ontario.
3. TCLP is a limited partnership that also carries on business as a commercial mortgage lender. TCLP is a related entity of Trez and operates in the same office located in Toronto, Ontario.
4. Computershare is a Canadian corporation with an office located in Toronto, Ontario. Computershare holds the various mortgages referred to herein as the custodian for Trez and TCLP.

5. The Borrowers are Ontario corporations. The Borrowers are the registered owners of those lands and premises located at 200 Matheson Boulevard, Mississauga Ontario ("200 Matheson") and the adjoining 1 acre parcel of land on the west side of Avebury Rd., Mississauga, Ontario, as described in Schedule "A" (collectively the "Properties"). A two storey 52,112 square foot office building is located on 200 Matheson (the "Building").

The Borrowers Purchased The Properties Out of Receivership

6. Prior to the acquisition of the Properties by the Borrowers, the Lender had appointed the Receiver in respect of Kingsview Investments Incorporated and St. George's Properties Inc., the previous owners of the Properties, in the receivership proceeding bearing court file no. CV-14-10407-00CL (the "2014 Receivership Proceeding").

7. The Borrowers completed the purchase of the Properties from the Receiver on February 3, 2016, pursuant to the Approval and Vesting Order of Justice Hainey dated January 21, 2016 in the 2014 Receivership Proceeding (the "Hainey Order").

The Loan

8. Pursuant to the terms of a Commitment Letter dated January 26, 2016 (the "Commitment"), the Lender agreed to loan the principal sum of \$11,400,000 to the Borrowers (the "Loan") in respect of the acquisition of the Properties. As security for their indebtedness and obligations to the Lender under the Loan, the Borrowers delivered, *inter alia*, the following security, without limitation, to the Lender:

- (a) Charge/Mortgage between the Borrowers, as Chargors, and Computershare, as Chargee, registered as Instrument No. PR2863600 registered on the Properties in first position (the "Mortgage");

- 5 -

- (b) Notice of Assignments of Rents - General between the Borrowers and Computershare, registered as Instrument No. PR2863601 registered on the Properties (the "Assignment of Rents"); and
 - (c) General Security Agreement dated January 28, 2016, between the Borrowers and Computershare (the "GSA").
- (collectively the "Loan Security")

9. The term of the Loan is 43 months commencing on the Interest Adjustment Date of February 2, 2016. Pursuant to the terms of the Loan, interest is to be charged as follows:

- (a) Interest Free for months 0-6;
- (b) 5% per annum for months 7-18;
- (c) 6% per annum for months 19-30;
- (d) 7% per annum for months 31-42; and
- (e) 25% per annum thereafter.

The Guarantee

10. As a condition of the Loan, Kin Keung Yau ("Yau"), a shareholder and director of the Borrowers, provided the Lender with a Guarantee and Postponement of Claim dated January 29, 2016 (the "Guarantee"). The Guarantee requires Yau to make payment to the Lender and perform any covenants of the Borrowers in the event that the Borrowers default on any terms of the Loan.

The Loan Is in Default

11. In or around August 9, 2016, the Lender discovered that the Borrowers had defaulted on the Loan by, *inter alia*, failing to pay the utilities in respect of the Building and by failing to pay the property taxes in respect of the Properties. As a result of this breach, the Lender was forced

to make a substantial payment to the utility providers in order to keep the Building operational. The Borrowers did not remedy this breach. Accordingly, by letter dated August 17, 2016, the Lender made demand on the Borrowers for repayment of the Loan on or by August 29, 2016 (the "Demand Notice"). The Borrowers did not make any payment in respect of the Demand Letter.

12. The Lender also served Notices of Intention to Enforce Security on the Borrowers in respect of the Loan, pursuant to the provisions of the *Bankruptcy and Insolvency Act* (the "BIA Notices") at the same time as it issued the Demand Notice.

13. Since issuing the Demand Notice, the Borrowers have further defaulted on the Loan by failing to make monthly interest payments that were due and owing on September 1, 2016, October 1, 2016 and November 1, 2016.

14. The Borrowers' failure to repay the Loan and ongoing failure to make monthly interest payments constitute events of defaults pursuant to the terms of the security delivered in respect of the Loan, including the Commitment, the Mortgage and the GSA.

The Dispute Among the Borrowers' Shareholders

15. The Lender is advised that there is currently an ongoing dispute among the shareholders of the Borrowers and other individuals claiming to be "stakeholders" in the Properties.

16. The Lender is further advised that Yau alleges to have become a victim of a fraud in connection with the execution of the documentation for the Mortgage and the Guarantee but the Lender is unaware of the specifics of this allegation. The Lender is advised that the Borrowers' previous corporate lawyer resigned as a result of Yau's allegations of fraud.

The Appointment of Ira Smith Trustee & Receiver Inc. as Private Receiver

17. As a result of the Borrowers' failure to repay the Loan or to provide a satisfactory solution to remedy the ongoing defaults, the Lender appointed Ira Smith Trustee & Receiver Inc. as a private receiver over the Borrowers by letter dated October 10, 2016 (the "Appointment Letter").

18. Since being appointed, the Borrowers have failed to cooperate with the Receiver despite their contractual obligation to do so, including handing over control of the Building to the Receiver.

The State of the Building

19. The Lender is advised that the vacancy rate of the Building has increased since the Borrowers took ownership and control of rental operations and that the Building is now only 15% occupied by tenants paying market rent. Further, the Lender is advised by the Receiver that there are multiple non-arm's length tenants in the Building that do not pay rent and others that occupy space pursuant to leases that appear to be substantially below the market rate.

20. Based on the Receiver's analysis to date, the Receiver estimates that Building incurs a monthly shortfall of between \$9,000 and \$16,000, and projects a total operational loss for the fourth quarter of 2016 of \$35,000.

The Indebtedness Owning to the Lender From the Borrowers on the Loan

21. As of November 3, 2016, the Lender was owed \$11,679,349.07, plus any unbilled protective disbursements, in respect of the Loan.

Other Encumbrancers and Execution Creditors of the Borrowers

22. There are no other encumbrances that are registered against the Properties other than the Mortgage and the Assignment of Rents.

23. The Lender effected a registration pursuant to the *Personal Property Security Act* (the "PPSA"), with respect to all security relating to the Properties. There are no prior or subsequent registrations to the Lender's registration.

24. There are no executions registered against the Borrowers.

The Need for a Court Appointed Receiver

25. Notwithstanding the contractual right to a private receiver, the Lender believes that given the competing interests of the Lender, the shareholders of the Borrowers and Yau, and the ongoing refusal to cooperate with the Receiver as private receiver, that the sale of the Properties would be better conducted under the supervision of a Court Appointed Receiver.

26. The Lender submits that the following factors make a Court Appointment necessary in the circumstances:

- (a) the Building is a commercial office building that requires immediate attention in order to properly maintain the Building and to increase occupancy and to protect the tenants' interests;
- (b) the Building is operating at a substantial deficit and the Borrowers cannot meet their financial obligations;
- (c) there is a high probability of a dispute among the shareholders of the Borrowers and Yau in respect of the obligations to repay the Loan; and
- (d) the Borrowers have failed to cooperate with the Receiver as private receiver despite their contractual obligation to do so.

27. The Lender submits that a Court Appointed Receiver is just and convenient having regard to the nature of the Properties and the rights of the parties in relations thereto in order to maximize the recovery for all of the Borrowers' creditors and other stakeholders through a Court supervised completion of leasing, marketing and sale process for the Properties. This Court supervised process will ensure that the interests of all creditors and other stakeholders of the Borrowers are considered with a view of achieving the maximum realization on the Properties. This will eliminate any potential dispute regarding expenses incurred in relation to the Building and the value ultimately obtained for the Properties.

28. The respective security for all of the Loan allow for the Lender to appoint a Court Appointed Receiver in the event of a default on the Loan.

29. The Receiver has consented to its Court appointment.

30. The reasons in the Affidavit of Gaetano Coscia to be sworn (the "Coscia Affidavit").

31. Rules 2.03, 3.02 and 41 of the *Rules of Civil Procedure*.

32. Section 101 of the *CJA* and section 243 of the *BIA*.

33. Such further and other grounds as the lawyers may advise.

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

- (a) The Coscia Affidavit;
- (b) The consent of the Receiver; and
- (c) Such further and other evidence as the lawyers may advise and this Honourable Court may permit.

November 3, 2016

ROBINS APPLEBY LLP
Barristers + Solicitors
2600 - 120 Adelaide Street West
Toronto, ON M5H 1T1

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dmichaud@robapp.com
Tel: (416) 360-3795
Fax: (416) 868-0306

Lawyers for the Applicants

SCHEDULE "A"
LEGAL DESCRIPTION OF THE PROPERTIES

P.I.N. 13188-0306 (LT)

PT OF BLK 3, PL 43M832 DES AS PTS 8 TO 24, ALL INCL., PL 43R32262; MISSISSAUGA. S/T PTS 8 & 9 PL 43R32262 IN FAVOUR OF PTS 9 & 12 TO 19 43R16452 AS IN LT1032978; T/W PTS 8 & 11 43R16542 AS IN LT1559019; S/T LT899093; S/T RIGHT OF WAY OVER PT BLK 3 PL 43M832 DES AS PTS 8, 14, 15, 16, 17 & 18 ON 43R32262 IN FAVOUR OF PTS 1, 2, 3, 4, 5, 6 & 7 PL 43R32262 AS IN PR1565491. S/T EASEMENT OVER PT BLK 3 PL 43M832 DES AS PTS 11, 17, 19 & 23 PL 43R32262 IN FAVOUR OF PTS 1, 2, 3, 4, 5, 6 & 7 PL 43R32262 AS IN PR1565491. S/T EASEMENT OVER PT BLK 3, PL 43M832 DES AS PTS 15, 19 & 23 PL 43R32262 IN FAVOUR OF PTS 1, 2, 3, 4, 5, 6 & 7 PL 43R32262 AS IN PR1565491. T/W EASEMENT OVER PT BLK 3 PL 43M832 DES AS PTS 3 & 6 PL 43R32262 AS IN PR1565491.

P.I.N. 13188-0305 (LT)

PT OF BLK 3, PL 43M832 DES AS PTS 1, 2, 3, 4, 5, 6 & 7, PL 43R32262, S/T PT 7 PL 43R16452 IN FAVOUR OF PTS 9 & 12 TO 19, 43R16452 AS IN LT1032978; T/W PTS 8 & 11, 43R16452 AS IN LT1559019, S/T LT899093, T/W RIGHT OF WAY OVER PT BLK 3 PL 43M832 DES AS PTS 8, 9, 14, 15, 16, 17 & 18 PL 43R32262 AS IN PR 1565491, T/W EASEMENT OVER PTS DESIGNATED AS PTS 11, 17, 19 & 23 ON 43R32262 AS IN PR 1565491. T/W EASEMENT OVER PTS 15, 19 & 23 PL 43R32262 AS IN PR1565491. S/T RIGHT OF WAY OVER PTS 3 & 6 ON 43R32262 IN FAVOUR OF PT BLK 3 PL 43M832 DES AS PTS 8 TO 24 ON 43R32262 AS IN PR1565491.

TREZ CAPITAL LIMITED - and - 2501427 ONTARIO LIMITED ET. AL.
PARTNERSHIP ET. AL.

Applicant(s)	Respondent(s)	Court File No.: CV-16-11594-DOC1
		<p>ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)</p> <p>IN THE MATTER OF Section 101 of the <i>Courts of Justice Act</i> and Section 243 of the <i>Bankruptcy and Insolvency Act</i></p> <p>PROCEEDING COMMENCED AT TORONTO</p>
		<p>NOTICE OF APPLICATION</p> <p>ROBINS APPELBY LLP Barristers + Solicitors 2600 - 120 Adelaide Street West Toronto, ON M5H 1T1</p> <p>Dominique Michaud LSUC No.: 56871V dmichaud@robapp.com Tel: (416) 360-3795 Fax: (416) 868-0306</p> <p>Lawyers for the Applicants</p>

robapp\3621153.2

Tab 2

Court File No.: CV-16-11594-00CL

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

IN THE MATTER OF Section 101 of the
Courts of Justice Act and Section 243 of the *Bankruptcy and Insolvency Act*

BETWEEN:

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Applicants

-and-

2501427 ONTARIO LIMITED and 2501431 ONTARIO LIMITED

Respondents

AFFIDAVIT OF GAETANO COSCIA

I, Gaetano Coscia, of the City of Toronto, in the Province of Ontario, **MAKE OATH
AND SAY:**

1. I am the Vice President Lending for Trez Capital Corporation. I manage a secured loan in the amount of \$11,400,000.00 on behalf of Trez Capital Limited Partnership (“**TCLP**”), Trez Capital (2011) Corporation (“**Trez**”) and Computershare Trust Company of Canada (“**Computershare**”) (collectively the “**Lender**”) with 2501427 Ontario Limited and 2501431 Ontario Limited (collectively the “**Borrowers**”). The aforementioned loan (the “**Loan**”) is in default and is the subject matter of this application.

2. I swear this affidavit in support of the Lender's application to appoint Ira Smith Trustee &

Receiver Inc. (the "**Receiver**") as receiver over the Borrowers pursuant to section 101 of the *Courts of Justice Act* (the "**CJA**") and section 243 of the *Bankruptcy and Insolvency Act* (the "**BIA**").

The Parties

3. Trez is a British Columbia corporation and is the general partner of TCLP. Trez has an office located in Toronto, Ontario.

4. TCLP is a limited partnership that also carries on business as a commercial mortgage lender. TCLP is a related entity of Trez and operates in the same office located in Toronto, Ontario.

5. Computershare is a Canadian corporation with an office located in Toronto, Ontario. Computershare holds the various mortgages referred to herein as the custodian for Trez and TCLP.

6. The Borrowers are Ontario corporations. The Borrowers are the registered owners of those lands and premises located at 200 Matheson Boulevard, Mississauga Ontario ("**200 Matheson**") and the adjoining 1 acre parcel of land on the west side of Avebury Rd., Mississauga, Ontario (collectively the "**Properties**"). A two storey 52,112 square foot office building is located on 200 Matheson (the "**Building**"). Copies of the corporate profiles for the Borrowers are attached as **Exhibits "A"** and **"B"**. Copies of the PINs for the Properties are attached as **Exhibits "C"** and **"D"**.

7. Kin Keung Yau ("**Yau**"), is a shareholder and a director of the Borrowers. Yau has provided a personal guarantee in respect of the Loan which will be discussed in greater detail

below.

The Borrowers Purchased The Properties Out of Receivership

8. Prior to the acquisition of the Properties by the Borrowers, the Lender had appointed the Receiver in respect of Kingsview Investments Incorporated and St. George's Properties Inc., the previous owners of the Properties, in the receivership proceeding bearing court file no. CV-14-10407-00CL (the "**2014 Receivership Proceeding**").

9. The Borrowers completed the purchase of the Properties from the Receiver on February 3, 2016 in the 2014 Receivership Proceeding pursuant to the Approval and Vesting Order of Justice Hainey dated January 21, 2016 (the "**Hainey Order**"). A copy of the Hainey Order is attached as **Exhibit "E"**.

The Loan

10. Pursuant to the terms of a Commitment Letter dated January 26, 2016 (the "**Commitment**"), the Lender agreed to loan the principal sum of \$11,400,000 to the Borrowers (the "**Loan**") in respect of the acquisition of the Properties. As security for their indebtedness and obligations to the Lender under the Loan, the Borrowers delivered, *inter alia*, the following security, without limitation, to the Lender:

- (a) Charge/Mortgage between the Borrowers, as Chargors, and Computershare, as Chargee registered as Instrument No. PR2863600 registered on the Properties in first position (the "**Mortgage**");
- (b) Notice of Assignments of Rents - General between the Borrowers and Computershare, registered as Instrument No. PR2863601 registered on the Properties (the "**Assignment of Rents**"); and
- (c) General Security Agreement dated January 28, 2016, between the Borrowers and Computershare (the "**GSA**").

(collectively the "**Loan Security**")

A copy of the Commitment is attached as **Exhibit "F"**. A copy of Mortgage is attached as **Exhibit "G"**. A copy of Assignment of Rents is attached as **Exhibit "H"**. A copy of the GSA is attached as **Exhibit "I"**.

11. The term of the Loan is 43 months commencing on the Interest Adjustment Date of February 2, 2016 with monthly payments on an interest only basis. Pursuant to the terms of the Loan, interest is to be charged as follows:

- (a) Interest Free for months 0-6 (the "**Interest Holiday Period**");
- (b) 5% per annum for months 7-18;
- (c) 6% per annum for months 19-30;
- (d) 7% per annum for months 31-42; and
- (e) 25% per annum thereafter.

The Guarantees

12. As a condition of the Loans, Yau provided a guarantee that requires him to make payment to the Lender and perform any covenants of the Borrowers in the event that the Borrowers defaulted on any terms of the Loan. A copy of the Guarantee and Postponement of Claim dated January 29, 2016 (the "**Guarantee**") is attached as **Exhibit "J"**.

The Loan Is in Default

13. In or around August 9, 2016, the Lender discovered that the Borrowers had defaulted on the Loan by, *inter alia*, failing to pay the utilities in respect of the Building and by failing to pay

the property taxes in the amount of \$161,821.06 in respect of the Properties. As a result of this breach, the Lender was forced to make a substantial payment to the utility providers in order to keep the Building operational. The Borrowers did not remedy this breach.

14. Accordingly, by letter dated August 17, 2016, the Lender made demand on the Borrowers for repayment of the Loan on or by August 29, 2016 (the "**Demand Notice**"). The Borrowers did not make any payment in respect of the Demand Letter. A copy of the Demand Notice that enclosed, *inter alia*, the property tax certificate dated August 11, 2016 is attached as **Exhibit "K"**.

15. The Lender also served Notices of Intention to Enforce Security on the Borrowers in respect of the Loan, pursuant to the provisions of the *Bankruptcy and Insolvency Act* (the "**BIA Notices**") at the same time as it issued the Demand Notice. Copies of the BIA Notices are attached as **Exhibits "L" and "M"**.

16. Since issuing the Demand Notice, the Borrowers have further defaulted on the Loan by failing to make monthly interest payments that were due and owing on September 1, 2016, October 1, 2016 and November 1, 2016. These were the first monthly interest payments that were to be paid following Interest Holiday Period.

The Dispute Among the Borrowers' Shareholders

17. Following issuing the Demand Notice, the Lender was advised by Yau's lawyer, Wendy Greenspoon ("**Greenspoon**") and the former lawyer for the Borrowers, Michelle Theberge ("**Theberge**"), that there is an ongoing dispute among the shareholders of the Borrowers and other individuals claiming to be "stakeholders" in the Properties. The Lender is not aware of the details of the dispute.

18. In or around the same time that the Lender was advised of the shareholder/stakeholder dispute, the Lender was further advised by Greenspoon that Yau alleges to have become a victim of a fraud in that connection with the execution of the documentation for the Mortgage and the Guarantee. Greenspoon advised that the extent of the Guarantee was allegedly not explained to Yau by his interpreter at the time he signed the mortgage documentation (the "**Yau Fraud Allegation**").

19. On October 4, 2016, I attended a meeting at the Lender's office to discuss the Yau Fraud Allegation. I attended this meeting together with Philip Pincus, Ken Lai and the Lender's lawyer, Dom Michaud ("**Michaud**"), on behalf of the Lender. Yau attended this meeting with Greenspoon and his associates, Ben Lou, Leon Hui and his interpreter Ernie Leung. The majority of the discussions at the meeting were held on a without prejudice basis and for that reason I will not recount them in this affidavit. That said, I am able to advise that very few details were provided at this meeting to shed any light in helping the Lender understand the specifics of Yau Fraud Allegation.

20. Following the meeting, Greenspoon wrote to Michaud and requested, *inter alia*, further documents that were in the Lender's possession in respect of the Loan and the Guarantee. By letter dated October 5, 2016, Michaud responded to Greenspoon's letter and provided various documents that related to the Loan. In this letter Michaud advised that the Lender:

- (a) did not wish to put itself in the middle of the dispute between the shareholders;
- (b) is neutral in respect of the shareholders dispute and does not agree to keep its discussions with Mr. Yau confidential as in the circumstances, this would amount to taking one side over the other; and
- (c) will continue to act as a prudent lender and in a transparent manner.

A copy of this letter is attached as **Exhibit "N"**.

21. I am advised by Michaud, and verily believe that he was advised that Theberge resigned as a result of Yau Fraud Allegations.

The Appointment of Ira Smith Trustee & Receiver Inc. as Private Receiver

22. As a result of the Borrowers' failure to repay the Loan or to provide a satisfactory solution to remedy the ongoing defaults, the Lender appointed Ira Smith Trustee & Receiver Inc. as a private receiver over the Borrowers by letter dated October 10, 2016 (the "**Appointment Letter**"). A copy of the Appointment Letter is attached as **Exhibit "O"**.

23. I am advised by Brandon Smith of the Receiver that to date, the Borrowers have failed to cooperate with the Receiver despite their contractual obligation to do so, including handing over control of the Building to the Receiver. Attached as **Exhibit "P"** is a memo dated November 1, 2016 from Brandon Smith ("**Smith**") to Michaud and the Lender that sets out the details of the Borrowers' failure to cooperate (the "**Receiver Memo**").

The State of the Building

24. I am advised by Smith and verily believe that the vacancy rate of the Building has increased since the Borrowers took ownership and control of rental operations and that the Building is now only approximately 15% occupied by tenants paying market rent. Further, I am advised by Smith and verily believe that there are multiple non-arm's length occupants in the Building that do not pay rent and others that occupy space pursuant to leases that appear to be substantially below the market rate. The status of the tenancies in the building is discussed in more detail on page 2 of the Receiver Memo.

25. Based on the Receiver's analysis to date, the Receiver estimates that the Building incurs a monthly shortfall of between \$9,000.00 and \$16,000.00, and projects a total operational loss for the fourth quarter of 2016 of \$35,000.00. The financial status of the Building is discussed in more detail on page 3 of the Receiver Memo.

The Indebtedness Owing to the Lender by the Borrowers on the Loan

26. As of November 3, 2016, the Lender was owed \$11,679,349.07 plus any unbilled protective disbursements, in respect of the Loan (the "**Loan Indebtedness**"). Attached as **Exhibit "Q"** is a mortgage statement in respect of the Loan dated November 2, 2016 that sets out the Loan Indebtedness.

Other Encumbrancers and Execution Creditors of the Borrowers

27. There are no other encumbrances that are registered against the Properties other than the Mortgage and the Assignment of Rents.

28. The Lender has effected registrations pursuant to the *Personal Property Security Act* (the "**PPSA**"), with respect to all security relating to the Properties. There are no prior or subsequent registrations to the Lender's registration. Copies of the Lender's PPSA registrations are attached as **Exhibit "R"**.

29. There are no executions registered against the Borrowers. Copies of the Writ Details Reports dated November 2, 2016 are attached as **Exhibit "S"**.

The Need for a Court Appointed Receiver

30. Notwithstanding the contractual right to a private receiver, the Lender believes that given

the competing interests of the shareholders of the Borrowers and Yau, and the ongoing refusal to cooperate with the Receiver as private receiver, that the sale of the Properties would be better conducted under the supervision of the Court.

31. The Lender submits that the following factors make a Court Appointment necessary in the circumstances:

- (a) the Building is a commercial office building that requires immediate attention in order to properly maintain the Building and to increase occupancy and to protect the tenants' interests;
- (b) the Building is operating at a substantial deficit and the Borrowers cannot meet their financial obligations;
- (c) there is a high probability of a dispute among the shareholders of the Borrowers and Yau in respect of the obligations to repay the Loan; and
- (d) the Borrowers have failed to cooperate with the Receiver as private receiver despite their contractual obligation to do so.

32. The Lender submits that a Court Appointed Receiver is just and convenient having regard to the nature of the Properties and the rights of the parties in relations thereto in order to maximize the recovery for all of the Borrowers' creditors and other stakeholders through a Court supervised completion of leasing, marketing and sale process for the Properties. This Court supervised process will ensure that the interests of all creditors and other stakeholders of the Borrowers are considered with a view of achieving the maximum realization on the Properties. This will eliminate any potential dispute regarding expenses incurred in relation to the Building and the value ultimately obtained for the Properties.

Ira Smith Trustee & Receiver Inc. Has Consented to Act as Receiver

33. The Receiver is a licensed trustee, as defined in the BIA, with extensive experience in

Canadian insolvency proceedings, including receiverships. The Receiver has also previously acted as a court-appointed receiver in respect of the previous owner of the Properties on the sale of the Properties to the Borrowers and as such is familiar with the Properties and the real estate market in the Greater Toronto Area. The Receiver has provided written consent to act a court appointed receiver in these proceedings. A copy of this consent dated November 4, 2016 is attached as **Exhibit "T"**.

Notice to Interested Parties

34. The Lender has provided notice of this application to :

- (a) the Borrowers;
- (b) Yau; and
- (c) those individuals who have asserted to be a "stakeholder" in the Properties.

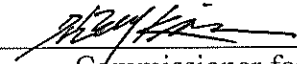
As there are other known creditors of the Borrowers, the Lender has not provided notice of this application to any other party.

Conclusion

35. For the reasons set out above, I believe it is just and equitable and in the interest of the Lender, and the Respondents' other stakeholders, that the Receiver be appointed over the Borrowers.

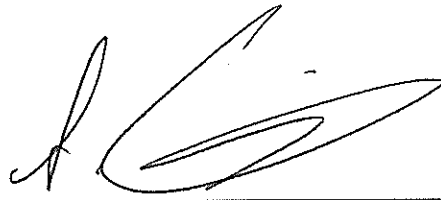
36. I make this Affidavit in support of the Application to appoint the Receiver over the Borrowers and for no improper purpose.

SWORN BEFORE ME at the City of
Toronto, in the Province of Ontario on the 4th
day of November, 2016



Commissioner for Taking Affidavits
(or as may be)

KEUN TAE KIM



GAETANO COSCIA

Keun Tae Kim, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 16, 2019.

TREZ CAPITAL LIMITED - and- 2501427 ONTARIO LIMITED ET. AL.
PARTNERSHIP ET. AL.

Applicants

Respondents

Court File No.: CV-16-11594-00CL

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

IN THE MATTER OF Section 101 of the
Courts of Justice Act and Section 243 of the *Bankruptcy
and Insolvency Act*

PROCEEDING COMMENCED AT TORONTO

AFFIDAVIT OF GAETANO COSCIA

ROBINS APPLEBY LLP

Barristers + Solicitors
2600 - 120 Adelaide Street West
Toronto, ON M5H 1T1

Dominique Michaud LSUC No.: 56871V

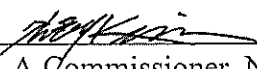
dmichaud@robapp.com

Tel: (416) 360-3795

Fax: (416) 868-0306

Lawyers for the Applicants

THIS IS EXHIBIT "A" REFERRED TO IN
THE AFFIDAVIT OF GAETANO COSCIA
SWORN BEFORE ME THIS 4TH DAY
OF NOVEMBER, 2016


A Commissioner, Notary, Etc.
KEUN TAE KIM

Keun Tae Kim, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 16, 2019.

Request ID: 019262658
 Transaction ID: 61904959
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2016/08/11
 Time Report Produced: 09:26:00
 Page: 1

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
2501427	2501427 ONTARIO LIMITED	2016/01/22
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address	Date Amalgamated	Amalgamation Ind.
	NOT APPLICABLE	NOT APPLICABLE
196 SUNWAY SQUARE	New Amal. Number	Notice Date
	NOT APPLICABLE	NOT APPLICABLE
MARKHAM ONTARIO CANADA L3P 7X3		Letter Date
Mailing Address		NOT APPLICABLE
	Revival Date	Continuation Date
196 SUNWAY SQUARE	NOT APPLICABLE	NOT APPLICABLE
MARKHAM ONTARIO CANADA L3P 7X3	Transferred Out Date	Cancel/Inactive Date
	NOT APPLICABLE	NOT APPLICABLE
	EP Licence Eff.Date	EP Licence Term.Date
	NOT APPLICABLE	NOT APPLICABLE
	Number of Directors Minimum Maximum	Date Commenced in Ontario
	00001 00005	NOT APPLICABLE
Activity Classification		Date Ceased in Ontario
NOT AVAILABLE		NOT APPLICABLE

Request ID: 019262658
Transaction ID: 61904959
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2016/08/11
Time Report Produced: 09:26:00
Page: 2

CORPORATION PROFILE REPORT

Ontario Corp Number

2501427

Corporation Name

2501427 ONTARIO LIMITED

Corporate Name History

2501427 ONTARIO LIMITED

Effective Date

2016/01/22

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

Administrator:
Name (Individual / Corporation)

LEON

HUI

Address

6 WILMONT COURT

MARKHAM
ONTARIO
CANADA L6C 1A9

Date Began

2016/06/22

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Request ID: 019262658
Transaction ID: 61904959
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2016/08/11
Time Report Produced: 09:26:00
Page: 3

CORPORATION PROFILE REPORT

Ontario Corp Number

2501427

Corporation Name

2501427 ONTARIO LIMITED

Administrator:
Name (Individual / Corporation)

OLLIS

KENT

Address

2979 PANORAMA DR

Suite # 26
COQUITLAM
BRITISH COLUMBIA
CANADA V3E 2W8

Date Began

2016/01/22

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Administrator:
Name (Individual / Corporation)

OLLIS

KENT

Address

2979 PANORAMA DR

Suite # 26
COQUITLAM
BRITISH COLUMBIA
CANADA V3E 2W8

Date Began

2016/01/22

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

SECRETARY

Resident Canadian

Y

Request ID: 019262658
Transaction ID: 61904959
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2016/08/11
Time Report Produced: 09:26:00
Page: 4

CORPORATION PROFILE REPORT

Ontario Corp Number

2501427

Corporation Name

2501427 ONTARIO LIMITED

Administrator:
Name (Individual / Corporation)

KENT

OLLIS

Address

2979 PANORAMA DR.

Suite # 26
COQUITLAM
BRITISH COLUMBIA
CANADA V3E 2W8

Date Began

2016/01/22

First Director

YES

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Administrator:
Name (Individual / Corporation)

KIN
KEUNG
YAU

Address

196 SUNWAY SQUARE

MARKHAM
ONTARIO
CANADA L3P 7X3

Date Began

2016/01/22

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

PRESIDENT

Resident Canadian

Request ID: 019262658
Transaction ID: 61904959
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2016/08/11
Time Report Produced: 09:26:00
Page: 5

CORPORATION PROFILE REPORT

Ontario Corp Number

2501427

Corporation Name

2501427 ONTARIO LIMITED

Administrator:
Name (Individual / Corporation)

KIN
KEUNG
YAU

Address

196 SUNWAY SQUARE

MAKHAM
ONTARIO
CANADA L3P 7X3

Date Began

2016/06/22

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Request ID: 019262658
Transaction ID: 61904959
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2016/08/11
Time Report Produced: 09:26:00
Page: 6

CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

2501427

2501427 ONTARIO LIMITED

Last Document Recorded

Act/Code Description

Form

Date

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1

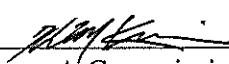
2016/07/22 (ELECTRONIC FILING)

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

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

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OF NOVEMBER, 2016


A Commissioner, Notary, Etc.
KEUN TAE KIM

Keun Tae Kim, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 16, 2019.

Request ID: 019262654
 Transaction ID: 61904951
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2016/08/11
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 Page: 1

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
2501431	2501431 ONTARIO LIMITED	2016/01/22
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address	Date Amalgamated	Amalgamation Ind.
196 SUNWAY SQUIRE	NOT APPLICABLE	NOT APPLICABLE
MARKHAM ONTARIO CANADA L3P 7X3	New Amal. Number	Notice Date
	NOT APPLICABLE	NOT APPLICABLE
Mailing Address		Letter Date
196 SUNWAY SQUIRE		NOT APPLICABLE
MARKHAM ONTARIO CANADA L3P 7X3	Revival Date	Continuation Date
	NOT APPLICABLE	NOT APPLICABLE
	Transferred Out Date	Cancel/Inactive Date
	NOT APPLICABLE	NOT APPLICABLE
	EP Licence Eff.Date	EP Licence Term.Date
	NOT APPLICABLE	NOT APPLICABLE
	Number of Directors Minimum Maximum	Date Commenced in Ontario
	00001 00005	NOT APPLICABLE
Activity Classification		Date Ceased in Ontario
NOT AVAILABLE		NOT APPLICABLE

Request ID: 019262654
Transaction ID: 61904951
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2016/08/11
Time Report Produced: 09:25:43
Page: 2

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2501431	2501431 ONTARIO LIMITED

Corporate Name History	Effective Date
2501431 ONTARIO LIMITED	2016/01/22

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

Administrator: Name (Individual / Corporation)	Address
LEON HUI	6 WILMONT COURT MARKHAM ONTARIO CANADA L6C 1A9

Date Began	First Director	
2016/06/22	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
DIRECTOR		Y

Request ID: 019262654
Transaction ID: 61904951
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2016/08/11
Time Report Produced: 09:25:43
Page: 3

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2501431	2501431 ONTARIO LIMITED

Administrator: Name (Individual / Corporation)	Address
OLLIS KENT	2979 PANORAMA DR Suite # 26 COQUITLAM BRITISH COLUMBIA CANADA V3E 2W8

Date Began	First Director	
2016/01/22	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
DIRECTOR		Y

Administrator: Name (Individual / Corporation)	Address
OLLIS KENT	2979 PANORAMA DR Suite # 26 COQUITLAM BRITISH COLUMBIA CANADA V3E 2W8

Date Began	First Director	
2016/01/22	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
OFFICER	SECRETARY	Y

Request ID: 019262654
Transaction ID: 61904951
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2016/08/11
Time Report Produced: 09:25:43
Page: 4

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2501431	2501431 ONTARIO LIMITED

Administrator: Name (Individual / Corporation)	Address
KENT OLLIS	2979 PANORAMA DR. Suite # 26 COQUITLAM BRITISH COLUMBIA CANADA V3E 2W8

Date Began	First Director	Resident Canadian
2016/01/22	YES	
Designation	Officer Type	
DIRECTOR		Y

Administrator: Name (Individual / Corporation)	Address
KIN KEUNG YAU	196 SUNWAY SQUARE MARKHAM ONTARIO CANADA L3P 7X3

Date Began	First Director	Resident Canadian
2016/01/22	NOT APPLICABLE	
Designation	Officer Type	
OFFICER	PRESIDENT	

Request ID: 019262654
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Province of Ontario
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CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2501431	2501431 ONTARIO LIMITED

Administrator: Name (Individual / Corporation)	Address
KIN KEUNG YAU	196 SUNWAY SQUARE MARKHAM ONTARIO CANADA L3P 7X3

Date Began	First Director	
2016/06/22	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
DIRECTOR		Y

Request ID: 019262654
Transaction ID: 61904951
Category ID: UN/E

Province of Ontario
Ministry of Government Services

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Page: 6

CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

2501431

2501431 ONTARIO LIMITED

Last Document Recorded

Act/Code Description

Form

Date

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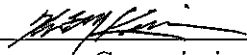
2016/07/22 (ELECTRONIC FILING)

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SWORN BEFORE ME THIS 4TH DAY
OF NOVEMBER, 2016


A Commissioner, Notary, Etc.
KEUN TAE KIM

Keun Tae Kim, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 16, 2019.



ServiceOntario

LAND

REGISTRY
OFFICE #43

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

PAGE 1 OF 2

PREPARED FOR Meredit101
ON 2016/11/01 AT 17:10:03

13188-0306 (LT)

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

PROPERTY DESCRIPTION:

PT OF BLK 3, PL 43R32262 DES AS PTS 8 TO 24, ALL INCL., PL 43R32262; MISSISSAUGA, S/T PTS 8 & 9 PL 43R32262 IN FAVOUR OF PTS 9 & 12 TO 19 43R16452 AS IN LT1032978; T/W PTS 8 & 11 43R16452 AS IN LT1559019; S/T RIGHT OF WAY OVER PT BLK 3 PL 43M832 DES AS PTS 8, 14, 15, 16, 17 & 18 ON 43R32262 IN FAVOUR OF PTS 1, 2, 3, 4, 5, 6 & 7 PL 43R32262 AS IN PR1565491. S/T EASEMENT OVER PT BLK 3 PL 43M832 DES AS PTS 11, 17, 19 & 23 PL 43R32262 IN FAVOUR OF PTS 1, 2, 3, 4, 5, 6 & 7 PL 43R32262 AS IN PR1565491. S/T EASEMENT OVER PT BLK 3, PL 43M832 DES AS PTS 15, 19 & 23 PL 43R32262 IN FAVOUR OF PTS 1, 2, 3, 4, 5, 6 & 7 PL 43R32262 AS IN PR1565491. T/W EASEMENT OVER PT BLK 3 PL 43M832 DES AS PTS 3 & 6 PL 43R32262 AS IN PR1565491.

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
ABSOLUTE

RECENTLY:
DIVISION FROM 13188-0047

PIN CREATION DATE:
2008/12/04

OWNERS' NAMES
2501427 ONTARIO LIMITED
2501431 ONTARIO LIMITED

CAPACITY SHARE
ROWN
ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
LT899084	1988/07/14	NOTICE AGREEMENT			THE CORPORATION OF THE CITY OF MISSISSAUGA	C
LT899093	1988/07/14	TRANSFER EASEMENT			MISSISSAUGA HYDRO-ELECTRIC COMMISSION	C
LT907153	1988/08/03	BYLAW				C
43R16452	1989/01/16	PLAN REFERENCE				C
LT2057426	2000/03/27	NOTICE		HER MAJESTY THE QUEEN IN RIGHT OF THE DEPARTMENT OF TRANSPORT CANADA		C
REMARKS: PEARSON AIRPORT ZONING REGULATION						
PR297530	2002/08/15	TRANSFER	\$5,950,000	767612 ONTARIO LIMITED	KINGSVIEW INVESTMENTS INCORPORATED	C
REMARKS: RE: CONSENT OBTAINED						
PR318965	2002/09/25	BYLAW		THE CORPORATION OF THE CITY OF MISSISSAUGA		C
REMARKS: PART LOT CONTROL						
43R32262	2008/06/05	PLAN REFERENCE				C
PR2863585	2016/02/03	APL VESTING ORDER	\$12,100,000	ONTARIO SUPERIOR COURT OF JUSTICE	2501427 ONTARIO LIMITED 2501431 ONTARIO LIMITED	C
PR2863600	2016/02/03	CHARGE	\$11,400,000	2501427 ONTARIO LIMITED 2501431 ONTARIO LIMITED	COMPUTERSHARE TRUST COMPANY OF CANADA	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.



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OFFICE #43

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

PAGE 2 OF 2

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ON 2016/11/01 AT 17:10:03

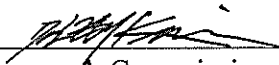
13186-0306 (LT)

* 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
PR2863601	2016/02/03	NO ASSIGN RENT GEN		2501427 ONTARIO LIMITED 2501431 ONTARIO LIMITED	COMPUTERSHARE TRUST COMPANY OF CANADA	C
REMARKS: PR2863600.						

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

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THE AFFIDAVIT OF GAETANO COSCIA
SWORN BEFORE ME THIS 4TH DAY
OF NOVEMBER, 2016


A Commissioner, Notary, Etc.
KEUN TAE KIM

Keun Tae Kim, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 16, 2019.



ServiceOntario

LAND

REGISTRY

OFFICE #43

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

PAGE 1 OF 1

PREPARED FOR Meradith01
ON 2016/11/01 AT 17:11:02

13188-0305 (LT)

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

PROPERTY DESCRIPTION:

PT OF BLK 3, PL 43R32262, DES AS PTS 1.2, 3.4, 5.6 & 7, PL 43R32262, S/T PT 7 PL 43R16452 IN FAVOUR OF PTS 9 & 12 TO 19, 43R16452 AS IN LT032578; T/W PTS 8 & 11, 43R16452 AS IN LT1559019, S/T LT899093, T/W RIGHT OF WAY OVER PT BLK 3 PL 43R32262 DES AS PTS 8, 9, 14, 15, 16, 17 & 18 PL 43R32262 AS IN PR1565491, T/W EASEMENT OVER PTS DESIGNATED AS PTS 11, 17, 19 & 23 ON 43R32262 AS IN PR1565491, T/W EASEMENT OVER PTS 15, 19 & 23 PL 4 3R32262 AS IN PR1565491, S/T RIGHT OF WAY OVER PTS 3 & 6 ON 43R32262 IN FAVOUR OF PT BLK 3 PL 43R32262 DES AS PTS 8 TO 24 ON 43R32262 AS IN PR1565491.

PROPERTY REMARKS:

PLANNING ACT CONSENT ATTACHED TO PR1565491.

ESTATE/QUALIFIER:

RECENTLY:

FEE SIMPLE

DIVISION FROM 13188-0047

ABSOLUTE

OWNERS' NAMES

CAPACITY SHARE

2501427 ONTARIO LIMITED

ROWN

2501431 ONTARIO LIMITED

ROWN

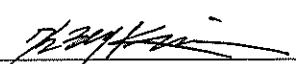
PIN CREATION DATE:

2008/12/04

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
LT899084	1988/07/14	NOTICE AGREEMENT		THE CORPORATION OF THE CITY OF MISSISSAUGA		C
LT899093	1988/07/14	TRANSFER EASEMENT		MISSISSAUGA HYDRO-ELECTRIC COMMISSION		C
LT907153	1988/08/03	BYLAW				C
43R16452	1989/01/16	PLAN REFERENCE				C
LT2057426	2000/03/27	NOTICE		HER MAJESTY THE QUEEN IN RIGHT OF THE DEPARTMENT OF TRANSPORT CANADA		C
REMARKS: PEARSON AIRPORT ZONING REGULATION						
PR318965	2002/09/25	BYLAW		THE CORPORATION OF THE CITY OF MISSISSAUGA		C
REMARKS: PART LOT CONTROL						
43R32262	2008/06/05	PLAN REFERENCE				C
PR2863585	2016/02/03	APL VESTING ORDER	\$12,100,000	ONTARIO SUPERIOR COURT OF JUSTICE	2501427 ONTARIO LIMITED 2501431 ONTARIO LIMITED	C
PR2863600	2016/02/03	CHARGE	\$11,400,000	2501427 ONTARIO LIMITED 2501431 ONTARIO LIMITED	COMPUTERSHARE TRUST COMPANY OF CANADA	C
PR2863601	2016/02/03	NO ASSIGN RENT GEN		2501427 ONTARIO LIMITED 2501431 ONTARIO LIMITED	COMPUTERSHARE TRUST COMPANY OF CANADA	C
REMARKS: PR2863600.						

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.

THIS IS **EXHIBIT "E"** REFERRED TO IN
THE AFFIDAVIT OF **GAETANO COSCIA**
SWORN BEFORE ME THIS 4TH DAY
OF NOVEMBER, 2016


A Commissioner, Notary, Etc.
KEUN TAE KIM

Keun Tae Kim, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 16, 2019.

Revised: January 21, 2014

Court File No. CV-14-10407-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF Section 101 of the
Courts of Justice Act and Section 243 of the *Bankruptcy and Insolvency Act*

THE HONOURABLE

)

THURSDAY, THE 21STJUSTICE *G. HAINES*

)

DAY OF JANUARY, 2016

)

BETWEEN:

**TREZ CAPITAL LIMITED PARTNERSHIP, TREZ CAPITAL (2011)
CORPORATION and COMPUTERSHARE TRUST COMPANY OF CANADA**

Applicants

- and -

**KINGSVIEW INVESTMENTS INCORPORATED and
ST. GEORGE'S PROPERTIES INC.**

Respondents

APPROVAL AND VESTING ORDER

THIS MOTION, made by Ira Smith Trustee & Receiver Inc. in its capacity as the Court-appointed receiver (the "Receiver") of the undertaking, property and assets of Kingsview Investments Incorporated and St. George's Properties Inc. (collectively the "Debtor") for an order approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale (the "Sale Agreement") between the Receiver and 2397837 Ontario Inc. (the

"Purchaser") dated September 13, 2015, with amendments thereto, and appended to the Second Report of the Receiver dated December 15, 2015 (the "Second Report") with further amendments thereto appended to the Second Supplementary Second Report of the Receiver dated January 19, 2016, (the Second Supplementary Second Report") and vesting in the Purchaser the Debtor's right, title and interest in and to the property described in the Sale Agreement (the "Property"), was heard on December 23, 2015 and January 21, 2016 at 330 University Avenue, Toronto, Ontario.

ON READING the Second Report and exhibits attached thereto, the Second Supplementary Second Report and exhibits attached thereto, and on hearing the submissions of counsel for the Receiver, no one appearing for any other person on the service list, although properly served as appears from the affidavit of service filed:

Service

1. THIS COURT ORDERS that the time for service of the Receiver's Notice of Return of Motion and the Motion Record dated January 19, 2016 is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

Approval and Vesting

2. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Property to the Purchaser.

3. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "Receiver's Certificate"), all of the Debtor's right, title and interest in and to the Property described in the Sale Agreement [and listed on Schedule B hereto] shall vest absolutely in the Purchaser or in whomever it may direct, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial

or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Wilton-Siegel dated January 29, 2014; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule C hereto (all of which are collectively referred to as the "Encumbrances"), which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule D and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

4. THIS COURT ORDERS that upon the registration in the Land Registry Office for the Registry Division of Peel of a Transfer/Deed of Land in the form prescribed by the *Land Registration Reform Act* duly executed by the Receiver of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*], the Land Registrar is hereby directed to enter the Purchaser or its nominee as the owner of the subject real property identified in Schedule B hereto (the "Real Property") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto.

5. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

6. THIS COURT ORDERS AND DIRECTS the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

7. THIS COURT ORDERS that, notwithstanding:

(a) the pendency of these proceedings;


- 4 -


- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

8. THIS COURT ORDERS AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

9. 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.


ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

JAN 21 2016


Revised: January 21, 2014

Schedule A – Form of Receiver's Certificate

Court File No. CV-14-10407-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF Section 101 of the
Courts of Justice Act and Section 243 of the *Bankruptcy and Insolvency Act*

B E T W E E N:

**TREZ CAPITAL LIMITED PARTNERSHIP, TREZ CAPITAL (2011)
CORPORATION and COMPUTERSHARE TRUST COMPANY OF CANADA**

Applicants

and

**KINGSVIEW INVESTMENTS INCORPORATED and
ST. GEORGE'S PROPERTIES INC.**

Respondents

RECEIVER'S CERTIFICATE**RECITALS**

A. Pursuant to an Order of the Honourable Justice Wilton-Siegel of the Ontario Superior Court of Justice (the "Court") dated January 29, 2014, Ira Smith Trustee & Receiver Inc. was appointed as the receiver (the "Receiver") of the undertaking, property and assets of Kingsview Investments Incorporated and St. George's Properties Inc. (collectively the "Debtor").

B. Pursuant to an Order of the Court dated [DATE], the Court approved the agreement of purchase and sale made as of September 13, 2015 (the "Sale Agreement") between the Receiver [Debtor] and 2397837 Ontario Inc. (the "Purchaser") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Property, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser

of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Property ; (ii) that the conditions to Closing as set out in section • of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Property payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in section • of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

**Ira Smith Trustee & Receiver Inc., in its
capacity as Receiver of the undertaking,
property and assets of Kingsview Investments
Inc. and St. George's Properties Inc., and not
in its personal capacity**

Per: _____
Name:
Title:

Schedule B – Property**LEGAL DESCRIPTION OF THE LANDS**

P.I.N. 13188-0306 (LT)

PT OF BLK 3, PL 43M832 DES AS PTS 8 TO 24, ALL INCL., PL 43R32262; MISSISSAUGA. S/T PTS 8 & 9 PL 43R32262 IN FAVOUR OF PTS 9 & 12 TO 19 43R16452 AS IN LT1032978; T/W PTS 8 & 11 43R16542 AS IN LT1559019; ST LT899093; S/T RIGHT OF WAY OVER PT BLK 3 PL 43M832 DES AS PTS 8, 14, 15, 16, 17 & 18 ON 43R32262 IN FAVOUR OF PTS 1, 2, 3, 4, 5, 6 & 7 PL 43R32262 AS IN PR1565491. S/T EASEMENT OVER PT BLK 3 PL 43M832 DES AS PTS 11, 17, 19 & 23 PL 43R32262 IN FAVOUR OF PTS 1, 2, 3, 4, 5 & 6 & 7 PL 43R32262 AS IN PR1565491. S/T EASEMENT OVER PT BLK 3, PL 43M832 DES AS PTS 15, 19 & 23 PL 43R32262 IN FAVOUR OF PTS 1, 2, 3, 4, 5, 6 & 7 PL 43R32262 AS IN PR1565491. T/W EASEMENT OVER PT BLK 3 PL 43M832 DES AS PTS 3 & 6 PL 43R32262 AS IN PR1565491.

P.I.N. 13188-0305 (LT)

PT OF BLK 3, PL 43M832 DES AS PTS 1, 2, 3, 4, 5, 6 & 7, PL 43R32262, S/T PT 7 PL 43R16452 IN FAVOUR OF PTS 9 & 12 TO 19, 43R16452 AS IN LT1032978; T/W PTS 8 & 11, 43R16452 AS IN LT1559019, S/T LT899093, T/W RIGHT OF WAY OVER PT BLK 3 PL 43M832 DES AS PTS 8, 9, 14, 15, 16, 17 & 18 PL 43R32262 AS IN PR 1565491, T/W EASEMENT OVER PTS DESIGNATED AS PTS 11, 17, 19 & 23 ON 43R32262 AS IN PR 1565491. T/W EASEMENT OVER PTS 15, 19 & 23 PL 43R32262 AS IN PR1565491. S/T RIGHT OF WAY OVER PTS 3 & 6 ON 43R32262 IN FAVOUR OF PT BLK 3 PL 43M832 DES AS PTS 8 TO 24 ON 43R32262 AS IN PR1565491.

Schedule C – Claims to be deleted and expunged from title to Real Property

P.I.N. 13188-0306 (LT):

PR2214266 – Charge -Computershare \$11,400,000.00

PR2214267 –Notice – Computershare

PR2214784 – Charge – Petriccu/Rossi \$1,429,203.00

PR2214789 – Notice – Petriccu/Rossi

P.I.N. 13188-0305 (LT):

PR2214266 – Charge -Computershare \$11,400,000.00

PR2214267 –Notice – Computershare

PR2214799 – Charge – Petriccu/Rossi \$1,420,203.00

PR2214801 – Notice – Petriccu/Rossi

**Schedule D – Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property**

(unaffected by the Vesting Order)

P.I.N. 13188-0306 (LT):

Instrument No. LT899084 – Notice Agreement to The Corporation of the City of Mississauga registered on July 14, 1988

Instrument No. LT899093 – Transfer Easement in favour Mississauga Hydro-Electric Commission registered on July 14, 1988

Instrument No. LT907153 – Bylaw registered on August 3, 1988

Instrument No. 43R16452 – Plan Reference registered on January 16, 1989

Instrument No. LT2057426 – Notice from Her Majesty the Queen in Right of the Department of Transport Canada with respect to Pearson Airport Zoning Regulation registered on March 27, 2000

Instrument No. PR318965 – Bylaw from The Corporation of the City of Mississauga with respect to Part Lot Control registered on September 25, 2002

Instrument No. 43R32262 – Plan Reference registered on June 5, 2008

P.I.N. 13188-0305 (LT):

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Instrument No. LT899093 – Transfer Easement in favour Mississauga Hydro-Electric Commission registered on July 14, 1988

Instrument No. LT907153 – Bylaw registered on August 3, 1988

Instrument No. 43R16452 – Plan Reference registered on January 16, 1989

Instrument No. LT2057426 – Notice from Her Majesty the Queen in Right of the Department of Transport Canada with respect to Pearson Airport Zoning Regulation registered on March 27, 2000

Instrument No. PR318965 – Bylaw from The Corporation of the City of Mississauga with respect to Part Lot Control registered on September 25, 2002

Instrument No. 43R32262 – Plan Reference registered on June 5, 2008

TREZ CAPITAL LIMITED PARTNERSHIP et al.
Applicants

-and-

KINGSVIEW INVESTMENTS INCORPORATED et al.
Respondents
Court File No. CV-14-10407-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**PROCEEDING COMMENCED AT
TORONTO**

APPROVAL AND VESTING ORDER

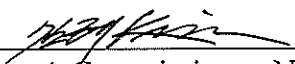
STEINBERG TITLE HOPE & ISRAEL LLP
Barristers & Solicitors
5255 Yonge Street, Suite 1100
Toronto, Ontario
M2N 6P4

David A. Brooker (35787W)
Tel: 416-225-2777
Fax: 416-225-7112

Lawyers for Ira Smith Trustee & Receiver Inc,
court appointed Receiver of the Respondents

RCP-E 4C (July 1, 2007)

THIS IS EXHIBIT "F" REFERRED TO IN
THE AFFIDAVIT OF GAETANO COSCIA
SWORN BEFORE ME THIS 4TH DAY
OF NOVEMBER, 2016


A Commissioner, Notary, Etc.
KEUN TAE KIM

Keun Tae Kim, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 16, 2019.



TREZ CAPITAL

January 26, 2016

2501427 Ontario Limited and 2501431 Ontario Limited
307-4141 Yonge St.
Toronto, ON M2P 2A8

Attention: Mr. Kin Keung Yau

Dear Sir:

RE: Acquisition financing in the amount of \$11,400,000 to be secured by a 1st priority mortgage on a 53,680 sf office building on a 3.11 acre site located at 200 Matheson Blvd. W. and 5950 Avebury Rd., Mississauga, Ontario (the "Subject Property"). [Yao - Kingsview; Loan #: 1422/16]

We are pleased to advise that we have approved an \$11,400,000 first mortgage loan (the "Loan") to 2501427 Ontario Limited and 2501431 Ontario Limited (collectively, the "Borrowers"), which shall be secured by an \$11,400,000 first mortgage charge on the Subject Property (the "Mortgage") on the terms described in this commitment letter (the "Commitment Letter"), which upon execution by the Borrowers, Guarantor and Lender shall constitute an agreement which shall bind the Borrowers and Guarantor with respect to the Loan. The Loan has been approved subject to the following terms and conditions:

LOAN TERMS

1. **Lender** Trez Capital Limited Partnership or its nominee (the "Lender").
2. **Borrowers** 2501427 Ontario Limited; 2501431 Ontario Limited (collectively, the "Borrowers").
3. **Guarantor** The unlimited guarantee of Kin Keung Yau shall be provided for the full Loan Amount outstanding from time to time including interest arising therefrom and any other monies which may now or hereafter become due and owing (the "Guarantor").
4. **Subject Property** **Civic Address:** 200 Matheson Blvd. W.; 5950 Avebury Rd., Mississauga, Ontario

Site & Property Description: A 3.11 acre site improved with a 53,680 sf office building

("Subject Property")
5. **Purpose & Use** The Loan funds shall be used to assist the Borrowers with the acquisition of the Subject Property and shall at all times be used for this said purpose and for no other purpose, without the prior written consent of the Lender.
6. **Expiry of Loan Offer** It is a condition of this Commitment Letter that if the Security is not registered and in place, and the Advance (as hereinafter defined) has not occurred on or before **February 1, 2016**, the Lender shall no longer have any obligation to advance any funds to the Borrower pursuant to the terms of this Commitment Letter. All other terms and conditions of this Commitment Letter shall remain in full force and effect.
7. **Loan Amount** \$11,400,000

Suite 1550 – 1185 West Georgia Street, Vancouver, BC Canada V6E 4E6 Tel: 804.689.0821 Fax: 804.638.2775
info@trezcapital.com www.trezcapital.com

8. **Term** 43 months commencing from the Interest Adjustment Date.
9. **Interest Adjustment Date** Shall be the Feb ~~2~~ 2016
2
10. **Interest Rate** Interest shall be charged as follows:
- (a) Payment holiday (interest free) for months 0-6;
 - (b) 5% per annum for months 7-18;
 - (c) 6% per annum for months 19-30;
 - (d) 7% per annum for months 31-42; and
 - (e) 25% per annum thereafter.
- Interest shall be calculated daily and compounded and payable monthly. Overdue interest shall bear interest at the same rate as principal.
- Such interest rate shall be set with respect to amounts advanced on the day of each advance and thereafter monthly on the first day of each month. Interest shall be calculated daily on the daily balance outstanding from time to time, before as well as after maturity, default or judgment, from the date of each advance. Such Interest Rate shall be determined upon the basis of a three hundred and sixty-five (365) day year, shall be calculated in accordance with the Lender's usual practice (as to times and methods of calculation) and shall be adjusted automatically without notice to the Borrowers.
- All interest rates specified are nominal annual rates. The effective annual rate in any case will vary with payment frequency. All interest payable hereunder bears interest as well after as before maturity, default and judgment with interest on overdue interest at the applicable rate payable hereunder. All interest payable hereunder bears interest from the date of advance of any portion of the Loan to the Lender's Solicitor, whether or not such advance of the Loan is released to the Borrowers or the Borrowers' Solicitor.
11. **Amortization** Interest only
12. **Monthly Payments** Monthly mortgage payments (the "Monthly Payments") shall be computed in accordance with the Interest Rate and Amortization sections above and will be due and payable on the 1st day of each and every month following the Interest Adjustment Date.
- Monthly Payments shall be paid from the Borrowers' own resources.
13. **Broker's Fee** The Borrowers shall pay any brokerage or finder's fees, commissions or other compensation payable to any person not affiliated with or contracted by the Lender in connection with this transaction and shall indemnify and hold the Lender and all related entities harmless in respect of same.
14. **Prepayment** The Borrowers, not being in default of the Loan, may at any time after the provision of no less than 30 days written notice, which notice must contain evidence, satisfactory to the Lender, of the source of funds to be used for repayment and must contain a date certain for the repayment ("Date Certain"), repay the whole of the obligations hereby secured hereunder to the Date Certain. Should the repayment be delayed past the Date Certain, a new minimum 30 day written notice must be provided as set out herein. If prepayment occurs prior to the Date Certain, interest must be paid to Date

Certain. The Date Certain must be a business day that banks in the Province of British Columbia are open for business.

15. Partial Discharges

There shall be no partial discharges permitted.

16. Additional Fee(s)

Administration Fee: There shall be an administration fee (the "Administration Fee") of \$400 for each land title document, certificate, confirmation, returned cheque, settlement (other than a payout statement or balance confirmation issued to the Borrowers), or similar document required to be issued or executed by the Lender at the Borrowers' request.

Inspection Fee: After the initial site visit, there shall be an inspection fee (the "Inspection Fee") of \$500 for each inspection of the Subject Property done by the Lender. The Inspection Fee shall be in addition to any out of pocket expenses associated with the inspection. The Lender may inspect the Subject Property from time to time and prior to any disbursement of funds.

17. Sources & Uses

Source		Use	
Trez Capital	\$11,400,000	Purchase Price	\$12,100,000
Borrower	\$938,475	Land Transfer Tax	\$238,475
Total	\$12,338,475	Total	\$12,338,475

18. Security

The Loan shall be secured by the following security (collectively, the "Security"), all of which must be in form and content satisfactory to the Lender and its Solicitor:

- a) An \$11,400,000 real property mortgage creating a charge in first priority over the Subject Property, which shall be cross-defaulted with all other loans, present and future, between the Lender and the Borrowers or Guarantor, either individually or collectively, or with all other loans, present and future, between the Lender and entities owned or controlled by the principals of the Borrowers or Guarantor.
- b) A guarantee and postponement of claims from the Guarantor.
- c) An assignment of rents, leases, contracts, licenses and offers to purchase on the Subject Property, in first priority.
- d) A general security agreement over all the site-specific present and after-acquired personal property of the Borrowers related to the Subject Property, in first priority.
- e) A full Lender's policy of Title Insurance underwritten by a company satisfactory to the Lender in its sole, unfettered and absolute discretion.
- f) A hazardous substance indemnity from the Borrowers and Guarantor on the Subject Property.
- g) A specific assignment of all the Borrowers' right, title and interest in, to and under, all material contracts affecting, or with respect to, the Subject Property and as required by the Lender, including without limitation all building and construction contracts, plans, permits, and insurance policies with respect to the Subject Property, with all necessary consents of the other parties thereto.
- h) Acknowledgement of the status and terms of any contracts affecting, or with respect to, the Subject Property including without limitation any pertaining to ownership, insurance, shared facilities, passageway

agreements or other similar matters specifically, and without limitation, confirming the good standing of such contracts and the rights of the Lender under its Security.

- i) If registered title is held by a nominee or trustee, a Beneficial Owners Agreement by which all beneficial owners charge their respective beneficial interests in the Subject Property in favour of the Lender and authorize the nominee or trustee to execute all documentation as required pursuant to the Commitment and agree to be bound thereby as if they executed same themselves, provided that any recourse against the beneficial owners pursuant to any covenants contained in such documents shall at all times be limited to the specific obligations as herein or in their guarantees set out and required of them.
- j) If any part of the Subject Property is the object of a lease with the Provincial or Federal Crown as Tenant, the Borrowers undertake to deliver to the Lender, in form and content satisfactory to the Lender, an Absolute Assignment of Crown Debt (rents and other amounts due by the Crown under the lease) executed by the Borrowers in favour of the Lender (the "Assignment"), and to deliver such Assignment to the Crown with an Acknowledgement from the Crown and any other documents as contemplated under the provisions of the applicable provincial or federal statutes and regulations.
- k) In the event that the security comprises a leasehold interest or a condominium, then if required by the Lender, an insurance trust agreement to adequately protect the Lender's security in the proceeds of insurance may be required.
- l) Such other security as the Lender or Lender's Solicitor may deem necessary, acting reasonably.

19. Conditions Precedent to the Disbursement of Funds

The conditions precedent to the disbursement of the Advance (as hereinafter defined) shall include, but not be limited to the items set out in the remainder of this section, all of which must be satisfactory to the Lender in its sole, unfettered and absolute discretion, and all of which collectively comprise the Lender's due diligence. The Lender may require any additional information as it deems necessary in its sole, unfettered and absolute discretion for the Advance (as hereinafter defined) and for any other advances (if applicable).

- a) Completion and registration of the Security, as required by the Lender. Title must be satisfactory to the Lender and all security documents must be registered, the Lender's Solicitor must provide a satisfactory report on registration of the Security, the Lender's Solicitor must confirm that no adverse filings concerning the Borrowers have been registered in any department or agency of government which, in the Solicitor's opinion, could affect the security or priority of the Security, and all other terms and conditions of this Commitment Letter must be satisfied.

The Lender's receipt of the following materials:

- b) Statutory declaration confirming that the Borrowers have a minimum of \$938,475 of cash equity invested in the Subject Property, with such equity to stay in place throughout the term of the Loan.
- c) Copy of the current shareholder registries for the Borrowers and any

corporate Guarantors, signed and dated by the respective company's authorized signatory.

- d) A personal net worth statement, on the Trez Capital form, from the Guarantor along with the Guarantor's most recent Notice of Assessment from Canada Revenue Agency. The personal net worth statement must include the Guarantor's full name, full-time occupation, Social Insurance Number, Birth date and current address.
- e) Satisfactory results, in the Lender's sole discretion, of due diligence investigations conducted pursuant to the *Proceeds of Crime Money Laundering and Terrorist Financing Act (Canada)* and Regulations (collectively the "Act") thereunder including but not limited to the following:
 - i. Two pieces of satisfactory identification for all Borrower/Guarantor/Signing Officer(s) (up to three Signing Officers, if borrowing under a corporate entity) prior to closing;
 - ii. Satisfactory verification of the source of down payment funds;
 - iii. Satisfactory verification of employment, income and assets;
 - iv. Signed and dated application and contact information of all Borrower/Guarantor;
 - v. Beneficial ownership information (if borrowing under a corporate entity);
 - vi. Third Party Declaration/Statement;
 - vii. Politically Exposed (Foreign and Domestic) Persons Declaration; and
 - viii. Any other documentation that may be requested by the Lender in order to fulfill their obligations under the Act.
- f) Post-dated cheques for the Monthly Payments for the full Term of the Loan, or preauthorized payment form with specimen cheque for automatic deduction of the Monthly Payments for the full Term of the Loan.
- g) Insurance of the Subject Property which has been reviewed and approved by the Lender's Insurance Consultant which insurance shall include the coverage set out in Schedule A, or as otherwise required by the Lender in consultation with its Insurance Consultant.
- h) A Bring Down Certificate, signed by the Borrowers and Guarantor, confirming that all representations and warranties set out in the Commitment Letter are true at the time of closing.
- i) Confirmation that the Borrowers are in compliance with each of the terms and conditions of this Commitment Letter. In the case of any advance, all conditions precedent pertaining to the advance must be performed no less than five business days prior to the scheduled date of the advance or the Lender shall be under no obligation to make the advance.
- j) Such other materials and completion of such other reasonable requirements as may be deemed necessary by the Lender.

20. Real Property Taxes

All property tax payments, utilities and like amounts due and owing in relation to the Subject Property, or any other taxes charged against the Subject Property, shall be paid prior to or coincide with the Advance (as hereinafter

defined). The Borrowers shall make arrangements to have the taxes paid by monthly installments to the appropriate taxing authority in order to have them paid in full on their due date. The Borrowers are to provide evidence of same to the Lender on a quarterly basis.

In the event of a default under the mortgage security, the Lender shall have the right to require the establishment of a tax reserve by way of monthly payments representing 1/12 of the estimated taxes payable. The Lender shall not be responsible for the payment of any tax arrears.

21. Statutory Declaration

The Lender shall receive a satisfactory statutory declaration from an officer or director of the Borrowers as to the representations and warranties of the Borrowers, whether contained in this Commitment Letter or in any of the Security, including: accuracy of financial statements and that there has been no material adverse change in the Borrowers financial conditions or operations as reflected in the financial statements used to evaluate this credit; satisfactory title to the Subject Property charged by the Mortgage; power and authority to execute and deliver documents; accuracy of documents delivered and representations made to the Lender; no pending adverse claims; no outstanding judgments; no defaults under other agreements relating to the Subject Property; preservation of assets; payment of all taxes; no other consents, approvals or authorizations necessary in connection with documentation; compliance of the Subject Property with all laws; no other charges against the Subject Property except permitted encumbrances; all necessary services available to the Subject Property; and such other matters as the Lender or its Solicitor may require.

22. Further Documents

Notwithstanding anything contained in this Commitment Letter, the Lender may request other documents containing such other assurances, information and covenants as the Lender's Solicitor may require with regard to the Loan and Security.

23. Funding

All fundings shall require five (5) business days notice.

The Loan shall be funded in a single advance once all of the Lender's conditions have been satisfied and the Security is in place (the "Advance").

The Lender shall record the principal amount of each advance of the Loan and the payment of principal, interest and fees and all other amounts becoming due to the Lender under this agreement. The Lender's accounts and records constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Borrowers for the Loan to the Lender pursuant to this agreement.

All fees that are payable to the Lender and expenses that are incurred by the Lender during the due diligence process shall be deducted from the Advance or the Deposit.

REPRESENTATIONS & WARRANTIES**24. The Borrowers warrant and represent that:****a) Description of Subject Property:**
Properties

Civic Address: 200 Matheson Blvd. W. and 5950 Avebury Rd., Mississauga, Ontario

Site and Property Description: A 3.11 acre site improved with a 53,680 sf office building.

b) Ownership

At the time of the Advance of the Loan, the legal and beneficial owner of 200 Matheson Blvd. W. will be 2501427 Ontario Limited and the legal and beneficial owner of 5950 Avebury Rd. will be 2501431 Ontario Limited.

c) Share Capital

The Borrowers declare and represents that the authorized share capital of 2501427 Ontario Limited is as follows:

Number of Shares	Class	Shareholder's Name

The Borrowers declare and represents that the authorized share capital of 2501431 Ontario Limited is as follows:

Number of Shares	Class	Shareholder's Name

d) Priority of Financing

The mortgages registered against the Subject Property as at the funding date will be as follows:

Rank	Lender	Amount
1 st Position	Trez Capital Limited Partnership or its nominee	\$11,400,000
Total		\$11,400,000

e) Repayment

This Loan will be repaid from the proceeds of any refinancing or sale of the Subject Property and/or other assets of the Borrowers.

f) Financial

All financial information provided by the Borrowers and Guarantor to the Lender, including but not limited to, financial information provided in respect of the values and other matters pertaining to the Subject Property is true and accurate and may be relied upon by the Lender in executing this Commitment Letter and making the Loan.

g) Legal Compliance

The Subject Property and the use and occupancy thereof, and revenues therefrom, are and shall be at the time of each disbursement, authorized and in accordance with all applicable legislation and there are, and shall be at the time of each disbursement, no work orders or liens outstanding against the Subject Property.

h) Hazardous Materials

The Borrowers and Guarantor warrant and represent that to the best of their knowledge the Subject Property and existing prior uses comply and have at all times complied with all laws, regulations, orders and approvals of all governmental authorities having jurisdiction with respect to environmental matters applicable to the ownership, use, maintenance, and operation thereof (collectively, the "Environmental Laws") and, without limiting the generality of the foregoing:

- (i) The Subject Property has never been used as a land fill site or to store hazardous substances either above or below ground, in storage tanks or otherwise;
- (ii) All hazardous substances used in connection with the business conducted on the Subject Property has at all times been received, handled, used, stored, treated, shipped and disposed of in strict compliance with all Environmental Laws;
- (iii) No hazardous substances have been released into the environment or deposited, discharged, placed or disposed of at, on or near the Subject Property as a result of the conduct of the business on the Subject Property; and
- (iv) No notices of any violation of any matters referred to above relating to the Subject Property or its use have been received by the Borrowers and there are no directions, writs, injunctions, orders or judgments outstanding, no law suits, claims, proceedings, or investigations being instituted or filed.

For the purposes of this Commitment Letter, a hazardous substance includes but is not limited to contaminants, pollutants, dangerous substances, gasoline, oil, liquid wastes, industrial wastes, whole liquid wastes, toxic substances, hazardous wastes, hazardous materials and hazardous substances as defined in or pursuant to any applicable Environmental Laws. Further, the Borrowers shall indemnify and save harmless the Lender from any loss or liability whatsoever arising from any violation whatsoever of any law, regulation, ordinance, judgment, appraisal or decision in connection with hazardous risks or environmental risks.

GENERAL CONDITIONS

- 25. Repayment of the Loan** The Loan shall be repayable on demand by the Lender following the occurrence of an Event of Default, and shall in any event be repaid in full at the end of the Term of the Loan. Any payment of any amount due to the Lender hereunder or in the security documents must be received by the Lender at the Lender's address by 1:00pm Pacific Standard Time on a business day, failing which such payment will be deemed to be received on the next business day.
- 26. Management** The Subject Property is to be managed at all times by a property manager satisfactory to the Lender, and on terms satisfactory to the Lender. A change in the property manager without the Lender's approval shall constitute an event of default.
- 27. Abandonment** In the event of abandonment of the Subject Property for a period in excess of fifteen (15) consecutive days, the Lender shall be entitled, after giving the Borrowers written notice of any abandonment and provided the Borrowers fail to rectify same within ten (10) days after such notice has been given, to forthwith withdraw and cancel its obligations hereunder and/or decline to advance further funds as the case may be and in addition to declare any funds advanced to forthwith become due and payable plus interest, all at the Lender's option.

28. Liens

At all times, and in particular on each disbursement date, there shall have been full and complete compliance with all requirements of federal and provincial legislation which may give rise to a lien or other charge in priority to the Lender. The Lender may retain from any disbursement such amounts as it considers advisable to protect its interest from subordination under such legislation. The Borrowers shall provide additional security, information and documentation as may be required by the Lender to preserve and ensure, in all respects, the absolute priority of the Mortgage over any rights of any existing or potential lien claimants. The Lender reserves the right to hold back additional amounts due to suppliers, contractors, government or other agencies, which may be due under the terms of any legislation giving rise to a claim of lien or other charge. Furthermore, the Lender shall have the right to make payments directly to suppliers, contractors, government or other agencies for the Borrowers' account as if advanced directly to the Borrowers, as the Lender may deem necessary.

29. Environmental Concerns

At the time of any disbursement of the Loan, the Lender shall be satisfied that there are not in, on, under or about the Subject Property, or any part thereof, any contaminants, toxic, dangerous or hazardous substances (collectively, the "Dangerous Substances") including, without limitation, UFFI (Urea Formaldehyde Foam Insulation), asbestos fireproofing insulation, PCB's (Polychlorinated Biphenyl's) or radioactive materials and, to the best of the Borrowers knowledge, neither the Subject Property, nor any adjacent lands, have ever been used as or for a waste disposal or coal gasification site, nor have they ever contained any underground storage tanks, and further, the use of the Subject Property has not involved, and will not involve, during the Term of the Loan, the handling of Dangerous Substances or will such use result in any environmental damage. In addition to any liability imposed on the Borrowers and Guarantor under any instrument evidencing or securing the Loan indebtedness, the Borrowers and Guarantor shall be liable for any and all of the costs, expenses, damages or liabilities of the Lender, its Directors and Officers (including, without limitation, all reasonable legal fees) directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal or presence on, under or about the Subject Property of any hazardous or noxious substances and such liabilities shall survive foreclosure of the Security for the Loan and any other existing obligations of the Borrowers and Guarantor to the Lender in respect of the Loan and any other exercise by the Lender of any remedies available to the Lender for any default of the Loan.

30. Restriction on Further Financing

The Borrowers agree not to enter into any further financing of the Subject Property and not to further encumber the Subject Property in any manner without the prior written approval of the Lender, which approval may be withheld in the Lender's sole discretion. The Borrowers will provide evidence, satisfactory to the Lender, as to the source of the Borrowers required equity in the Subject Property. The Borrowers shall disclose to the Lender all existing or proposed financing related to the Subject Property or any Security used in connection therewith and shall not further pledge, charge or otherwise encumber its interest in the Subject Property, nor any of the Security used in connection with the Subject Property to any party other than the Lender, without the prior written consent of the Lender.

31. Sale

Except as provided in Partial Discharges section above, the Borrowers shall not sell, assign, lease in its entirety or otherwise dispose of the legal ownership or title to the Subject Property, or its beneficial interest therein, or of the personal property related thereto or which is necessary to the use and operation of the Subject Property,

without the prior written consent of the Lender. The Borrowers shall not make any changes to the authorized share capital or allocation or ownership thereof, which would result in a change of voting control or beneficial ownership thereof without the prior written consent of the Lender.

32. Proceedings

The Borrowers shall provide the Lender with evidence that they has taken all of the necessary corporate proceedings relating to the transactions contemplated herein.

33. Default

At the time of the disbursement of any part of the Loan, no default shall have occurred and be continuing, nor any state of affairs or event shall be existing which, with the passage of time or the giving of notice or both, would constitute a default hereunder or in the instruments evidencing or securing the Loan or incidental thereto and neither the Borrowers nor Guarantor shall be deceased or insolvent or be the subject of any bankruptcy, arrangement with creditors, proposal, amalgamation, reorganization, liquidation, winding-up, dissolution, receivership or material litigation or continuation under the laws of any other jurisdiction. Any default under the Security shall be deemed to be a default hereunder.

34. Costs & Expenses

Whether or not the Loan is disbursed, and notwithstanding retention of the Commitment Fee by the Lender (if applicable), all of the Lender's costs and expenses relating to the Loan, including legal costs and travel costs, in addition to any costs and expenses incurred by the Lender due to proceedings under the Bankruptcy and Insolvency Act relating to the Borrowers, shall be borne in full by the Borrowers. Such costs and expenses may be added to the then outstanding principal balance of the Mortgage and shall bear interest at the Interest Rate under the Mortgage. If requested by the Lender, the Borrowers shall deposit with the Lender's Solicitor an amount equal to the estimated fees and expenses of the Lender's Solicitor prior to such Solicitor commencing preparation of the Security.

In the event of the occurrence of an Event of Default, then the Lender shall, notwithstanding anything contained herein to the contrary, be entitled to receive in addition to all other fees, charges and disbursements, an administration and management fee in the amount of (and not to exceed) \$10,000 for each month or part thereof for which the Borrowers remain in default. This administration and management fee is intended to reimburse the Lender for time and trouble in the management and administration of the Security and the Subject Property. The said sum or sums are agreed to be a liquidated amount to cover the Lender's administration and management costs and are not intended nor shall be construed to be a penalty. All such sums payable to the Lender shall be a charge upon the Subject Property and shall bear interest at the Interest Rate until paid.

35. Marketing

From time to time, the Lender publishes advertisements or announcements of completed transactions. The advertisements or announcements include, but are not limited to, press releases, paid advertisements, internally displayed tombstones, investor brochures or information displayed on the internet or on the Lender's intranet. The Borrower and Guarantors consent to the publication of an advertisement or announcement of the transaction contemplated by this commitment letter. The Borrower and Guarantors agree to allow the Lender to photograph or utilize existing photographs or artistic renderings (for unfinished projects) of the Subject Property for possible use in internal or external marketing programs.

During the term of the loan, the Lender may require a sign to be erected on the Subject Property and maintained by the Borrower evidencing the financing of

- same. The design of the sign is to be approved by the Lender prior to being erected on the Subject Property.
- 36. Further Assurances** The Borrowers and Guarantor shall, at the Lender's request, execute or deliver such further documentation and enter into such other agreements as are necessary for the securing of the Loan and the fulfilling of the terms contained herein, and deliver such financial information concerning the Borrowers as the Lender may require, and satisfy the terms and conditions herein to permit the disbursement of the entire Loan Amount.
- 37. Financial Information** Until the repayment of the Loan, the Borrowers shall provide the Lender, within 120 days after the end of each fiscal year of the Borrowers or more often if requested by the Lender, a detailed financial statement of the Borrowers including a separate income and expense statement for the Subject Property, an operating statement and an updated rent roll containing relevant lease terms for the Subject Property, all satisfactory to the Lender in form and content.
- The financial statement is to be prepared by a chartered accountant licensed under the applicable legislation in the province where the Subject Property is located.
- The Borrowers and Guarantor authorize the Lender to obtain such financial information as the Lender may require. Specifically, the Borrower and Guarantor consent to the Lender obtaining credit reports from the appropriate credit reporting agencies and relying on these reports when making decisions regarding advances under this Loan.
- 38. Information Updates** Until the repayment of the Loan, the Borrowers shall supply the Lender with such updated information relating to any of the condition precedent requirements as the Lender may request from time to time. Such information shall be provided to the Lender within 14 days from the date of the Lender's request.
- 39. Survival of Commitment** The terms, conditions, representations and warranties expressed herein shall continue in effect as long as any part of the Loan remains outstanding and shall bind the personal representatives, heirs, successors and assigns of the Lender and the Borrowers, shall enure to the benefit of the successors and assigns of the Lender and the Borrowers, and shall not merge on the execution or registration of the Security. In the event of conflict between this Commitment Letter and the Security delivered hereunder, the Lender shall determine which shall prevail.
- 40. Communication** All communications provided for hereunder shall be in writing, personally delivered or sent by prepaid first class mail or telecommunications, and if to the Lender addressed to the address above noted, to the attention of the President, and if to the Borrowers to the address noted above. The date of receipt of any such communication shall be deemed to be the date of delivery, if delivered as aforesaid, or on the third business day following the date of mailing, as aforesaid. Any party hereto may change its address for service from time to time by notice in the manner herein provided. In the event of a postal disruption or an anticipated postal disruption, prepaid first class mail will not be an acceptable means of communication.
- 41. Governing Law** This Commitment Letter shall be governed by and constituted in accordance with the laws of the province in which the Subject Property is situated.
- 42. Waivers** Except as otherwise expressly provided herein, this Commitment Letter cannot be waived, changed, amended, discharged or terminated other than by an agreement in writing signed by the party against whom enforcement of any waiver, change,

amendment, discharge or termination is sought.

**43. Other
Agreements**

This Commitment Letter, when accepted by the Borrowers and Guarantor, will constitute the entire agreement and understanding between the parties hereto with respect to the Loan and supersedes all other prior agreements, understandings or commitments, oral or written. This Commitment Letter shall assume the accuracy of information previously supplied by the Borrowers and will presuppose no material adverse change in the Borrowers prior to any disbursement. Any approvals or consents required to be made or given by the Lender hereunder must be expressly given pursuant hereto and shall not be construed by the delivery or receipt of documents.

**44. Time of the
Essence**

Time shall be of the essence in all respects herein.

**45. Privacy Act
Consent**

With regard to any personal information that is provided during this application process, the Borrowers and Guarantor consent to the collection, use, and disclosure of that information for the following purposes: to understand their financial status in order to approve the Loan; to meet regulatory requirements; to enable the Lender to manage and enforce the credit facility; to verify their identities. The Lender may from time to time give this personal information to credit bureaus and other financial institutions. The Lender may also share this personal information with anyone who works with or for the Lender or any individual or group investing in the Loan, and any other potential sources of business, but only as needed for the provision and enforcement of the credit facility requested.

**46. Assignment, Sale
or Syndication**

Neither this Commitment Letter, nor any of the Loan proceeds, may be assigned by the Borrowers, but this Commitment Letter and attendant Security may be assigned by the Lender without the consent of the Borrowers. The Loan terms, representations and warranties herein contained shall enure to the benefit of each assignee of the Lender. The Lender shall have the right to assign, sell, syndicate or transfer all or any portion of the Loan, and as part of any such transaction, the Lender is hereby authorized to provide to prospective participants in such transactions all information received by the Lender regarding the Borrowers and the Subject Property. This information will be held in strict confidence between the Lender and any prospective participant in the Loan.

47. Interpretation

- a) The headings of all provisions herein are inserted as a matter of convenience only and not to define the intent of this document. The necessary grammatical changes required to apply to the parties hereto shall be assumed as though expressed.
- b) "Business Day" means a day of the week, other than Saturday, Sunday or any other day which is a statutory or a municipal holiday in the municipality in which the Subject Property is situated.
- c) "Event of Default" shall mean the breach of any of the terms, conditions, representations or warranties contained in this Commitment Letter, as it pertains to both the Borrowers and Guarantor.
- d) "Lender" shall mean Trez Capital Limited Partnership or its nominee.
- e) "Person" includes any individual, partnership, joint venture, trust, unincorporated organization or any other association, corporation and government or any department or agency thereof.
- f) The words "hereto", "herein", "hereunder", "hereby", "Commitment Letter",

"this agreement", and similar expressions used in this Commitment Letter, including the schedules attached hereto, mean or refer to this Commitment Letter and not to any particular provision, section or paragraph or other portion of this Commitment and include any instrument supplemental or ancillary hereto.

- g) The word "satisfactory" shall mean acceptable to the Lender in its absolute, sole and unfettered discretion.

48. Advance Notwithstanding anything contained in this Commitment Letter, the advance of the Loan or any part thereof is subject to the Lender's sole, absolute, unfettered and unqualified discretion not to advance notwithstanding any and all steps taken by you or your legal counsel, including, without limitation, the registration of security documents.

49. Counterparts, Facsimile & Electronic Transmission This agreement may be executed in any number of counterparts and by facsimile, electronic transmission or .pdf copy, each of which when so executed is deemed to be an original and all of which together shall constitute one and the same agreement.

50. Professional Advisors a) **Solicitor:** The title report, security and all other documents relating to this financing and the processing of all legal steps with respect to advances of funds shall be prepared and carried out by Robert Cohen of the law firm of Blaney McMurtry, located at 2 Queen Street East, Suite 1500, in the City of Toronto, Province of Ontario (Telephone: 416-593-3908).

- b) **Insurance Consultant:** All insurance and bonding matters shall be reviewed and approved at the cost of the Borrowers by David Truscott of the consulting firm Risk Review Inc., located at Suite #3 94 Graham Street, (PO Box 20137), in the City of Woodstock, Province of Ontario (Telephone: 416-607-7251).

The Lender reserves the right to appoint such other Solicitor, Project Monitor, Insurance Consultant or Environmental Consultant from time to time without the consent of the Borrowers.

ACCEPTANCE

This Commitment Letter shall not become effective until the Borrowers, Guarantor and Lender have signed it and a copy is returned to the Lender's office by no later than 12:00 noon Eastern Time on **January 28, 2016**. The Borrowers and Guarantor hereby acknowledge and agree to the terms and conditions of this Commitment Letter and authorize Trez Capital Limited Partnership to instruct its Solicitor to prepare the security documentation. This Commitment Letter and any fees earned as a result of this Commitment Letter, together with any expenses or costs incurred by Trez Capital Limited Partnership including, but not limited to, appraisal, re-appraisal, inspections, re-inspections, title searches, plan reviews, soil tests, survey, environmental assessments, and legal costs on a solicitor and its client basis, are deemed to be a charge on the Subject Property referred to herein and Trez Capital Limited Partnership may file and maintain a caveat on the title to the Subject Property to protect that charge and the Borrowers and Guarantor do hereby mortgage to Trez Capital Limited Partnership all its estate and interest in the said Subject Property and Security. This Commitment Letter supersedes all previous correspondence between the parties hereto.

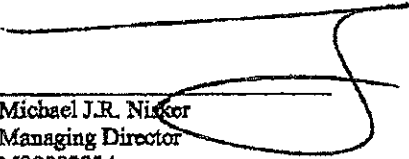
Please set out below the name and phone number (including area code) of the solicitor representing you:

Lawyer Michael Lake
(PLEASE PRINT)
Firm M Lake
(PLEASE PRINT)
Phone Number _____
(PLEASE PRINT)

Please set out below the name and phone number (including area code) of the insurance agent representing you:

Insurance Agent _____
(PLEASE PRINT)
Firm _____
(PLEASE PRINT)
Phone Number _____
(PLEASE PRINT)

Yours Truly,
TREZ CAPITAL LIMITED PARTNERSHIP
BY ITS GENERAL PARTNER,
TREZ CAPITAL (2011) CORPORATION


Michael J.R. Niskor
Managing Director
M09002034


Ken Lai
Vice President, Mortgage Administration

We hereby agree to the terms and conditions contained in this Commitment Letter and agree to be bound by the terms hereof.

Dated at the City of London, in the Province of Ontario, this 27th day of Jan, 2016.

BORROWERS

2501427 Ontario Limited


Per: Kin Keung Yau

Per: _____

I/We have the authority to bind the Corporation.

2501431 Ontario Limited



Per:

Kin Keung Yau

I/We have the authority to bind the Corporation.

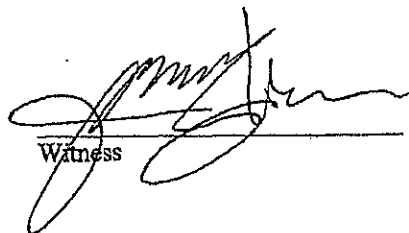
Per:

GUARANTOR



Kin Keung Yau

Witness



SCHEDULE 'A' INSURANCE

The Borrowers shall obtain and maintain during the Term of the Loan the following insurance coverage with respect to the Subject Property and the property related thereto or used for its operation, which insurance shall be reviewed by the Lender's Insurance Consultant as set out in the Commitment Letter, prior to any advance of funds.

1. Upon substantial completion of the Subject Property

- (i) **Fire Insurance:** A fire insurance policy with extended coverage for all other risks and perils for an amount equal to one hundred percent (100%) of the gross replacement cost for the building erected on the Subject Property, without deduction for foundation and footings; said policy shall inter alia provide for replacement cost endorsement, deletion from the policy of any provision requiring reconstruction on same or adjacent sites, coverage of direct and indirect damage resulting from leakage of fire protection equipment, an endorsement to the effect that the policy will cover any additional costs of reconstruction as a result of enforcement of current building by-laws and regulations, and loss to be payable to the Lender as a first-ranking mortgage creditor on the Subject Property in accordance with the IBC 3000 mortgage clause approved by the Insurance Bureau of Canada including, without limitation, that such policy will not be cancelled, terminated or permitted to expire unless the Lender shall first receive a thirty (30) days prior written notice of the same. Such policy of insurance shall not contain a percentage co-insurance endorsement other than a one hundred percent (100%) stated amount co-insurance endorsement.
- (ii) **Boiler and Machinery Insurance:** A broad form boiler insurance policy with coverage on all electrical and mechanical equipment, as well as all pressure vessels; such policy shall contain a rider with the standard mortgage clause approved by the Canadian Boiler and Machinery Underwriters' Association, with proceeds payable to the Lender as first-ranking mortgage creditor on the Subject Property and such policy shall provide inter alia for the same terms and conditions as set out in paragraph 1(i) above.
- (iii) **Liability Insurance:** A general liability insurance policy covering corporeal and material damages in an amount of not less than Five Million Dollars (\$5,000,000) per occurrence. The Policy shall include limited pollution coverage.
- (iv) **Rental Insurance:** A rental income insurance policy for a period of indemnity of, at minimum, twenty-four (24) months for an amount equal to, at minimum, one hundred per cent (100%) of the actual or projected gross annual rents (or the net rents plus the amount of the operating expenses from the Subject Property).

2. For Properties Under Construction

- (i) **All Risks Builders Course of Construction** including flood and earthquakes on:
 - a. One hundred percent (100%) of the estimated final construction cost of the Subject Property, including reasonable soft costs;
 - b. One hundred percent (100%) of the anticipated annual rents (assuming full occupancy) written on a delayed income basis.
 - c. The policy shall allow for partial or full occupancy. All other terms and conditions shall apply as if there were a fire with extended coverage policy in force as described above in paragraph 1(i).
- (ii) The liability coverage as described more fully in paragraph 1(iii) above. However, if the construction cost is in excess of Ten Million Dollars (\$10,000,000), then a wrap-up liability is required with a limit of not less than Ten Million Dollars (\$10,000,000) and must include all contractors, subcontractors and trades.

- (iii) Engineers' errors and omission insurance for at least Five Hundred Thousand Dollars (\$500,000) or such greater amount as the Lender may reasonably require.

3. Additional Insurance

In addition to any of the forgoing, the Lender shall be entitled to request that the Borrowers obtain any other insurance coverage it deems necessary, useful or appropriate.

The provisions relating to cancellation of the insurance policies or alteration clauses in the policies, including the mortgage clause, shall provide that a prior written notice of not less than thirty (30) days must, in such event, be given to the Lender.

All proceeds of insurance from insurance policies maintained, other than liability insurance, shall be paid to the Lender and at the option of the Lender may either be applied on account of the Loan, whether or not the same may be due and payable, and interest thereon and any other sums payable in respect thereof, or held by it as part of the Lender's security and, so long as the Borrowers are not in default, may be subject to withdrawal by the Borrowers in instalments on a cost-to-complete basis, as the repair or replacement progresses, subject to the Lender's receipt of appropriate certificates, opinions and other documents as required by it and Lender's Solicitor.

If the Lender's security is by way of a leasehold mortgage, then notwithstanding the provisions of the immediately preceding paragraph, but provided that the Lender, its Insurance Consultant and its Solicitor are satisfied that the proceeds of insurance shall be applied to rebuilding and are otherwise completely satisfied with the provisions of all arrangements made with the ground lessor and an insurance trustee in respect thereof, the proceeds payable under the policies referred to above, other than liability insurance may be payable to the insurance trustee under and in accordance with an insurance trust agreement, satisfactory to the Lender, its Insurance Consultant and its Solicitor.

The Borrowers shall provide to the Lender such evidence as the Lender may request that all of the above required insurance is in place prior to any advance of the Loan being made.

All required insurance policies shall be forwarded to the Lender's Insurance Consultant for verification and approval, at the expense of the Borrowers, prior to the disbursement of the Advance of the Loan.

Loan No: 1422/16

Disclosure to Borrower*Mortgage Brokerages, Lenders and Administration Act***Important**

This document must be provided to the Borrower 2 business days prior to the signing of any mortgage instruments, unless waived below.

Property to be mortgaged: 200 Matheson Blvd. W and 5950 Avebury Rd., Mississauga, Ontario

Details of Mortgage:

The principal amount of the first Mortgage to be repaid by the Borrower will be \$11,400,000 to be advanced in one installment(s) with the first advance in the amount of \$11,400,000 to be advanced on January 29, 2016 with payments commencing on August 29, 2016.

The principal amount of the Mortgage will bear interest at 0% per year for the initial 6 months, 5% for months 7 through 18, 6% for months 19 through 30, 7% for months 31 through 42 and 25% per year thereafter, and will be repayable upon loan maturity.

Interest will begin to accrue on the Closing Date of January 29, 2016.

The mortgage will be interest only and interest is to be compounded monthly.

The total amount of all payments over the initial 42 month term of the mortgage will be \$2,052,000. Each payment made on the mortgage must be applied first to the accumulated cost of borrowing and then to the outstanding principal.

Terms and Conditions:

- *General Terms / Conditions:* See lender commitment letter for details
- *Prepayment Privileges:*
- *Transferability:*
- *Method of Payment:*
- *Special Conditions:*
- *Particulars / Penalties:*
- *Additional Comments:*
- *Optional Services:*

Fees and Cost Payable by the Borrower

<i>Costs Included in APR</i>		<i>Costs Excluded from APR</i>	
n/a		Insurance Review	TBD
		Legal Fees/ Disbursements (est.)	TBD
Total Costs (Incl. APR):		Total Costs (Excl. from APR)	TBD

Total Cost of Borrowing: APR: 5.6% (This includes the final month of interest at 25%)

The total interest cost included in the APR calculation is \$2,289,500.

Referral Fees Paid to Brokerage and Broker / Agent:

N/A. The Broker / Agent is an affiliated or related company of the lender.

Conflicts of Interest:

The broker / Agent has the following relationship which may be perceived as a conflict of interest:

- The Broker / Agent is representing the Lender and not the Borrower in this transaction.
- The Broker / Agent is an affiliated or related company of the lender.
- The Broker / Agent has acted solely for the lender during the previous fiscal year.

Name and Address of Brokerage: Trez Capital, Suite 1404, 401 Bay St., Toronto, Ontario, M5H 2Y4
Licensing: 11348, 10472

Name of Authorized Person signing on behalf of the Brokerage: Michael J.R. Nisker
Title of this Authorized Person: Managing Director
Licensing: M09002034

Date: _____

Signature of Authorized Person

Material Risks associated with Mortgage Borrowing:

The Borrowers acknowledge that the Brokerage and Broker / Agent have reviewed and discussed the material risks of mortgage financing. These risks include, but are not limited to, such items as the consequences of default in payment or other term of the mortgage which may result in the lender taking action against us; the prepayment penalties in the mortgage, if any; the mortgage may not be renewable at maturity; and any risk that a change in our income or other personal circumstances may create.

ACKNOWLEDGEMENT

I / we acknowledge receipt of a copy of this form and that I / we have reviewed the information herein. The Broker / Agent has explained the Risks and Benefits associated with this transaction.

Date: Jan 27, 2016

Borrower: 陈建强

Date: Jan 27, 2016

Borrower: 陈建强

I / we waive the 48 hour requirement for this disclosure:

Date: Jan 27, 2016

Borrower: 陈建强

Date: Jan 27, 2016

Borrower: 陈建强

Annie Tran

From: Michael Lake (McKenzie Lake Lawyers) <lake@mckenzielake.com>
Sent: Friday, January 29, 2016 3:58 PM
To: Roman Pekaruk; Michelle Bliss (McKenzie Lake Lawyers)
Cc: Linda Spanos (McKenzie Lake Lawyers); Michelle theberge; Annie Tran; Robert Cohen
Subject: RE: Re: Documents for signature - 200 Matheson and 5950 Avebury, Mississauga - Change of IAD

Thank you Roman.

Michael and I have agreed to the extension of the closing date to Monday February 1, 2016.

Enjoy your weekend

Michael

MICHAEL LAKE

McKenzie Lake Lawyers - Named one of Ontario's Top 10 Regional Firms by Canadian Lawyer Magazine.

519-672-5666 ext.304 1-800-261-4844 F:519-672-2674
lake@mckenzielake.com www.mckenzielake.com

LISA LEITCH Law Clerk
leitch@mckenzielake.com | 519-672-5666 ext.337

MICHELLE BLISS Law Clerk
bliss@mckenzielake.com | 519-672-5666 ext.297

LINDA SPANOS Law Clerk
spanos@mckenzielake.com | 519-672-5666 ext.330

McKenzie Lake Lawyers LLP, 140 Fullarton Street, Suite 1800
 London, ON, N6A 5P2

Important: This communication (including any attachments) may contain confidential information and any rights to privilege have not been waived.

From: Roman Pekaruk [<mailto:RPekaruk@blaney.com>]
Sent: January-29-16 3:33 PM
To: Michelle Bliss (McKenzie Lake Lawyers)
Cc: Michael Lake (McKenzie Lake Lawyers); Linda Spanos (McKenzie Lake Lawyers); Michelle theberge; Annie Tran; Robert Cohen
Subject: RE: Re: Documents for signature - 200 Matheson and 5950 Avebury, Mississauga - Change of IAD

Hello Michelle,
 As this transaction will shortly be extended until February 1, 2016, the IAD to is now amended to that date. As such, we attach hereto an amended copy of the Electronic Charge/Schedule noting the new loan dates. Please confirm that we may slip sheet the same with the Acknowledgment and Direction previously provided.

We also attach an amended form of page 2 of the Commitment Letter. Please confirm on behalf of your clients that we may slip sheet the attached page into the executed Commitment Letter previously provided.

We also attach an updated form of Statement of Proceeds indicating the date of the advance to be February 1, 2016. Please have your firm execute the same (pdf copy is sufficient).

We also attach the original Receipt which indicates a February 1, 2016 IAD which is to be executed by the Borrowers and Covenantor (pdf copy is sufficient).

Lastly, we will need confirmation that two originals of all documentation will be delivered to us post-closing.

Hopefully we can close this transaction on Monday. We would appreciate your confirmation that the closing date has been officially extended (which I understand is imminent).

Regards,
Roman

Roman Pekaruk

TEL 416.597.4896 | DIRECT FAX: 416.594.5097
RPEkaruk@blaney.com

Blaney McMurtry LLP | 2 Queen Street East, Suite 1500 | Toronto, Canada M5C 3G5
TEL 416.593.1221 | MAIN FAX 416.593.5437 | www.blaney.com

CLICK TO CONNECT: 

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Annie Tran

From: Michelle Bliss (McKenzie Lake Lawyers) <bliss@mckenzielake.com>
Sent: Monday, February 01, 2016 3:36 PM
To: Roman Pekaruk
Cc: Michael Lake (McKenzie Lake Lawyers); Linda Spanos (McKenzie Lake Lawyers); Annie Tran; Robert Cohen; Michael Cass (mcass@sthilaw.com); Michelle Theberge
Subject: RE: Documents for signature - 200 Matheson and 5950 Avebury, Mississauga [IWOV-Client.FID337493]

Roman, an extension of the closing to tomorrow has been agreed upon.

MICHELLE BLISS
 Law Clerk

519-672-5666 ext.297 1-800-261-4844 F:519-672-2674
bliss@mckenzielake.com www.mckenzielake.com

We invite you to visit our new site: www.mckenzielake.com

McKenzie Lake Lawyers LLP, 140 Fullarton Street, Suite 1800
 London, ON, N6A 5P2

Important: This communication (including any attachments) may contain confidential information and any rights to privilege have not been waived.

From: Roman Pekaruk [<mailto:Rpekaruk@blaney.com>]
Sent: Monday, February 01, 2016 2:30 PM
To: Michelle Theberge
Cc: Michael Lake (McKenzie Lake Lawyers); Linda Spanos (McKenzie Lake Lawyers); Annie Tran; Robert Cohen; Michelle Bliss (McKenzie Lake Lawyers); Michael Cass (mcass@sthilaw.com)
Subject: RE: Documents for signature - 200 Matheson and 5950 Avebury, Mississauga [IWOV-Client.FID337493]

Thank you Michelle – please note that our client has provided us with a deadline of 3:30PM to inform them as to whether they are to advance funds. Even if funds are advanced to us, depending on the time of the day, we may not be able to direct funds to the Receiver's solicitor's account. We will also need your advice with respect to insurance coverage on the Avebury Property.

Please further note if funds are not advanced today, our client will require us to further amend the loan documentation so that the IAD matches the Advance Date. This cost will be passed on to your client.

Lastly, please note that I have copied Michael Cass on this e-mail to keep him in the loop.

Regards,
 Roman

From: Michelle Theberge [<mailto:mtheberge2000@yahoo.com>]
Sent: February 01, 2016 2:13 PM
To: Michelle Bliss (McKenzie Lake Lawyers)
Cc: Roman Pekaruk; Michael Lake (McKenzie Lake Lawyers); Linda Spanos (McKenzie Lake Lawyers); Annie Tran; Robert Cohen
Subject: Re: Documents for signature - 200 Matheson and 5950 Avebury, Mississauga [IWOV-Client.FID337493]

I apologize for the delay in responding - I was in a meeting.

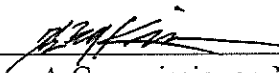
I know there are a few festering issues which Mr. Lake and Mr. Cass have been discussing. I have a call into Mr. Lake to see how we are proposing to resolve them in light of the pending closing.

Michelle

Sent from my iPhone

This email has been scanned for email related threats and delivered safely by Mimecast.
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THIS IS EXHIBIT "G" REFERRED TO IN
THE AFFIDAVIT OF GAETANO COSCIA
SWORN BEFORE ME THIS 4TH DAY
OF NOVEMBER, 2016


A Commissioner, Notary, Etc.
KEUN TAE KIM

Keun Tae Kim, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 16, 2019.

LRO # 43 Charge/Mortgage

Received as PR2863600 on 2016 02 03 at 16:11

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

yyyy mm dd Page 1 of 11

Properties

PIN	13188 - 0306 LT	Interest/Estate	Fee Simple
Description	PT OF BLK 3, PL 43M832 DES AS PTS 8 TO 24, ALL INCL., PL 43R32262; MISSISSAUGA. S/T PTS 8 & 9 PL 43R32262 IN FAVOUR OF PTS 9 & 12 TO 19 43R16452 AS IN LT1032978; T/W PTS 8 & 11 43R16452 AS IN LT1559019; S/T LT899093; S/T RIGHT OF WAY OVER PT BLK 3 PL 43M832 DES AS PTS 8,14,15,16,17, & 18 ON 43R32262 IN FAVOUR OF PTS 1,2,3,4,5,6 & 7 PL 43R32262 AS IN PR1565491. S/T EASEMENT OVER PT BLK 3 PL 43M832 DES AS PTS 11,17,19 & 23 PL 43R32262 IN FAVOUR OF PTS 1,2,3,4,5,6 & 7 PL 43R32262 AS IN PR1565491. S/T EASEMENT OVER PT BLK 3, PL 43M832 DES AS PTS 15, 19 & 23 PL 43R32262 IN FAVOUR OF PTS 1,2,3,4,5,6 & 7 PL 43R32262 AS IN PR1565491. T/W EASEMENT OVER PT BLK 3 PL 43M832 DES AS PTS 3 & 6 PL 43R32262 AS IN PR1565491.		
Address	200 MATHESON BLVD WEST MISSISSAUGA		

PIN	13188 - 0305 LT	Interest/Estate	Fee Simple
Description	PT OF BLK 3, PL 43M832 DES AS PTS 1,2,3,4,5,6 & 7, PL 43R32262, S/T PT7 PL 43R16452 IN FAVOUR OF PTS 9 & 12 TO 19, 43R16452 AS IN LT1032978; T/W PTS 8 & 11, 43R16452 AS IN LT1559019, S/T LT899093, T/W RIGHT OF WAY OVER PT BLK 3 PL 43M832 DES AS PTS 8,9,14,15,16,17 & 18 PL 43R32262 AS IN PR1565491, T/W EASEMENT OVER PTS DESIGNATED AS PTS 11,17,19 & 23 ON 43R32262 AS IN PR1565491. T/W EASEMENT OVER PTS 15, 19 & 23 PL 43R32262 AS IN PR1565491. S/T RIGHT OF WAY OVER PTS 3 & 6 ON 43R32262 IN FAVOUR OF PT BLK 3 PL 43M832 DES AS PTS 8 TO 24 ON 43R32262 AS IN PR1565491.		
Address	5950 AVEBURY ROAD MISSISSAUGA		

Chargor(s)

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

Name 2501427 ONTARIO LIMITED
Address for Service 200 Matheson Boulevard West
 Mississauga, Ontario
 L5R 3L7

I, Kent Ollis, Secretary, have the authority to bind the corporation.
 This document is not authorized under Power of Attorney by this party.

Name 2501431 ONTARIO LIMITED
Address for Service 200 Matheson Boulevard West
 Mississauga, Ontario
 L5R 3L7

I, Kent Ollis, Secretary, have the authority to bind the corporation.
 This document is not authorized under Power of Attorney by this party.

Chargee(s)	Capacity	Share
Name COMPUTERSHARE TRUST COMPANY OF CANADA		
Address for Service 100 University Avenue, 9th Floor Toronto, Ontario M5J 2Y1 Loan No. 1422/16		

Statements

Schedule: See Schedules

Provisions

Principal	\$11,400,000.00	Currency	CDN
Calculation Period	See Schedule		

LRO # 43 Charge/Mortgage

Received as PR2863600 on 2016 02 03 at 16:11

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

yyyy mm dd Page 2 of 11

Provisions

Balance Due Date 2019/09/02
 Interest Rate See Schedule
 Payments
 Interest Adjustment Date 2016 02 02
 Payment Date 1st monthly
 First Payment Date 2016 03 01
 Last Payment Date 2019 09 02
 Standard Charge Terms 200033
 Insurance Amount full insurable value
 Guarantor Kin Keung Yau

Additional Provisions

2501427 Ontario Limited is the registered owner of the lands described in PIN 13188-0306 (LT).

2501431 Ontario Limited is the registered owner of the lands described in PIN 13188-0305 (LT).

Signed By

Robert Cohen 2 Queen Street East Suite 1500 acting for Chargor Signed 2016 02 02
 Toronto (s)
 M5C 3G5

Tel 416-593-1221

Fax 416-593-5437

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

Submitted By

BLANEY MCMURTRY LLP 2 Queen Street East Suite 1500 2016 02 03
 Toronto
 M5C 3G5

Tel 416-593-1221

Fax 416-593-5437

Fees/Taxes/Payment

Statutory Registration Fee \$62.85
 Total Paid \$62.85

File Number

Chargee Client File Number : 0892260165

This is a Schedule attached to a Charge/Mortgage
 between 2501427 ONTARIO LIMITED, and 2501431 ONTARIO LIMITED (the
 "Chargors") and COMPUTERSHARE TRUST COMPANY OF CANADA (the "Chargee")
 as guaranteed by KIN KEUNG YAU (the "Covenantor")
 relating to those lands and premises municipally known as
 200 Matheson Boulevard West, Mississauga, Ontario and 5950 Avebury Road, Mississauga,
 Ontario (collectively, the "Premises")

NON-MERGER

The Chargors and the Covenantor by way of a separate Guarantee and Postponement of Claim, hereby acknowledge the terms, conditions, obligations, liabilities, warranties and representations contained in the Commitment Letter issued by Trez Capital Limited Partnership (together with successors and assigns, collectively referred to herein as the "Lender") entered into with the Chargors and the Covenantor dated January 26, 2016, as may be further amended from time to time (hereinafter referred to as the "Mortgage Commitment") shall not merge on the closing and registration or delivery of the mortgage loan security, including, but not limited to this Charge on the Premises, but shall remain in full force and effect, notwithstanding the delivery and registration of the said security.

In the event of any inconsistency or conflict between any of the provisions of the Mortgage Commitment and any of the provisions of this Charge, the Chargee shall determine which shall prevail.

Any terms not defined herein shall have the meanings ascribed to them in the Mortgage Commitment.

INTEREST RATE

Interest shall be charged during the Term at the following rates:

- Interest free from months 0 - 6;
- 5.00% per annum for months 7 - 18;
- 6.00% per annum for months 19 - 30;
- 7.00% per annum for months 31 - 42; and
- 25.00% per annum thereafter.

Interest shall be calculated daily and compounded and payable monthly. Overdue interest shall bear interest at the same rate as principal.

Such Interest Rate shall be set with respect to amounts advanced on the day of each advance and thereafter monthly on the first day of each month. Interest shall be calculated daily on the daily balance outstanding from time to time, before as well as after maturity, default or judgment, from the date of each advance. Such Interest Rate shall be determined upon the basis of a three hundred and sixty-five (365) day year, shall be calculated in accordance with the Chargee's usual practice (as to times and methods of calculation) and shall be adjusted automatically without notice to the Chargors.

All interest rates specified are nominal annual rates. The effective annual rate in any case will vary with payment frequency. All interest payable hereunder bears interest as well after as before maturity, default and judgment with interest on overdue interest at the applicable rate payable hereunder. All interest payable hereunder bears interest from the date of advance of any portion of the loan to the Chargee's solicitor, whether or not such advance of the loan is released to the Chargors or the Chargors' solicitor.

MONTHLY PAYMENTS

The Monthly Payments, shall be computed in accordance with the Mortgage Commitment and will be due and payable on the 1st day of each and every month following the Interest Adjustment Date. Monthly Payments shall be paid from the Chargors' own resources.

FINANCIAL STATEMENTS

The Chargors shall provide the Chargee, within 120 days after the end of each fiscal year of the Chargors, or more often if requested by the Chargee, a detailed financial statement of the Chargors including a separate income and expense statement for the Premises, an operating statement and updated rent roll containing relevant lease terms for the Premises, all satisfactory to the Chargee in form and content. The financial statements are to be prepared by a chartered accountant licensed under the *Public Accounting Act* (Ontario).

The Chargors and Covenantor authorize the Chargee to obtain such additional financial information as the Chargee may require. Specifically, the Chargors and Covenantor consent to the Chargee obtaining credit reports from the appropriate credit reporting agencies and relying on these reports when making decisions regarding advances under this Loan.

PREPAYMENT

The Chargors, when not in default, may at any time, after the provision of no less than 30 days written notice, which notice must contain evidence satisfactory to the Chargee, of the source of funds to be used for repayment and must contain a date certain for the repayment ("Date Certain"), repay the whole of the loan amount hereby secured to the Date Certain. Should the repayment be delayed past the Date Certain, a new minimum of 30 days written notice must be provided as set out above. If prepayment occurs prior to the Date Certain, interest must be paid to Date Certain. The Date Certain must be a business day that banks in the Province of British Columbia are open for business.

PARTIAL DISCHARGES

There shall be no partial discharges permitted.

INSURANCE

Insurance shall be provided to the Chargee in accordance with the provisions of Paragraph 16 of Standard Charge Terms 200033 and in accordance with the provisions of the Mortgage Commitment and shall be subject to the review and approval of the Insurance Consultant of the Chargee as contemplated in the Mortgage Commitment.

DUE ON SALE

Section 14 of Standard Charge Terms No. 200033 is hereby deleted and replaced with the following:

- (a) "The Chargors covenant and agree with the Chargee that in the event of the Chargors are selling, conveying, transferring or entering into an agreement for sale or transfer of title of the Premises hereby mortgaged to a purchaser or transferee not approved, in writing, by the Chargee, which approval shall not unreasonably be withheld, all monies hereby secured with accrued interest thereon shall at the option of the Chargee forthwith become due and payable."
- (b) "The Chargors acknowledge and agree that in the event there is any transfer or sale of the shares of or reconstituting of the Chargors which would result in a change of voting control or beneficial ownership thereof, such change shall be subject to the Chargee's prior written consent."

The Chargors shall not sell, assign, lease in its entirety or otherwise dispose of the legal ownership or title to the Premises, or the beneficial interest therein, or of the personal property related thereto or which is necessary to the use and operation of the Premises, without the prior written consent of the Chargee. The Chargors shall not make any changes to the authorized share capital or allocation or ownership thereof, which would result in a change of voting control or beneficial ownership thereof without the prior written consent of the Chargee.

PROPERTY MANAGEMENT

The Chargors shall maintain at all times a property manager for the Premises satisfactory to the Chargee and on terms satisfactory to the Chargee. A change in the property manager without the Chargee's approval shall constitute an Event of Default.

REAL PROPERTY TAXES

All property tax payments, utilities and like amounts due and owing in relating to the Premises, or any other taxes charged against the Premises, shall be paid prior to or coincide with the Advance. The Chargor shall make arrangements to have the taxes paid to the appropriate taxing authority in order to have them paid in full on their due date. The Chargors are to provide evidence of same to the Chargee on a quarterly basis.

In the event of a default under the Mortgage Security including, without limitations the failure of the Chargor to provide the Chargee with evidence on a quarterly basis that the taxes have been paid when due, the Chargee shall have the right to require the establishment of a tax reserve by way of monthly payments representing 1/12 of the estimated taxes payable. The Chargee shall not be responsible for the payment of any tax arrears.

ABANDONMENT

In the event of abandonment of the Premises for a period in excess of fifteen (15) consecutive days, the Chargee shall be entitled, after giving the Chargors written notice of any abandonment and provided the Chargors fail to rectify same within ten (10) days after such notice has been given, to forthwith withdraw and cancel its obligations under the Mortgage Commitment and/or decline to advance further funds as the case may be and in addition to declare any funds advanced to forthwith become due and payable plus interest, all at the Chargee's option.

RECEIVERSHIP

At the option of the Chargee, it shall constitute a default hereunder if the Chargors or the Covenantor shall become insolvent or be the subject of any bankruptcy, arrangement with creditors, proposal, amalgamation or any transaction or series of transactions which results in a change in control of the Chargors, re-organization, or any liquidation, winding-up, dissolution, or receivership or without the Chargee's consent, seeks continuation under the laws of any other jurisdiction. In the event of a default by the Chargors under this Charge, or if the Chargors or the Covenantor seeks relief under the *Companies' Creditors Arrangement Act* or other debtor relief legislation, the Chargors will, if requested by the Chargee establish a separate project bank account for the Premises.

Provided and without in any way limiting anything herein contained, in the event that:

- (a) The Chargors make default in the payment of any principal or interest or any other monies required to be paid by the Chargors hereunder;
- (b) The Chargors fail to observe or perform any other covenant or agreement herein contained;
- (c) Any representation or warranty made herein by the Chargors is at any time while this Charge is outstanding not true;
- (d) Any construction lien is registered against any part of the Premises and is not removed within twenty (20) days;
- (e) An order is made or a resolution passed for the winding up of the Chargors, or if a petition is filed for the winding up of the Chargors;
- (f) The Chargors become insolvent or make an unauthorized assignment or bulk sale of the Chargors' assets or if a bankruptcy petition is filed or presented against the Chargors;
- (g) Any proceedings with respect to the Chargors are commenced under *The Companies Creditors Arrangement Act*;
- (h) An execution, sequestration, extent or any other process of any court becomes enforceable against the Chargors or if a distress or analogous process is levied upon the Premises or any

part thereof, provided such execution, sequestration, extent, process of court, distress or analogous process is not in good faith being disputed by the Chargors;

- (i) The Chargors shall permit any sum which has been admitted as due by the Chargors or is not disputed to be due by the Chargors and which forms, or is capable of being made, a charge upon any of the Premises in priority to or ranking equally with the charge of this Charge to be or remain unpaid;
- (j) Any charge or encumbrance created or issued by the Chargors having the nature of a fixed and/or floating charge shall become enforceable, whether ranking in priority to, or *pari passu* with this Charge; or,
- (k) The Chargors cease or threaten to cease to carry on its business or if the Chargors commit or threaten to commit any act of bankruptcy;

then, and in any such event, this Charge shall, at the option of the Chargee, be deemed to be in default.

Provided that, and notwithstanding anything herein contained, it is agreed that at any time and from time to time when this Charge shall be in default, and whether or not the principal has been accelerated, the Chargee may, with or without entry into possession of the Premises or any part thereof, and whether or not there has been such entry, by writing under its hand or at its option by application to a court of competent jurisdiction, for and during the period of such default, appoint a receiver-manager (the "Receiver") of the Premises or any part thereof and of the rents and profits thereof, or of only the rents and profits thereof, and with or without security, and may from time to time by similar writing remove any Receiver and appoint another and that, in making any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargors. Upon the appointment of a receiver, the following provisions shall apply:

- (a) A statutory declaration of the Chargee as to default under this Charge shall be conclusive evidence thereof for the purpose of the appointment of such Receiver;
- (b) Every such Receiver shall be the agent or attorney of the Chargors, whose appointment is irrevocable by the Chargors, for the collection of all rents or other money receivable in respect of the Premises or any part thereof, and the Chargors covenant and agree to co-operate with and assist the receiver and execute such documentation as the receiver shall reasonably require, in order to effect the aforesaid purposes;
- (c) The Chargee may from time to time in writing fix the remuneration of the Receiver;
- (d) The Receiver shall so far as concerns responsibility for the Receiver's acts or omissions be deemed the agent or attorney of the Chargors and in no event the agent of the Chargee;
- (e) The appointment of the Receiver by the Chargee shall not incur or create any liability on the part of the Chargee to the Receiver in any respect, and such appointment or anything which may be done by the Receiver or the removal of the Receiver or the termination of the receivership shall not have the effect of constituting the Chargee a mortgagee in possession in respect of the Premises or any part thereof;
- (f) The Receiver shall have power to exercise any of the powers or discretions of the Chargee hereunder, and may rent or license for use any part of the Premises which may become vacant for such term and subject to such provisions as the Receiver may deem advisable or expedient, and in doing so the Receiver shall act as the attorney or agent of the Chargors and shall have the authority to execute under seal any lease in the name of and on behalf of the Chargors, and the Chargors undertake to ratify and confirm whatever the Receiver may do in connection with the Premises;
- (g) The Receiver shall have power to construct or complete any unfinished construction upon the Premises so that the Premises and the buildings thereon so completed shall be a complete structure;
- (h) The Receiver shall have power to manage, operate, amend, repair, alter or extend the Premises or any part thereof as it deems expedient in the name of the Chargors and to carry on or concur in carrying on all or any part of the business of the Chargors;

- (i) The Receiver may borrow or raise money on the security of all or any part of the Premises in priority to or ranking equal with or subordinate to the charge of this Charge for such purpose as may be approved by the Chargee;
- (j) The Receiver shall not be liable to the Chargors to account for money or damages other than the money actually received by the Receiver in respect of the Premises or any part thereof, and out of such money so received the Receiver shall, subject to other written directions from the Chargee, pay or make reasonable reserves for payment in the following order:
 - (i) the Receiver's remuneration and disbursements;
 - (ii) all obligations incurred by the Receiver in connection with the management, including leasing and licensing, operation, amendment, repair, alteration or extension of the Premises or any part thereof, and in borrowing or raising money on the security of the Premises, or any part thereof;
 - (iii) interest, principal and other money which may from time to time be or become charged upon the Premises in priority to this Charge, and all taxes, insurance premiums and every other proper expenditure made or incurred by the Receiver in respect of the Premises or any part thereof;
 - (iv) to the Chargee all amounts due under this Charge and to the extent elected by the Chargee, amounts to become due hereunder for no more than two (2) months;
 - (v) and thereafter any surplus remaining in the hands of the Receiver shall be payable to the Chargors.
- (k) The Chargee may at any time and from time to time terminate any such receivership by notice in writing under its hand to the Chargors and to the Receiver; and
- (l) Save as to surplus money payable to the Chargors, the Chargors release and discharge the Chargee and the Receiver from every claim of every nature, whether in damages or otherwise, arising by reason of anything done by the Chargee or the Receiver under the provisions of this section, unless such claim be the direct and proximate result of dishonesty or gross neglect.

ENVIRONMENTAL

The Chargee or agent of the Chargee may, at any time, before and after default, and for any purpose deemed necessary by the Chargee, enter upon the Premises to inspect the Premises and buildings thereon. Without in any way limiting the generality of the foregoing, the Chargee (or its respective agents) may enter upon the Premises to conduct any environmental testing, site assessment, investigation or study deemed necessary by the Chargee and the reasonable cost of such testing, assessment, investigation or study, as the case may be, with interest at the mortgage rate, shall be payable by the Chargors forthwith and shall be a charge upon the Premises. The exercise of any of the powers enumerated in this clause shall not deem the Chargee or its respective agents to be in possession, management or control of the Premises and building(s).

In consideration of the advance of funds by the Chargee, the Chargors and the Covenantor hereby agree that, in addition to any liability imposed on the Chargors and the Covenantor under any instrument evidencing or securing the loan indebtedness, the Chargors and the Covenantor shall be jointly and severally liable for any and all of the costs, expenses, damages or liabilities of the Chargee, its directors and officers (including without limitation, all reasonable legal fees) directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal or presence on, under or about the Premises of any hazardous or noxious substances and such liability shall survive foreclosure of the security for the loan and any other existing obligations of the Chargors and the Covenantor to the Chargee in respect of the loan and any other exercise by the Chargee of any remedies available to them for any default under the Charge.

In these provisions, "Requirements of Environmental Law" means all requirements of the common law or of statutes, regulations, by-laws, ordinances, treaties, judgements and decrees, and (whether or not they have the force of law) rules, policies, guidelines, orders, approvals, notices, permits, directives and the like, of any federal, territorial, provincial, regional, municipal or local judicial, regulatory or administrative agency, board or governmental authority relating to environmental or

health or fire or safety matters, or any of them and the Premises and the activities carried out thereon (whether in the past, present or the future) including, but not limited to, all such requirements relating to: (i) the protection, preservation or remediation of the natural environment (the air, land, surface water or groundwater); (ii) the generation, handling, treatment, storage, transportation or disposal of or other dealing with solid, gaseous or liquid waste; and (iii) substances or conditions that are prohibited, controlled or otherwise regulated or are otherwise hazardous in fact (collectively "Hazardous Substances") such as contaminants, pollutants, toxic, dangerous or hazardous substances, toxic, dangerous or hazardous materials, designated substances, controlled products, including without limitation, wastes, subject wastes, urea formaldehyde foam type of insulation, asbestos or asbestos-containing materials, polychlorinated biphenyls ("PCB's") or PCB contaminated fluids or equipment, explosives, radioactive substances, petroleum and associated products, underground storage tanks or surface impoundments and (iv) the securing, protection, preservation and remediation of health, fire and/or safety concerns.

The Chargors, to the best of their knowledge, warrant and represent that:

- (i) The Premises have never been used as a land fill site or to store Hazardous Substances either above or below ground, in storage tanks or otherwise;
- (ii) All Hazardous Substances used in connection with the business conducted on the Premises has at all times been received, handled, used, stored, treated, shipped and disposed of in strict compliance with all Environmental Laws;
- (iii) No Hazardous Substances have been released into the environment or deposited, discharged, placed or disposed of at, on or near the Premises as a result of the conduct of the business on the Premises, save and except in compliance with environmental laws; and
- (iv) No notices of any violation of any matters referred to above relating to the Premises or its use have been received by the Chargors and there are no directions, writs, junctions, orders or judgements outstanding, no law suits, claims, proceedings, or investigations being instituted or filed.

For the purposes of the Mortgage Commitment, a Hazardous Substance includes but is not limited to contaminants, pollutants, dangerous substances, gasoline, oil, liquid wastes, industrial wastes, whole liquid wastes, toxic substances, hazardous wastes, hazardous materials and hazardous substances as defined in or pursuant to any applicable Environmental Laws. Further, the Chargors shall indemnify and save harmless the Chargee from any loss or liability whatsoever arising from any violation whatsoever of any law, regulation, ordinance, judgment, appraisal or decision in connection with hazardous risks or environmental risks.

The Chargors covenant that they will:

- (i) remedy forthwith, at its own expense, any environment damage that may occur or be discovered on the Premises in the future;
- (ii) comply with and monitor, on a regular basis, its compliance and the compliance of any tenant, subtenant, assignee or other occupant of the Premises with all Requirements of Environmental Law;
- (iii) notify the Chargee promptly of any event or occurrence that has given, or is likely to give, rise to a report, order, inquiry or investigation relating to a matter that may have an adverse effect on the financial position of the Chargors or the Premises or any action, suit or proceeding against the Chargors or others having an interest in the Premises relating to, or a violation of, the Requirements of Environmental Law, including any release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, leaching or migration of Hazardous Substances into, on or under the Premises, air and surface and ground water, and will also notify the Chargee promptly of any such above-mentioned information of which the Chargors has or receives knowledge relating to lands adjacent to the Premises;
- (iv) not lease or consent to any sub-lease or assignment of any part of the Premises to a tenant, sub-tenant or assignee who may engage in, nor permit any tenant, subtenant, assignee or occupant of the Premises to engage in, a business involving the generation of environmental contamination or the storing, handling, processing, manufacturing or disposing of Hazardous Substances in, on, under or from the Premises save and except in accordance

with the Requirements of Environmental Law, and any lease, sub-lease, or assignment of any part of the Premises shall preserve as against any lessee, sub-lessee or assignee all of the rights of the Chargee herein;

- (v) save and except for those Hazardous Substances which are present on, in or under the Premises in accordance with Requirements of Environmental Law and which have been disclosed to the Chargee in writing remove, in accordance with all Requirements of Environmental Law, any Hazardous Substances from the Premises forthwith upon their discovery and advise the Chargee forthwith in writing of the procedures taken;
- (vi) provide to the Chargee upon request such information, certificates, or statutory declarations as to compliance with the provisions hereof and all Requirements of Environmental Law and conduct such environmental audits or site assessments as may be reasonably necessary to ensure compliance with the Requirements of Environmental Law, and provide to the Chargee copies of any environmental, soils, safety or health reports or studies in respect of the Premises that it receives or possesses from time to time; and
- (vii) permit the Chargee to conduct inspections and appraisals of all or any of its records, business and property relating to the Premises at any time and from time to time to monitor compliance with the Requirements of Environmental Law.

The Chargors and the Covenantor further covenant that they will be liable for and fully indemnify the Chargee for any and all costs, expenses, damages or liabilities (including legal fees on a solicitor and his own client basis and any environmental remediation costs incurred by the Chargee) directly or indirectly arising out of or attributable to the non-compliance of the Chargors or their respective tenants, employees, or agents with the Requirements of Environmental Law and all such costs, expenses, damages or liabilities shall be secured hereby, and all such liability and indemnity shall survive the repayment of the indebtedness secured hereby, foreclosure upon the Charge, and/or any other extinguishment of the obligations of the Chargors and the Covenantor under the Charge and any other exercise by the Chargee of any remedies available to it against the Chargors or Covenantor.

LIENS

At all times, and in particular on each disbursement date, there shall have been full and complete compliance with all requirements of federal and provincial legislation which may give rise to a lien or other charge in priority to the Chargee. The Chargee may retain from any disbursement such amounts as it considers advisable to protect its interest from subordination under such legislation.

The Chargors shall provide such additional security, information, documentation and assurances as may be required from time to time by the Chargee during the currency of this Charge to determine and to establish and preserve, in all respects, the priority of this Charge and all advances made hereunder over any rights of lien claimants pursuant to the provisions of the *Construction Lien Act* (Ontario). If the Chargee makes any payment, in connection with the determination, establishment or preservation of its priority, whether such payment is made to a lien claimant or other person claiming an interest in the Premises or is paid into court, then the amount or amounts so paid and all costs, charges and expenses incurred in connection therewith shall be forthwith payable to the Chargee by the Chargors and shall be a charge on the Premises and shall be added to the debt hereby secured and shall bear interest at the applicable rate and, in default of payment, the powers of sale and other remedies hereunder may be exercised. It is further agreed that the Chargee shall not become a mortgagee in possession by reason only of exercising any of the rights given to it under this paragraph or in making any payment to preserve, protect or secure the Premises.

EXPROPRIATION

In the event the whole or any part of the Premises is expropriated, the Chargors agree that all proceeds received from any such expropriation shall be paid directly to the Chargee provided that upon the payment of all amounts secured by this Charge, the Chargee shall have no further claim to any such proceeds.

ADDITIONAL FINANCING

The Chargors agree not to enter into any further financing of the Premises and not to further encumber the Premises in any matter without the prior written approval of the Chargee, which approval may be withheld in the Chargee's sole discretion. The Chargors will provide evidence,

satisfactory to the Chargee, as to the source of the Chargors required equity in the Premises. The Chargors shall disclose to the Chargee all existing or proposed financing related to the Premises or any security used in connection therewith and shall not further pledge, charge or otherwise encumber its interest in the Premises, nor any of the security used in connection with the Premises to any party other than the Chargee, without the prior written consent of the Chargee.

Failure to comply with this provision shall at the option of the Chargee constitute an Event of Default under the Charge. If the Chargors default in the payment of any instalment of principal or interest payable under any subsequent Charge/Mortgage or other encumbrance affecting the Premises, whether the Chargee has consented thereto or not, or in the observance or performance of any of the agreements, terms or provisos of any such Charge/Mortgage or other encumbrance, then at the option of the Chargee, the entire principal secured under this Charge, together with all accrued and unpaid interest, shall become due and payable at the option of the Chargee and the Chargee shall be entitled to exercise all of its rights and remedies hereunder.

In the event the Chargee agrees to allow subordinate financing on the Premises, all terms of the junior financing must be satisfactory to the Chargee in its sole discretion. The requirements will include but not be limited to: (i) Commitment letter(s) and/or loan agreement(s) for any junior mortgagees. All junior mortgage terms and conditions must be satisfactory to the Chargee; (ii) amortization schedule(s) from any junior mortgagees; and (iii) at the Chargee's discretion, a priority and standstill agreement between the Chargee and any junior mortgagees in form and substance satisfactory to the Chargee in its sole and unfettered discretion.

ADDITIONAL SECURITY

The Chargors acknowledge that a General Assignment of Rents and General Security Agreement (collectively the "Additional Security") are being given as further security to this Charge, which Additional Security is being granted by the Chargors to the Chargee and any default under the Additional Security shall constitute default under this Charge and any default under this Charge shall constitute default under the Additional Security and at the option of the Chargee require the entire principal secured under this Charge; together with all accrued and unpaid interest to become due and payable. Payment under the Additional Security shall constitute payment under this Charge and payment on account of this Charge shall constitute payment under the Additional Security.

It is agreed the Chargee's rights hereunder shall in no way merge or be affected by any proceedings the Chargee may take under the Additional Security and the Chargee shall not be required to take proceedings under such Additional Security or any part thereof before proceeding under this Charge, and conversely, no proceedings under this Charge shall in any way affect the rights of the Chargee under such Additional Security and the Chargee shall not be required to take proceedings under this Charge before proceeding under the Additional Security or any part thereof.

Upon request from the Chargee, the Chargors agree forthwith upon delivery from time to time of any chattels in which it has an ownership interest (including replacements thereof) relating to the Premises, it shall promptly notify the Chargee, and its solicitors, of such delivery and shall forthwith supply the Chargee with all serial numbers and a description of such chattels for the purposes of the aforementioned General Security Agreement, which description shall include make and model. The Chargors further agree to provide written evidence of proof of purchase of the chattels, free of encumbrances, and of insurance of same, both in the form and content satisfactory to the Chargee.

UNDERTAKINGS

In the event the Chargors default with respect to any undertakings delivered to the Chargee in consideration of the advance of funds under this Charge or with respect to any covenant contained in the terms and provisions contained in this Charge or the Additional Security, such default will be an Event of Default under this Charge.

CHARGORS SHAREHOLDERS

The Chargors and the Covenantor covenant and agree with the Chargee that it will not transfer, encumber, hypothecate or dispose of any of the shares in the Chargors to persons or entities other than to the Covenantor without the prior written consent of the Chargee, such consent not to be unreasonably withheld. In the event the approval and consent of the Chargee is not first obtained with respect to the foregoing, it is agreed all monies secured hereunder with accrued interest thereon shall, at the option of the Chargee, forthwith become due and payable and the Chargee shall have the right and option to exercise all its rights and remedies hereunder.

PLACE OF PAYMENTS

All payments under this Charge shall be paid to the Chargee at its offices in Vancouver, British Columbia herein described or as it or its agents may otherwise direct, before 1:00 p.m. Pacific Standard Time on a business date. The parties agree any payment received after 1:00 p.m. shall be deemed to have been made on the banking day next following.

NOTICE

Any notice, direction or other instrument required or permitted to be given under the provisions of this Charge shall be in writing and may be given by delivering same or mailing same or sending same by telegram, telex, telecommunication, facsimile or other similar form of communication, in each case addressed to the Chargee on the address noted on the first page of this Charge and to Trez Capital Limited Partnership, 1185 West Georgia Street, Suite 1550, Vancouver, BC V6E 4E6, and to the Chargors at the address as set out herein. Any notice, direction or instrument aforesaid, shall if delivered, be deemed to have been given or made on the date it was so delivered; if sent by prepaid registered mail, be deemed to have been given or made the fifth day following the day on which it was so mailed; and if sent by telegram, telex, telecommunication, facsimile or other similar form of communication, be deemed to have been given or made on the day it was so sent. Any party may give written notice of change of address in the same manner, in which event any such notice shall thereafter be given to it as above provided at such changed address. In the event of interruption, for any reason, in one or more of the forms of communications listed above, the parties shall use a form which is not so interrupted with the intent that the form of communication used will give the addressee timely notice of the communication.


CROSS DEFAULT

In addition to the security granted hereunder, this Charge is given as further collateral security to all other loans, present and future, or security granted or to be granted, between the Chargee and/or Lender and the Chargors or Covenantor, either individually or collectively, or with all other loans, present and future, or security granted or to be granted, between the Chargee and/or Lender and entities owned or controlled by the Covenantor or the principals of the Chargors (the "Other Security"). Default hereunder shall constitute default under the Other Security and default under any or all of the Other Security shall constitute default hereunder.

STANDARD CHARGE TERMS

In the event of any discrepancy between the provisions contained in this Schedule and the provisions contained in Standard Charge Terms No. 200033, the Chargee shall determine which shall prevail.

THIS IS EXHIBIT "H" REFERRED TO IN
THE AFFIDAVIT OF GAETANO COSCIA
SWORN BEFORE ME THIS 4TH DAY
OF NOVEMBER, 2016



A Commissioner, Notary, Etc.
KEUN TAE KIM

Keun Tae Kim, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 16, 2019.

LRO # 43 Notice Of Assignment Of Rents-General

Received as PR2863601 on 2016 02 03 at 16:11

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

yyyy mm dd Page 1 of 5

Properties

PIN 13188 -- 0306 LT

Description PT OF BLK 3, PL 43M832 DES AS PTS 8 TO 24, ALL INCL., PL 43R32262; MISSISSAUGA, S/T PTS 8 & 9 PL 43R32262 IN FAVOUR OF PTS 9 & 12 TO 19 43R16452 AS IN LT1032978; T/W PTS 8 & 11 43R16542 AS IN LT1559019; S/T LT899093; S/T RIGHT OF WAY OVER PT BLK 3 PL 43M832 DES AS PTS 8,14,15,16,17, & 18 ON 43R32262 IN FAVOUR OF PTS 1,2,3,4,5,6 & 7 PL 43R32262 AS IN PR1565491. S/T EASEMENT OVER PT BLK 3 PL 43M832 DES AS PTS 11,17,19 & 23 PL 43R32262 IN FAVOUR OF PTS 1,2,3,4,5,6 & 7 PL 43R32262 AS IN PR1565491. S/T EASEMENT OVER PT BLK 3, PL 43M832 DES AS PTS 15, 19 & 23 PL 43R32262 IN FAVOUR OF PTS 1,2,3,4,5,6 & 7 PL 43R32262 AS IN PR1565491. T/W EASEMENT OVER PT BLK 3 PL 43M832 DES AS PTS 3 & 6 PL 43R32262 AS IN PR1565491.

Address 200 MATHESON BLVD WEST
MISSISSAUGA

PIN 13188 -- 0305 LT

Description PT OF BLK 3, PL 43M832 DES AS PTS 1,2,3,4,5,6 & 7, PL 43R32262, S/T PT7 PL 43R16452 IN FAVOUR OF PTS 9 & 12 TO 19, 43R16452 AS IN LT1032978; T/W PTS 8 & 11, 43R16452 AS IN LT1559019, S/T LT899093, T/W RIGHT OF WAY OVER PT BLK 3 PL 43M832 DES AS PTS 8,9,14,15,16,17 & 18 PL 43R32262 AS IN PR1565491, T/W EASEMENT OVER PTS DESIGNATED AS PTS 11,17,19 & 23 ON 43R32262 AS IN PR1565491. T/W EASEMENT OVER PTS 15, 19 & 23 PL 43R32262 AS IN PR1565491. S/T RIGHT OF WAY OVER PTS 3 & 6 ON 43R32262 IN FAVOUR OF PT BLK 3 PL 43M832 DES AS PTS 8 TO 24 ON 43R32262 AS IN PR1565491.

Address 5950 AVEBURY ROAD
MISSISSAUGA

Applicant(s)

The assignor(s) hereby assigns their interest in the rents of the above described land. The notice is based on or affects a valid and existing estate, right, interest or equity in land.

Name 2501427 ONTARIO LIMITED

Address for Service 200 Matheson Boulevard West
Mississauga, Ontario
L5R 3L7

I, Kent Ollis, Secretary, have the authority to bind the corporation.
This document is not authorized under Power of Attorney by this party.

Name 2501431 ONTARIO LIMITED

Address for Service 200 Matheson Boulevard West
Mississauga, Ontario
L5R 3L7

I, Kent Ollis, Secretary, have the authority to bind the corporation.
This document is not authorized under Power of Attorney by this party.

Party To(s)	Capacity	Share
Name COMPUTERSHARE TRUST COMPANY OF CANADA		
Address for Service 100 University Avenue, 9th Floor Toronto, Ontario M5J 2Y1 Loan No. 1422/16		

Statements

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

This notice may be deleted by the Land Registrar when the registered instrument, PR2863600 registered on 2016/02/03 to which this notice relates is deleted

Schedule: See Schedules

LRO # 43 Notice Of Assignment Of Rents-General

Received as PR2863601 on 2016 02 03 at 16:11

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

yyyy mm dd Page 2 of 5

Signed By

Robert Cohen 2 Queen Street East Suite 1500 acting for Signed 2016 02 02
Toronto Applicant(s)
M5C 3G5

Tel 416-593-1221

Fax 416-593-5437

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

Robert Cohen 2 Queen Street East Suite 1500 acting for Party To Signed 2016 02 02
Toronto (s)
M5C 3G5

Tel 416-593-1221

Fax 416-593-5437

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

Submitted By

BLANEY MCMURTRY LLP 2 Queen Street East Suite 1500 2016 02 03
Toronto
M5C 3G5

Tel 416-593-1221

Fax 416-593-5437

Fees/Taxes/Payment

Statutory Registration Fee \$62.85

Total Paid \$62.85

File Number

Party To Client File Number : 0892260165

GENERAL ASSIGNMENT OF RENTS

BETWEEN:

2501427 ONTARIO LIMITED
 (the registered owner of PIN 13188-0306(LT))
 and 2501431 ONTARIO LIMITED
 (the registered owner of PIN 13188-0305(LT))

(hereinafter collectively called the "Assignor")

OF THE FIRST PART;

- and -

COMPUTERSHARE TRUST COMPANY OF CANADA,

(hereinafter called the "Assignee")

OF THE SECOND PART;

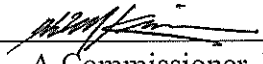
1. As security for the payment for all obligations, indebtedness and liability of the Assignor to the Assignee, as mortgage custodian for Trez Capital Limited Partnership and/or its nominee, under a certain Charge/Mortgage, and any amendments thereto and extensions thereof (the "Charge"), given by the Assignor to the Assignee on the interest in those lands and premises described on page 1 of the Notice of Assignment of Rents-General to which this document is attached (the "Lands"), whether such obligations, indebtedness or liabilities are incurred prior to, at the time of, or subsequent to, the execution of this Assignment, the Assignor hereby grants, assigns and transfers to the Assignee:
 - (a) All leases, licenses and other agreements, including, but not limited to, offers to purchase, permitting the occupation or use of the Lands or any part thereof, whether in existence at the date of this Assignment or hereafter, and all renewals thereof (all of which leases, licenses and other agreements are hereinafter referred to as "Leases") and any guarantee of all or any of the obligations under any of the Leases; and,
 - (b) All rentals, income, receipts, profits and other monies payable to the Assignor under the Leases including, without limiting the generality of the foregoing, all rents, income, subsidies or payments received from any and all competent governmental authorities (all of which rentals, income receipts, profits and other monies are hereinafter referred to as "Rentals").
2. In the event of default under the Charge or herein, the Assignee may at its option enter upon the Lands and collect in the name of the Assignor or in its own name as Assignee, the Rentals accrued but unpaid and in arrears at the date of such default, as well as the Rentals thereafter accruing and becoming payable during the period of the default. The Assignor shall from time to time forthwith on the Assignee's request, do, make and execute all notices and directions to tenants directing the payment of Rentals to the Assignee and other documents, acts, matters and things, as may be required by the Assignee in order to collect Rentals or otherwise give effect to these presents, and the Assignor hereby constitutes and appoints any officer of the Assignee, or any receiver appointed by the Court as hereinafter set out, the true and lawful Attorney of the Assignor irrevocably with power of substitution to do, make and execute all such notices, directions, documents, acts, matters or things with the right to use the name of the Assignor whenever and wherever it may be deemed necessary or expedient.
3. The Assignor shall from time to time forthwith on request furnish to the Assignee in writing all books and information requested relating to Rentals and the Assignee shall be entitled from time to time to have access to the lands and/or other premises occupied by the Assignor in order to inspect such books or information.

4. In the event of default under the Charge or herein, the Assignee may, in addition to any other rights, appoint by instrument in writing a receiver or receiver-manager in connection with the Rentals and remove or replace such receiver or receiver-manager from time to time or may institute proceedings in any court of competent jurisdiction for the appointment of such receiver or receiver-manager. Where the Assignee is hereinafter in this Assignment referred to, the term shall, where the context permits, include any receiver or receiver-manager so appointed and the officers, employees, servants or agents of such receiver or receiver-manager.
5. In the event of default under the Charge or herein, the Assignee may, at its option, take over and assume the management, operation and maintenance of the Lands and perform all acts necessary and proper with respect to such management, operation and maintenance and expend such sums out of the income of the Lands as may be needed in connection therewith, in such manner and to the same extent as the Assignor, including the right to effect new Leases, renew existing Leases or make concessions to tenants and the Assignor hereby releases all claims against the Assignee arising out of such management, operation and maintenance, save and except the liability of the Assignee to account.
6. The Assignor represents and warrants to, and covenants and agrees with, the Assignee that:
 - (a) all Leases are valid, enforceable and in full force and effect;
 - (b) the Assignor has not done and will not do or omit to do any act having the effect of terminating, cancelling or accepting surrender of any of the Leases, or of waiving, releasing, reducing or abating any rights or remedies of the Assignor, or obligations of any other party thereunder or in connection therewith without the prior written consent of the Assignee;
 - (c) none of such rights, remedies and obligations are or will be affected by any other agreement, document or understanding or by any reduction, abatement, defence, set-off or counterclaim;
 - (d) none of the Leases or the Assignor's rights thereunder (including the right to receive the Rentals) have been or will be amended, assigned, encumbered, discounted or anticipated, except as currently disclosed by the records of the Land Registry Office, and same shall not be, except with the prior written consent of the Assignee;
 - (e) none of the Rentals have been or will be paid prior to the due date for payment thereof except as provided in the Leases;
 - (f) the Assignor will observe and perform all of its obligations under the Leases;
 - (g) there has been no default under any of the Leases by any of the parties thereto of which the Assignor has notice;
 - (h) there is no outstanding dispute under any of the Leases by any of the parties thereto; and,
 - (i) neither the Assignor nor any previous owner of the Lands has executed a prior assignment of the Leases or the Rentals except as currently disclosed by the records of the Land Registry Office and which shall be discharged on closing of this loan transaction.
7. The Assignor hereby covenants and warrants that a further assignment of Leases or Rentals shall not be granted unless the Assignor provides the Assignee with an acknowledgement from any subsequent creditor that this Assignment shall have full priority over any such further assignment.
8. Nothing herein contained shall have the effect of making the Assignee responsible for the collection of Rentals or any part thereof, or for the performance of any of the obligations or conditions under or in respect of the Leases or any of them to be observed and performed by the Assignor, or to take any action or enforce any remedy against any person with respect to any breach of any of the Leases, and that the Assignee shall not by virtue of this Assignment, or its receipt of the Rentals or any part thereof, become or be deemed a mortgagee in possession. The Assignee shall be liable to account for only such monies as

shall actually come into its hands, less proper collection charges, provided that such monies may be applied on account of any indebtedness of the Assignor to the Assignee.

9. The Assignor shall be entitled to collect and receive the Rentals as they become due under the Leases unless and until default occurs under the Charge or herein and the Assignee gives notice to any tenant, user, occupier, licensee or other party entitled to occupation or use of any part of the Lands under any of the Leases requiring that the Rentals be paid to the Assignee, but nothing in this section 9 shall permit or authorize the Assignor to collect any of the Rentals prior to their due date.
10. None of the rights or remedies of the Assignee under the Charge shall be delayed or in any way prejudiced by this Assignment. Notwithstanding any variation of the terms of the Charge or any extension of time for payment of the monies secured by the Charge or any part thereof or any release of part or parts of the premises or any collateral security, the Leases and the Rentals hereby assigned shall continue as collateral security until all monies secured by the Charge have been paid in full.
11. Save as otherwise agreed between the parties in writing, and save as hereinafter set out, the Assignment and the Charge collectively constitute the entire agreement between the parties as regards the assignment of Leases and Rentals and the rights and liabilities of the parties and there are no other representations, collateral agreements or conditions in respect of the Leases or Rentals. This Assignment is in addition to and not in substitution for any other agreement between the parties including, without limiting the generality of the foregoing, any agreement creating a security interest in the Leases or Rentals and whether heretofore or hereinafter made, and the terms of such agreement or agreements shall be deemed to be continued unless expressly provided to the contrary in writing and signed by the parties.
12. Any notice required by or given under or in connection with this Assignment may be effectively given if it is in written form and given in the same manner and extent as provided for in the Charge.
13. If any term of this Assignment or the application to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Assignment or the application of such term to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term of this Assignment shall be separately valid and enforceable to the fullest extent permitted by law.
14. Any receiver or receiver-manager appointed out of this Assignment or by any Court shall be deemed to be an agent or agents of the Assignor and the Assignor shall be solely responsible for his or its or their acts and for his or its or their remuneration and expenses and the Assignee shall not be in any way responsible for any misconduct or negligence on the part of any such receiver or receiver-manager.
15. In the event that all amounts receivable under the Charge are received in full, the Assignor shall be entitled, at its sole expense to receive a discharge of this Assignment.
16. A discharge of the Charge shall operate as a reassignment to the Assignor of the rentals and leases referred to herein.
17. This Assignment shall be interpreted in accordance with the laws of the Province of Ontario.
18. This Assignment and everything contained herein shall extend to and bind and may be taken advantage of by the respective successors and assigns, as the case may be, of each and every of the parties hereto and where there is more than one Assignor or there is a female party or a corporation, the provisions hereof shall be read with all grammatical changes thereby rendered necessary and where there is more than one Assignor all covenants shall be deemed to be joint and several.
19. Provided (i) an Event of Default has not occurred, or if occurred is no longer continuing, and (ii) the Assignors comply with the requirements of the first mortgagee, then the Assignors may, without the Assignee's consent, from time to time (i) agree to amend the existing leases so long as such amendments are commercially reasonable, and do not release such tenants or reduce such tenants' rental obligations under the lease except in the ordinary course of its business acting as would a prudent landlord, and (ii) agree to lease premises in the Project, acting as a prudent landlord, to replacement tenant(s) at fair market terms.

THIS IS **EXHIBIT "I"** REFERRED TO IN
THE AFFIDAVIT OF **GAETANO COSCIA**
SWORN BEFORE ME THIS 4TH DAY
OF NOVEMBER, 2016


A Commissioner, Notary, Etc.
KEUN TAE KIM

Keun Tae Kim, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 16, 2019.

GENERAL SECURITY AGREEMENT

1. SECURITY INTEREST

(a) As security for the payment of all, without limitation, obligations, indebtedness and liabilities of 2501427 ONTARIO LIMITED and 2501431 ONTARIO LIMITED (hereinafter referred to as the "Debtors") to COMPUTERSHARE TRUST COMPANY OF CANADA as custodian for Trez Capital Limited Partnership and/or its nominee (the "Creditor"), whether incurred prior to, at the time of or subsequent to the execution hereof, including, a Charge/Mortgage securing the original principal sum of ELEVEN MILLION FOUR HUNDRED THOUSAND DOLLARS (\$11,400,000.00), and any amendments thereto and extensions thereof (the "Charge") given to the Creditor on those lands and premises described in Schedule "A" attached hereto (the "Lands"), the Debtors hereby grant to the Creditor by way of mortgage, charge, assignment and transfer, a security interest (the "Security Interest") in all present and after-acquired personal property located on, related to, arising from or used or acquired in connection with (including all parts, accessories, attachments, special tools, additions and accession thereto) located on the Lands, which are now owned or hereafter owned or acquired by or on behalf of the Debtors (including such as may be returned to or repossessed by Debtors) and in all proceeds and renewals thereof, accretions thereto and substitutions therefor (hereinafter collectively called "Collateral"), including, without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of Debtors:

- (i) all inventory of whatever kind ("Inventory") located on the Lands;
- (ii) all equipment (other than Inventory) of whatever kind located on the Lands including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures, appliances and vehicles of whatsoever nature or kind belonging to and owned by the Debtors;
- (iii) all book accounts and book debts and generally all accounts, debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured which are now due, owing or accruing due to or owned by or which may hereafter become due, owing or accruing due or owned by the Debtors in connection with the Lands or the business operated by the Debtors thereon including, without limitation, letters of credit and advises of credit, which are now due, owing or accruing due to or owned by or which may hereafter become due, owing or accruing due to or owned by the Debtors ("Debts");
- (iv) all deeds, documents, writings, papers, books of account and other books relating to or connected with the Lands or the business operated by the Debtors thereon and which relate to or are records of Debts, Chattel Paper or Documents of Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
- (v) all contractual rights and insurance claims and all goodwill, patents, trademarks, copyrights, and other industrial property relating to or connected with the Lands or the business operated by the Debtors thereon;
- (vi) all monies, other than trust monies lawfully belonging to others, which now are or which may at any time hereafter be due and owing to or owned by the Debtors in connection with the Lands or the business operated by the Debtors thereon;
- (vii) all the goods, chattels and fixtures now located on the Lands and belonging to and owned by Debtors and any replacements thereof.

(b) The Security Interest granted hereby shall not extend to or apply to, and the Collateral shall not include, the last date of the term of any lease or agreement therefor but upon the enforcement of the Security Interest the Debtors shall stand possessed of such last day in trust to assign the same to any person acquiring such term;

(c) The terms "Goods", "Chattel Paper", "Documents of Title", "Instruments", "Intangibles", "Securities", "proceeds", "Inventory", and "accessions", whenever used herein shall be interpreted pursuant to their respective meanings when used in the *Personal Property Security Act* (Ontario), R.S.O., 1990, as amended from time to time, which Act, including amendments thereto and any Act substituted therefor and amendments thereto is herein referred to as the "Act". Provided always that the terms "Goods" when used herein shall not include "consumer goods" of Debtors as that

term is defined in the Act, and any reference herein to "Collateral" shall, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof".

2. INDEBTEDNESS SECURED

The Security Interest granted hereby secures payment and satisfaction of any and all obligations, indebtedness and liabilities of Debtors to the Creditor (including interest thereof) relating to the Loan present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, wheresoever and howsoever incurred and any ultimate unpaid balance thereof and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether Debtors be bound alone or with another or others and whether as principal or surety including, but without limitation, all obligations of the Debtors to the Creditor under the Charge (hereinafter collectively called the "Indebtedness").

3. OWNERSHIP OF COLLATERAL

The Debtors represent and warrant that, except for the Security Interest created hereby, the Debtors are, or with respect to Collateral acquired after the date hereof will be, the respective owners of the Collateral free from any mortgage, lien, charge, security interest or encumbrance ("Encumbrances"), save for the Security Interest and those Encumbrances shown in Schedule "B".

4. INSURANCE

The Debtors shall keep the Collateral insured against loss or damage by fire and such other risks as the Creditor may reasonably require to the full insurance value thereof, and shall either assign the insurance policies to the Creditor or have the loss thereunder made payable to the Creditor as the Creditor may require. At the request of the Creditor such policies shall be delivered to and held by it. Should the Debtors neglect to maintain such insurance the Creditor may insure and any premiums paid by the Creditor together with interest thereon shall be payable by the Debtors to the Creditor upon demand.

5. LIENS, ETC.

The Debtors shall keep the Collateral free and clear of all taxes, assessments, claims, liens and encumbrances, save for the Security Interest and those Encumbrances shown in Schedule "B", and shall promptly notify the Creditor of any loss or damage to the Collateral or any part thereof.

6. USE OF COLLATERAL

Until the Security Interest shall have become enforceable, the Debtors may dispose of or deal with the Collateral in the ordinary course of its business, for the purpose of carrying on the same and in any lawful manner not inconsistent with the provisions hereof or any other agreements of the Debtors to the Creditor or with the terms of any policies of insurance relating thereto.

7. INFORMATION AND INSPECTION

The Debtors shall from time to time forthwith on request furnish to the Creditor in writing all information requested relating to the Collateral or any part thereof, and the Creditor shall be entitled from time to time to inspect the tangible Collateral wherever located including, without limitation, any books and records of the Debtors relating to the Collateral, and for such purpose the Creditor shall have access to all places where the Collateral or any part thereof is located and to all premises occupied by the Debtors. The Debtors shall also deliver to the Creditor, as and when requested, such financial statements and other financial information relating to the Debtors and their respective businesses as required by the Creditor from time to time.

8. DEFAULT

8.1 In the event the Debtors shall default in the payment of all or any part of the Indebtedness or liability of the Debtors to the Creditor, or in the performance or observance of any other obligation or liability of the Debtors to the Creditor, then the Security Interest shall become enforceable and so long as it shall remain enforceable, the Creditor may proceed to realize the security constituted by this Security Agreement by sale or to enforce its rights by entry, or by proceedings in any court of competent jurisdiction for the appointment of a receiver or receiver and

manager or for sale of the Collateral or any part thereof or by any other action, suit, remedy or proceeding authorized or permitted hereby or by law or by equity; and may file such proofs of claims and other documents as may be necessary or advisable in order to have its claim lodged in any bankruptcy or other judicial proceedings relative to the Debtors. Any such sale may be made by public auction, by public tender or by private contract, with or without advertising and without any other formality, all of which are hereby waived by the Debtors, and such sale shall be on such terms and conditions as to credit or otherwise and as to upset or reserve bid or price as the Creditor, in its sole discretion, may deem advantageous and such sale may take place whether or not the Creditor has taken possession of such property and assets; provided however, that unless the Collateral is perishable or unless the Creditor believes on reasonable grounds that the Collateral will decline speedily in value the Debtors shall be entitled to not less than fifteen (15) days' notice of sale containing such information and statements as are prescribed by the Act.

8.2 In addition to the rights of the Creditor set forth in Paragraph 8.1, whenever the Security Interest shall have become enforceable and so long as it shall remain enforceable, the Creditor may, by instrument in writing, appoint any person to be a receiver (which term shall include a receiver and manager) of the Collateral including any rents and profits thereof and may remove any receiver and appoint another in his stead. Any such receiver or receivers so appointed shall be vested with all the powers and rights of the Creditor and shall have power to take possession of the Collateral or any part thereof and to carry on or concur in carrying on the business of the Debtors, and to borrow money required for the maintenance, preservation or protection of the Collateral or any part thereof or for the carrying on of such business, and to further charge the Collateral in priority to the security constituted by this Security Agreement as security for money so borrowed, and to exercise all rights attaching or incidental to any securities owned by the Debtors and to sell, lease or otherwise dispose of the whole or any part of the Collateral on such terms and conditions and in such manner as he shall determine. Any such receiver shall for all purposes be deemed to be the agent of the Debtors and not the agent of the Creditor, and therefore, the Creditor shall not be responsible for the acts or omissions of the receiver. The Creditor may from time to time fix the remuneration of such receiver and direct the payment thereof out of the Collateral. The receiver shall apply all monies from time to time received by him in such of the following modes and in such order or priority as the Creditor may from time to time at its option direct, namely: in discharge of all rents, taxes, rates, insurance premiums and outgoings affecting the Collateral; in payment of the remuneration of the receiver; in keeping in good standing all liens and charges on the Collateral prior to the Security Interest; in payment of the costs of carrying out or executing any powers, duties or directions which are vested in the receiver; in payment of the interest accruing due on the Security Agreement and all other amounts owing hereunder; and in payment of the principal due and payable upon the Security Agreement and residue of any monies so received shall be paid to the Debtors. The Creditor, in appointing or refraining from appointing such receiver, shall not incur any liability to the receiver, the Debtors or otherwise.

8.3 In addition to the rights and remedies specifically provided herein, the Creditor shall, upon default have the rights and remedies of a secured party under the Act.

9. RECEIVABLES

The Creditor may collect, realize, sell, or otherwise deal with the Debts or any part thereof in such manner, upon such terms and conditions and at such time or times, whether before or after default, as may seem to it advisable and without notice to the Debtors. The Creditor shall not be liable or accountable for any failure to collect, realize, sell or obtain payment of the Debts or any part thereof and shall not be bound to institute proceedings for the purpose of collecting, realizing or obtaining payment of the same or for the purpose of preserving any rights of the Creditor, the Debtors or any other person, firm or corporation in respect of the same. All monies collected or received by the Creditor in respect of the Debts or other Collateral may be applied on account of such parts of the indebtedness of the Debtors as the Creditor may, in its sole discretion, elect, or in the discretion of the Creditor may be released to the Debtors, all without prejudice to the liability of the Debtors or the Creditor's right to hold and realize the security constituted by this Security Agreement.

10. CHARGES AND EXPENSES

The Creditor may charge on its own behalf and pay to others reasonable sums for expenses incurred and for services rendered (expressly including legal advice and services) in connection with the preparation and registration of this Security Agreement and in connection with the realization,

disposition of, retention or collection of the Collateral or any part thereof, and such sums shall be a subordinate charge, subject to the Security Interest and Encumbrances shown in Schedule "B" on the proceeds of such realization, disposition or collection and shall be added to the Indebtedness secured by this Security Agreement and shall also be secured hereby.

11. DEALINGS BY THIRD PARTIES

No person dealing with the Creditor or its agent or a receiver shall be concerned to enquire whether the Security Interest has become enforceable, or whether the powers which the Creditor or its agent is purporting to exercise have become exercisable, or whether any money remains due upon the security constituted by this Security Agreement, or as to the necessity or expediency of the stipulations and conditions to which any sale shall be made, or as to the propriety or regularity of any sale, or of any other dealing by the Creditor with the Collateral, or to see to the application of any money paid to the Creditor.

12. ADDITIONAL COVENANTS

The Debtors hereby covenant and agree with the Creditor, so long as this Security Agreement remains outstanding, that:

- (a) it will do, observe and perform all matters and things necessary or expedient to be done, observed or performed by virtue of any law of Canada or any province or municipality thereof for the purpose of creating and maintaining the security hereby constituted;
- (b) it will, at all times, maintain all licenses, permits and authorizations to enable it to conduct its business; will carry on and conduct its business in a proper, efficient and businesslike manner and in accordance with good business practice;
- (c) it will upon the reasonable request of the Creditor, provide the Creditor with such information concerning the Collateral and the business of the Debtors as required by the Creditor;
- (d) it will pay or cause to be paid all taxes, rates, government fees and dues, levies, assessed or imposed on it and its property or any part thereof as and when the same become due and payable, save and except when and so long as the validity of any such taxes, rates, fees, dues, levies, assessments or imposts is, in good faith, contested by it and will, if and when required in writing by the Creditor, furnish the Creditor for inspection, with receipts for any of such payments;
- (e) it will not, without the prior written consent of the Creditor, which may be granted or withheld by the Creditor, in its absolute discretion, sell, transfer, assign or otherwise dispose of any part of the Collateral other than in the ordinary course of its business, for the purpose of carrying on same in a lawful manner not inconsistent with the provisions of this agreement or any other agreement of the Debtors with the Creditor.

13. FURTHER ASSURANCES

The Debtors shall from time to time forthwith on the Creditor's request do, make and execute all such financing statements, further assignments, documents, acts, matters and things as may be required by the Creditor of, or with respect to, the Collateral or any part thereof or as may be required to give effect to these presents, and the Debtors hereby constitute and appoint a duly authorized officer of the Creditor the true and lawful attorney of the Debtors irrevocable with full power of substitution to do, make and execute all such statements, assignments, documents, acts, matters or things with the right to use the name of the Debtors whenever and wherever it may be deemed necessary or expedient.

14. DEALINGS BY THE CREDITOR

The Creditor may grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Debtors, debtors of the Debtors, sureties and others and with the Collateral and other securities as the Creditor may see fit

without prejudice to the liability to the Debtors or the Creditor's rights to hold and realize the security constituted by this Security Agreement.

15. NO REMEDY EXCLUSIVE

No remedy herein conferred upon or reserved to the Creditor for the realization of the Security Interest, enforcement of rights of the Creditor or otherwise is intended to be exclusive of any other remedy or remedies hereunder or under any security collateral hereto, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or under any other document or agreement in respect of the obligations to the Creditor owned by the Debtors. Every power and remedy given by this Security Agreement to the Creditor may be exercised from time to time as often as may be deemed expedient by the Creditor. The taking of any action or proceedings or refraining from so doing, or any other dealings with any other security for the monies secured hereby, shall not release or affect the security constituted by this Security Agreement.

16. DISCHARGE AND SATISFACTION

Upon satisfaction by the Debtors of all Indebtedness of the Debtors owed to the Creditor, the Creditor shall, upon the request and at the expense of the Debtors, execute and deliver to the Debtors such releases and discharges as the Debtors may reasonably require. A Discharge of the Charge shall operate as a release of this Security Agreement.

17. WAIVER OF COVENANTS

The Creditor may waive any breach by the Debtors of any of the provisions contained in this Security Agreement or any failure by the Debtors in the observance or performance of any covenant or condition required to be observed or performed by the Debtors hereunder; provided that no such waiver by the Creditor shall extend to or be taken in any manner to affect any subsequent breach or failure or the rights resulting therefrom.

18. APPLICATION OF INSURANCE PROCEEDS

Any insurance monies received by the Creditor pursuant to this Security Agreement may at the option of the Creditor be applied to restoring, replacing or repairing the Collateral or any part thereof, or be paid to the Debtors, or any such monies may be applied in the sole discretion of the Creditor, in whole or in part, to the repayment of the obligations hereby secured or any part thereof whether then due or not, with any partial payments to be credited against principal amounts of Indebtedness payable by the Debtors in inverse order of maturity.

19. ATTACHMENT

Each of the Debtors and the Creditor acknowledges that it is its intention that the security interests herein created attach on the execution hereof by the Debtors (save as to after-acquired property forming part of the Collateral in respect of which attachment will result forthwith upon the Debtors acquiring rights thereto) and that value has been given.

20. NOTICES

Any notice required by or given under or in connection with this agreement may be effectively given if it is in written form and given in the same manner and extent as provided for in the Charge.

21. GENERAL

This agreement:

- (a) shall be a continuing agreement in every respect;
- (b) shall be governed by the laws of the Province of Ontario;
- (c) notwithstanding anything set out in this Agreement, where reference to "Debtors" is deemed to be more than one party, the obligations and covenants shall be deemed to be

joint and several notwithstanding any different undivided interests each Debtors holds in the Collateral; and

- (d) may be terminated by the Debtors by written notice delivered to the Creditor at the above-mentioned address at any time when the Debtors is not indebted or liable to the Creditor. For greater certainty, it is declared that any and all future loans, advances or other value which the Creditor may in its discretion make or extend to or for the account of the Debtors shall be secured by this agreement. Nothing contained in this agreement shall in any way obligate the Creditor to grant, continue, renew, extend time for payment of, or accept anything which constitutes or would constitute Indebtedness.

22. BINDING EFFECT

This Security Agreement is binding upon the Debtors and their respective successors and permitted assigns.

23. RECEIPT

The Debtors acknowledges receipt of a duplicate original hereof.

IN WITNESS WHEREOF Debtors has executed this agreement this 28 day of January, 2016.

2501427 ONTARIO LIMITED

Per: 

Name: Kent Ollis

Title: Secretary

I have authority to bind the Corporation.

2501431 ONTARIO LIMITED

Per: 

Name: Kent Ollis

Title: Secretary

I have authority to bind the Corporation.

SCHEDULE "A"LEGAL DESCRIPTIONPIN 13188-0306 (LT)

PT OF BLK 3, PL 43M832 DES AS PTS 8 TO 24, ALL INCL., PL 43R32262; MISSISSAUGA. S/T PTS 8 & 9 PL 43R32262 IN FAVOUR OF PTS 9 & 12 TO 19 43R16452 AS IN LT1032978; T/W PTS 8 & 11 43R16542 AS IN LT1559019; S/T LT899093; S/T RIGHT OF WAY OVER PT BLK 3 PL 43M832 DES AS PTS 8,14,15,16,17,& 18 ON 43R32262 IN FAVOUR OF PTS 1,2,3,4,5,6 & 7 PL 43R32262 AS IN PR1565491. S/T EASEMENT OVER PT BLK 3 PL 43M832 DES AS PTS 11,17,19 & 23 PL 43R32262 IN FAVOUR OF PTS 1,2,3,4,5,6 & 7 PL 43R32262 AS IN PR1565491. S/T EASEMENT OVER PT BLK 3, PL 43M832 DES AS PTS 15, 19 & 23 PL 43R32262 IN FAVOUR OF PTS 1,2,3,4,5,6 & 7 PL 43R32262 AS IN PR1565491. T/W EASEMENT OVER PT BLK 3 PL 43M832 DES AS PTS 3 & 6 PL 43R32262 AS IN PR1565491.

Municipally known as 200 Matheson Boulevard West, Mississauga, Ontario.

PIN 13188-0305 (LT)

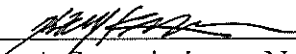
PT OF BLK 3, PL 43M832 DES AS PTS 1,2,3,4,5,6 & 7, PL 43R32262, S/T PT7 PL 43R16452 IN FAVOUR OF PTS 9 & 12 TO 19, 43R16452 AS IN LT1032978; T/W PTS 8 & 11, 43R16452 AS IN LT1559019, S/T LT899093, T/W RIGHT OF WAY OVER PT BLK 3 PL 43M832 DES AS PTS 8,9,14,15,16,17 & 18 PL 43R32262 AS IN PR1565491, T/W EASEMENT OVER PTS DESIGNATED AS PTS 11,17,19 & 23 ON 43R32262 AS IN PR1565491. T/W EASEMENT OVER PTS 15, 19 & 23 PL 43R32262 AS IN PR1565491. S/T RIGHT OF WAY OVER PTS 3 & 6 ON 43R32262 IN FAVOUR OF PT BLK 3 PL 43M832 DES AS PTS 8 TO 24 ON 43R32262 AS IN PR1565491.

Municipally known as 5950 Avebury Road, Mississauga, Ontario.

SCHEDULE "B"

Nil.

THIS IS **EXHIBIT "J"** REFERRED TO IN
THE AFFIDAVIT OF **GAETANO COSCIA**
SWORN BEFORE ME THIS 4TH DAY
OF NOVEMBER, 2016


A Commissioner, Notary, Etc.
KEUN TAE KIM

Keun Tae Kim, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 16, 2019.

GUARANTEE AND POSTPONEMENT OF CLAIM

To: TREZ CAPITAL LIMITED PARTNERSHIP and/or its nominee (the "Lender")

And To: COMPUTERSHARE TRUST COMPANY OF CANADA (the "Chargee")

WHEREAS 2501427 Ontario Limited is the registered and beneficial owner of the lands and premises legally described under the heading Firstly in Schedule "A" attached hereto located at 200 Matheson Boulevard West, Mississauga, Ontario;

AND WHEREAS 2501431 Ontario Limited (2501427 Ontario Limited and 2501431 Ontario Limited are collectively referred to as the "Borrowers") is the registered and beneficial owner of the lands and premises legally described under the heading Secondly in Schedule "A" attached hereto located at 5950 Avebury Road, Mississauga, Ontario (the Firstly and Secondly lands and premises described in Schedule "A" attached hereto are collectively referred to as the "Properties");

AND WHEREAS the Borrowers and the Covenantor, as hereinafter defined, entered into a Commitment Letter dated January 26, 2016 (the "Commitment") issued by the Lender, wherein the Lender agreed to loan the principal sum of ELEVEN MILLION FOUR HUNDRED THOUSAND DOLLARS (\$11,400,000.00) on the terms and conditions set out in the Commitment (the "Loan");

AND WHEREAS as security for the Loan, the Borrowers have agreed to grant and deliver to the Lender, amongst other things, a first Charge/Mortgage against the Properties in favour of the Chargee, as trustee/custodian for the Lender, securing the Loan together with interest and all costs pursuant to the Commitment (the "Charge");

AND WHEREAS the Lender, in consideration for and as a condition of proceeding with the Loan, pursuant to the terms of the Commitment, required KIN KEUNG YAU (the "Covenantor") to provide his guarantee in respect of the repayment of monies secured by the Charge;

AND WHEREAS this Guarantee and Postponement of Claim is being provided by the Covenantor in accordance with the terms of the Commitment;

NOW THEREFORE WITNESSETH in consideration of the sum of Two Dollars (\$2.00) now paid by the Lender to the undersigned (the receipt and sufficiency of which is hereby acknowledged) and the Lender advancing the principal money secured or any part thereof by the Charge to the Borrowers on the terms and conditions set out in the Commitment and pursuant to the Charge, the said Covenantor, KIN KEUNG YAU, hereby jointly and severally with the Borrowers, irrevocably, absolutely and unconditionally, as principal debtor and not as surety, guarantee to the Lender and the Chargee the due and punctual payment by the Borrowers of all principal monies, interest and any other monies which may now or hereafter become due and owing under the terms of the Charge and the observance and performance by the Borrowers of all of the covenants and obligations contained therein and the said Covenantor for himself, his executors, heirs, administrators, successors and assigns covenants with the Lender and the Chargee that if the Borrowers shall at any time make default in the punctual payment of any monies payable under the Charge or fail to observe and perform any of the covenants and obligations contained therein or in the Commitment, he will pay all such monies to the Lender and/or the Chargee or perform any of the covenants and obligations of the Borrowers forthwith after demand having been made in accordance with the notice provisions contained herein and agrees to indemnify the Lender and the Chargee against all losses, damages, costs, charges and expenses the Lender and Chargee may at any time or from time to time suffer, incur or become liable of in connection with resulting from or occasioned by any breach by the Borrowers of any provisions contained in the Charge or the Commitment. The Covenantor's liability hereunder shall bear interest from the date of such demand at the rate of interest set out in the Charge.

The Covenantor further acknowledges and agrees with the Lender as follows:

1. The Lender and/or Chargee may grant time, renewals, extensions, indulgences, releases and discharge or take additional security from and give up the same in any or all of the security it is receiving from the Borrowers, abstain from taking any enforcement proceedings it may be entitled to and otherwise deal with the Borrowers and others as the Lender and Chargee may see fit, including entering into any renewal agreements, extension agreements, amending

agreements or dealing with the Charge in any other manner, and may apply all monies at any time received from the Borrowers or others upon such part of the obligation of the Borrowers as the Lender and Chargee deems best and change any such application in whole or in part, without in any way limiting or lessening the liabilities of the Covenantor to the Lender or the Chargee.

2. The Lender and Chargee shall not be bound to exhaust its recourse against the Properties, the Borrowers or other covenantors/guarantors or to value the security under the Charge or any collateral security before requiring or being entitled to payment from the Covenantor. Provided it is understood and agreed any funds payable pursuant to this covenant to the Lender shall be applied by the Lender and Chargee upon receipt of such funds to amounts due and payable under the Charge.
3. No change or extension of time or other indulgence or release of the Borrowers or anyone claiming through the Borrowers, either before or after demand or claim against the Covenantor or any arrangement or other dealing by the Lender or Chargee with the Borrowers or any other person, either before or after demand or claim against the Covenantor, or the bankruptcy or insolvency of the Borrowers, or the release, exchange, acceptance or failure to perfect by the Lender and Chargee of any security, either before or after demand or claim against the Covenantor, shall in any way release, waive, vary, affect or prejudice the rights of the Lender or Chargee against the Covenantor, notwithstanding the Lender or Chargee may not give notice thereof to the Covenantor and the Covenantor hereby waives, to the maximum extent permitted by law, any requirement of notice, demand or prior action against the Borrowers or any other security and hereby renounces all benefits of discussions and division.
4. All indebtedness and liability, present and future, of the Borrowers to the Covenantor as well as any indebtedness or liability for amounts advanced by the Covenantor on behalf of any other Covenantor or guarantor of the Charge are hereby assigned to the Lender and postponed to the obligations contained in the Charge, and after the occurrence and during the continuance of any material default pursuant to the terms of the Commitment, and pursuant to the terms of any other charges or mortgages that are currently or in the future may be registered on title to the Property or relating to any other obligations including, but not limited to, the payment of realty taxes, goods and services/harmonized sales tax and workmen's compensation premiums in respect of the Property, all monies received by the Covenantor in respect thereof shall be received in trust for the Lender and shall be paid over to the Lender upon demand without in any way limiting or lessening the obligations imposed on the Covenantor and this assignment and postponement shall remain in full effect until repayment in full to the Lender of all amounts secured by the Charge. At all other times, the Covenantor shall be entitled to receipt of all other amounts payable to the Covenantor from the Borrowers from time to time. The Covenantor acknowledges the assignment to the Lender shall not impose upon the Lender any obligation to do anything to realize on the assigned debts and claims or to ensure those debts or claims do not become statute barred by the operation of law relating to limitation of actions or otherwise.
5. The Covenantor shall have no right to be subrogated to the rights of the Lender or the Chargee until all liabilities and obligations of the Borrowers and the Covenantor to the Lender and Chargee have been satisfied in full in respect of the Charge.
6. The covenants of the Covenantor shall continue for the full term of the Charge and any renewal thereof unless a release in writing has been authorized by the Lender and shall be binding upon the heirs, executors, administrators, legal representatives, successors and assigns of the Covenantor.
7. The Covenantor agrees to make payment to the Lender forthwith after demand for payment is made in writing.
8. The Covenantor acknowledges that if for any reason any of the Borrowers have no legal existence and is or becomes under no legal obligation to discharge the monies secured by the Charge or if any monies owing by the Borrowers to the Lender becomes irrecoverable from the Borrowers by operation of law or for any reason whatsoever, this covenant and the covenants, agreements and obligations of the Covenantor contained herein shall nevertheless be binding upon the Covenantor as principal debtor until such time as all monies owing by the Borrowers to the Lender under the Charge have been paid in full and the liabilities

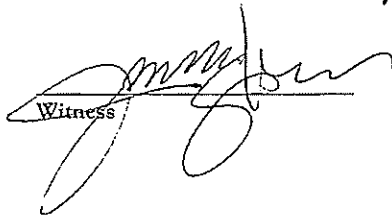
secured thereby have been discharged.


9. This covenant shall be in addition to and not in substitution for any other guarantees or other securities which the Lender and Chargee may now or hereafter hold in respect of the monies secured by the Charge and the Lender and Chargee shall be under no obligation to marshal in favour of the Covenantor any other covenants or other securities or any monies or other assets which the Lender or the Chargee may be entitled to receive or may have a claim upon; and no loss of or in respect of or unenforceability of any other covenants or other securities the Lender or the Chargee may now or hereafter hold in respect of the monies secured by the Charge.
10. The statement in writing of the Lender of the monies owing by the Borrowers to the Lender or of any other default under this Charge shall be binding upon the Covenantor and conclusive against it unless an error has been made and all right to question in any way the Lender's present or future method of dealing with the Borrowers or any dealing with any person or persons now or hereafter liable to the Lender for the monies hereby secured or any part thereof or with any security now or hereafter held by the Lender or with any goods or property covered by such security is hereby waived.
11. The Covenantor agrees that the Lender or Chargee shall not be obliged to make any demand upon, or take any proceedings, or action against the Borrowers or any other person before pursuing its rights against the Covenantor pursuant hereto. In the event the Lender or Chargee in its absolute discretion makes demand upon the Covenantor, the Covenantor shall be held and be bound to the Lender or the Chargee directly as principal debtor in respect of the payment of the amounts hereby guaranteed. Demand for payment shall be deemed to have been effectively made upon the Covenantor if and when an envelope containing such demand addressed to the Covenantor, at the address of the Covenantor last known to the Lender, is posted, postage prepaid, in the post office. All payments hereunder shall be made to the Lender, c/o 1185 West Georgia Street, Suite 1550, Vancouver, BC V6E 4J6.
12. The Covenantor hereby further covenants and agrees in addition to any liability imposed upon the Covenantor in respect of all amounts due and payable under the Charge in respect of the Loan, including any interest due thereunder, any reasonable costs related to the recovering of same by the Lender and the Chargee, the Covenantor shall, in addition to the foregoing, shall be liable for and fully indemnify the Lender, the Chargee, their respective officers, directors and employees for any and all reasonable costs, expenses, damages or liabilities (including legal fees on a substantial indemnity basis and any reasonable environmental remediation costs) incurred by the Lender and the Chargee, directly or indirectly, arising out of or attributable to the non-compliance of the Borrowers or their respective tenants, employees or agents with the environmental obligations imposed under the Charge, which the Covenantor acknowledges having reviewed, together with all such costs, expenses, damages or liabilities which the Covenantor acknowledges shall be secured under the Charge and all such liabilities and indemnities shall survive the repayment of the Loan, foreclosure upon the Charge and/or any other extinguishment of the obligations of the Borrowers and Covenantor and any other exercise by the Lender or the Chargee of any remedies available to it against the Borrowers and Covenantor.
13. Prior to executing this Guarantee and Postponement of Claim, the Covenantor confirms and acknowledges being provided with true copies of all documentation provided by the Borrowers to the Lender and the Chargee in respect of the Loan and the Charge including, without limiting the generality of the foregoing, the Commitment, the Charge, which includes environmental provisions which the Covenantor hereby acknowledges, and Standard Charge Terms No. 200033, and the Covenantor confirms they have had the meaning and import of the terms and provisions of these documents explained to him and also had an opportunity to seek independent legal advice separate and apart from the Borrowers. The Covenantor further confirms that the Covenantor is fully aware of the nature and effect of this Guarantee and Postponement of Claim and the obligations which arise hereunder in respect of the Charge and their liabilities and rights hereunder and have entered into this Guarantee and Postponement of Claim of its own volition and without fear, threats, compulsion, influence or pressure from the Borrowers or any other covenantor in respect of the Loan.
14. The covenants herein may be assigned by the Lender and the Lender or the Chargee in conjunction with an assignment of the Loan and shall remain in full force and effect

notwithstanding any change in the ownership or control of the Charge. In the event of the foregoing the Lender and the Chargee agree to use their best efforts to ensure notice of the transfer or assignment of the Charge and this covenant is provided, but failure to provide such notice shall not in any way invalidate or terminate the Covenantor's obligations herein.

15. This instrument covers all agreements between the parties hereto relative to this Guarantee and Postponement of Claim, and none of the parties shall be bound by any representation, warranty or promise made by any person relative thereto which is not embodied herein.
16. This Guarantee and Postponement of Claim shall extend to and enure to the benefit of the Lender and the Chargee and their respective successors and assigns, and every reference herein to the Covenantor is a reference to and shall be construed as including the undersigned and its respective heirs, executors, administrators, legal representatives, successors and assigns of the undersigned to and upon all of whom this Guarantee and Postponement of Claim shall extend and be binding.
17. This Guarantee and Postponement of Claim shall be governed by the laws of the Province of Ontario.

THE UNDERSIGNED HEREBY executes and delivers this Guarantee and Postponement of Claim as of the 29th day of January, 2016.


Witness


Kin Keung Yau

Address for Service:

196 Sunway Square
Markham, ON
L3P 7X3

SCHEDULE "A"LEGAL DESCRIPTIONFirstly:PIN 13188-0306 (LT)

PT OF BLK 3, PL 43M832 DES AS PTS 8 TO 24, ALL INCL., PL 43R32262; MISSISSAUGA. S/T PTS 8 & 9 PL 43R32262 IN FAVOUR OF PTS 9 & 12 TO 19 43R16452 AS IN LT1032978; T/W PTS 8 & 11 43R16542 AS IN LT1559019; S/T LT899093; S/T RIGHT OF WAY OVER PT BLK 3 PL 43M832 DES AS PTS 8,14,15,16,17,& 18 ON 43R32262 IN FAVOUR OF PTS 1,2,3,4,5,6 & 7 PL 43R32262 AS IN PR1565491. S/T EASEMENT OVER PT BLK 3 PL 43M832 DES AS PTS 11,17,19 & 23 PL 43R32262 IN FAVOUR OF PTS 1,2,3,4,5,6 & 7 PL 43R32262 AS IN PR1565491. S/T EASEMENT OVER PT BLK 3, PL 43M832 DES AS PTS 15, 19 & 23 PL 43R32262 IN FAVOUR OF PTS 1,2,3,4,5,6 & 7 PL 43R32262 AS IN PR1565491. T/W EASEMENT OVER PT BLK 3 PL 43M832 DES AS PTS 3 & 6 PL 43R32262 AS IN PR1565491.

Municipally known as 200 Matheson Boulevard West, Mississauga, Ontario.

Secondly:PIN 13188-0305 (LT)


PT OF BLK 3, PL 43M832 DES AS PTS 1,2,3,4,5,6 & 7, PL 43R32262, S/T PT7 PL 43R16452 IN FAVOUR OF PTS 9 & 12 TO 19, 43R16452 AS IN LT1032978; T/W PTS 8 & 11, 43R16452 AS IN LT1559019, S/T LT899093, T/W RIGHT OF WAY OVER PT BLK 3 PL 43M832 DES AS PTS 8,9,14,15,16,17 & 18 PL 43R32262 AS IN PR1565491, T/W EASEMENT OVER PTS DESIGNATED AS PTS 11,17,19 & 23 ON 43R32262 AS IN PR1565491. T/W EASEMENT OVER PTS 15, 19 & 23 PL 43R32262 AS IN PR1565491. S/T RIGHT OF WAY OVER PTS 3 & 6 ON 43R32262 IN FAVOUR OF PT BLK 3 PL 43M832 DES AS PTS 8 TO 24 ON 43R32262 AS IN PR1565491.

Municipally known as 5950 Avebury Road, Mississauga, Ontario.

THIS IS EXHIBIT "K" REFERRED TO IN
THE AFFIDAVIT OF GAETANO COSCIA
SWORN BEFORE ME THIS 4TH DAY
OF NOVEMBER, 2016


A Commissioner, Notary, Etc.
KEUN TAE KIM

Keun Tae Kim, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 16, 2019.

 [Print this Page](#)

City of Mississauga
 300 City Centre Drive
 MISSISSAUGA ON L5B 3C1
 Tel: 3-1-1 or 905-615-4311*
 Fax: 905-615-3532
www.mississauga.ca/tax

**Tax Certificate**

No: 145016 Fee Paid: \$55.00
 Date: August 11, 2016
 Roll No: 05-04-0-115-00800-0000
 Location: 200 MATHESON BLVD W
 Description: PL M832 PT BLK 3 RP 43R16452 PTS 1-7 & 10
 Owner: 2501427 ONTARIO LIMITED
 Order Id: 309902698

*outside city limits

Kystra Ryan
kryan@robapp.com

Levy Information

Year	Interim	Annual	Supplementaries	Appeals	Apportionment	Cap/Clawback	Total
2016		155,137.02					155,137.02
2015		150,839.15					150,839.15

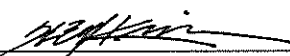
Tax Information

Year	Tax Owing	Pen/Int Owing	Total Owing
2016	155,167.02	6,654.04	161,821.06
2015			
2014			
2013 & Prior			
Sub Total	155,167.02	6,654.04	161,821.06
Tax Loans			0.00
Total	155,167.02	6,654.04	161,821.06

Future Instalments*Additional Information****Collection Activity**

This statement is a downloaded version of data stored on the City's database. This data, referenced by the Certificate No. identified above, is certified by the Treasurer as an accurate representation of all arrears of taxes against the lands described hereon, and proceedings have (not) been commenced under Part XI of the Municipal Act, 2001, S. O. 2001, c. 25, as amended. Subsequent additional levies for the current year or prior years under the provisions of the Assessment Act, as amended, the Municipal Act, as amended, or other statutes, including those resulting from assessment reconsiderations and appeals, tax appeals pursuant to Part X of the Municipal Act, 2001, S.O. 2001, c.25, as amended, and adjustments pursuant to Part IX of the Municipal Act, 2001, S.O. 2001, c.25, as amended, which may be billed in future years, are not included. E. & O.E.

THIS IS EXHIBIT "L" REFERRED TO IN
THE AFFIDAVIT OF GAETANO COSCIA
SWORN BEFORE ME THIS 4TH DAY
OF NOVEMBER, 2016


A Commissioner, Notary, Etc.
KEUN TAE KIM

Keun Tae Kim, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 16, 2019.

NOTICE OF INTENTION TO ENFORCE SECURITY
(Section 244 of the *Bankruptcy and Insolvency Act*)

TO: 2501427 ONTARIO LIMITED
196 Sunway Square
Markham, ON L3P 7X3

TAKE NOTICE THAT:

1. Trez Capital (2011) Corporation, Trez Capital Limited Partnership and Computershare Trust Company of Canada, collectively a secured creditor, intends to enforce its security on the properties of the insolvent persons/corporations described as:

P.I.N. 13188-0306 (LT)

Description: PT OF BLK 3, PL 43M832 DES AS PTS 8 TO 24, ALL INCL., PL 43R32262; MISSISSAUGA. S/T PTS 8 & 9 PL 43R32262 IN FAVOUR OF PTS 9 & 12 TO 19 43R16452 AS IN LT1032978; T/W PTS 8 & 11 43R16542 AS IN LT1559019; S/T LT899093; S/T RIGHT OF WAY OVER PT BLK 3 PL 43M832 DES AS PTS 8,14,15,16,17, & 18 ON 43R32262 IN FAVOUR OF PTS 1,2,3,4,5,6 & 7 PL 43R32262 AS IN PR1565491. S/T EASEMENT OVER PT BLK 3 PL 43M832 DES AS PTS 11,17,19 & 23 PL 43R32262 IN FAVOUR OF PTS 1,2,3,4,5,6 & 7 PL 43R32262 AS IN PR1565491. S/T EASEMENT OVER PT BLK 3, PL 43M832 DES AS PTS 15, 19 & 23 PL 43R32262 IN FAVOUR OF PTS 1,2,3,4,5,6 & 7 PL 43R32262 AS IN PR1565491. T/W EASEMENT OVER PT BLK 3 PL 43M832 DES AS PTS 3 & 6 PL 43R32262 AS IN PR1565491.

Address: 200 Matheson Blvd West
Mississauga, ON

P.I.N. 13188-0305 (LT)

Description: PT OF BLK 3, PL 43M832 DES AS PTS 1,2,3,4,5,6 & 7, PL 43R32262, S/T PT7 PL 43R16452 IN FAVOUR OF PTS 9 & 12 TO 19, 43R16452 AS IN LT1032978; T/W PTS 8 & 11, 43R16452 AS IN LT1559019, S/T LT899093, T/W RIGHT OF WAY OVER PT BLK 3 PL 43M832 DES AS PTS 8,9,14,15,16,17 & 18 PL 43R32262 AS IN PR1565491, T/W EASEMENT OVER PTS DESIGNATED AS PTS 11,17,19 & 23 ON 43R32262 AS IN PR1565491. T/W EASEMENT OVER PTS 15, 19 & 23 PL 43R32262 AS IN PR1565491. S/T RIGHT OF WAY OVER PTS 3 & 6 ON 43R32262 IN FAVOUR OF PT BLK 3 PL 43M832 DES AS PTS 8 TO 24 ON 43R32262 AS IN PR1565491.

Address: 5950 Avebury Road
Mississauga, ON

2. The security that is to be enforced is in the form of:
 - (a) Charge/Mortgage between 2501427 Ontario Limited and 2501431 Ontario Limited. as Chargers and Computershare Trust Company of Canada as Chargee registered as Instrument No. PR2863600;
 - (b) Notice of Assignments of Rents - General between 2501427 Ontario Limited and 2501431 Ontario Limited, and Computershare Trust Company of Canada registered as Instrument No. PR2863601;
 - (c) Guarantee and Postponement of Claim of Kin Keung Yau dated January 29, 2016; and
 - (d) General Security Agreement between Computershare Trust Company of Canada and 2501427 Ontario Limited and 2501431 Ontario Limited dated January 28, 2016.
3. The total amount of indebtedness secured by the security as of August 17, 2016, is \$11,513,167.06 plus per diem interest in the amount of \$1,568.27.
4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

-2-
DATED at Toronto, this 17th day of August, 2016.

TREZ CAPITAL (2011) CORPORATION,
TREZ CAPITAL LIMITED PARTNERSHIP
and COMPUTERSHARE TRUST COMPANY
OF CANADA by its lawyers,
ROBINS APPLEBY LLP
120 Adelaide Street West
Suite 2600
Toronto, Ontario M5H 1T1

Per: 

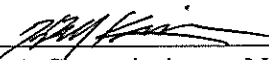
Ellad Gersh

Phone: 416-360-3740

Fax: 416-868-0306

Note: This Notice is given for precautionary purposes only and there is no acknowledgement that any person to whom this Notice is delivered is insolvent, or that the provisions of the *Bankruptcy and Insolvency Act* apply to the enforcement of this security.

THIS IS EXHIBIT "M" REFERRED TO IN
THE AFFIDAVIT OF GAETANO COSCIA
SWORN BEFORE ME THIS 4TH DAY
OF NOVEMBER, 2016


A Commissioner, Notary, Etc.
KEUN TAE KIM

Keun Tae Kim, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 16, 2019.

NOTICE OF INTENTION TO ENFORCE SECURITY
(Section 244 of the *Bankruptcy and Insolvency Act*)

TO: 2501431 ONTARIO LIMITED
196 Sunway Square
Markham, ON L3P 7X3

TAKE NOTICE THAT:

1. Trez Capital (2011) Corporation, Trez Capital Limited Partnership and Computershare Trust Company of Canada, collectively a secured creditor, intends to enforce its security on the properties of the insolvent persons/corporations described as:

P.I.N. 13188-0306 (LT)

Description: PT OF BLK 3, PL 43M832 DES AS PTS 8 TO 24, ALL INCL., PL 43R32262; MISSISSAUGA, S/T PTS 8 & 9 PL 43R32262 IN FAVOUR OF PTS 9 & 12 TO 19 43R16452 AS IN LT1032978; T/W PTS 8 & 11 43R16452 AS IN LT1559019; S/T LT899093; S/T RIGHT OF WAY OVER PT BLK 3 PL 43M832 DES AS PTS 8,14,15,16,17, & 18 ON 43R32262 IN FAVOUR OF PTS 1,2,3,4,5,6 & 7 PL 43R32262 AS IN PR1565491. S/T EASEMENT OVER PT BLK 3 PL 43M832 DES AS PTS 11,17,19 & 23 PL 43R32262 IN FAVOUR OF PTS 1,2,3,4,5,6 & 7 PL 43R32262 AS IN PR1565491. S/T EASEMENT OVER PT BLK 3, PL 43M832 DES AS PTS 15, 19 & 23 PL 43R32262 IN FAVOUR OF PTS 1,2,3,4,5,6 & 7 PL 43R32262 AS IN PR1565491. T/W EASEMENT OVER PT BLK 3 PL 43M832 DES AS PTS 3 & 6 PL 43R32262 AS IN PR1565491.

Address: 200 Matheson Blvd West
Mississauga, ON

P.I.N. 13188-0305 (LT)

Description: PT OF BLK 3, PL 43M832 DES AS PTS 1,2,3,4,5,6 & 7, PL 43R32262, S/T PT7 PL 43R16452 IN FAVOUR OF PTS 9 & 12 TO 19, 43R16452 AS IN LT1032978; T/W PTS 8 & 11, 43R16452 AS IN LT1559019, S/T LT899093, T/W RIGHT OF WAY OVER PT BLK 3 PL 43M832 DES AS PTS 8,9,14,15,16,17 & 18 PL 43R32262 AS IN PR1565491, T/W EASEMENT OVER PTS DESIGNATED AS PTS 11,17,19 & 23 ON 43R32262 AS IN PR1565491. T/W EASEMENT OVER PTS 15, 19 & 23 PL 43R32262 AS IN PR1565491. S/T RIGHT OF WAY OVER PTS 3 & 6 ON 43R32262 IN FAVOUR OF PT BLK 3 PL 43M832 DES AS PTS 8 TO 24 ON 43R32262 AS IN PR1565491.

Address: 5950 Avebury Road
Mississauga, ON

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 - (b) Notice of Assignments of Rents - General between 2501427 Ontario Limited and 2501431 Ontario Limited, and Computershare Trust Company of Canada registered as Instrument No. PR2863601;
 - (c) Guarantee and Postponement of Claim of Kin Keung Yau dated January 29, 2016; and
 - (d) General Security Agreement between Computershare Trust Company of Canada and 2501427 Ontario Limited and 2501431 Ontario Limited dated January 28, 2016.
3. The total amount of indebtedness secured by the security as of August 17, 2016, is \$11,513,167.06 plus per diem interest in the amount of \$1,568.27.
4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at Toronto, this 17th day of August, 2016.

TREZ CAPITAL (2011) CORPORATION,
TREZ CAPITAL LIMITED PARTNERSHIP
and COMPUTERSHARE TRUST COMPANY
OF CANADA by its lawyers,
ROBINS APPLEBY LLP
120 Adelaide Street West
Suite 2600
Toronto, Ontario M5H 1T1

Per: 

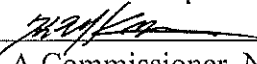
Eilat Gersh

Phone: 416-360-3740

Fax: 416-868-0306

Note: This Notice is given for precautionary purposes only and there is no acknowledgement that any person to whom this Notice is delivered is insolvent, or that the provisions of the *Bankruptcy and Insolvency Act* apply to the enforcement of this security.

THIS IS **EXHIBIT "N"** REFERRED TO IN
THE AFFIDAVIT OF **GAETANO COSCIA**
SWORN BEFORE ME THIS 4TH DAY
OF NOVEMBER, 2016


A Commissioner, Notary, Etc.
KEUN TAE KIM

Keun Tae Kim, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 16, 2019.



ROBINS APPLEBY
BARRISTERS + SOLICITORS

Dominique Michaud
T. 416.360.3795
E. dmichaud@robapp.com
F. 416.868.0306

Delivered by: E-mail
File No.: 1600639

October 5, 2016

Garfinkle Biderman
Barristers & Solicitors
801-1 Adelaide Street East
Toronto, ON M5C 2V9

Attention: Wendy H. Greenspoon-Soer

Dear Ms. Greenspoon-Soer:

Re: Trez Capital (2011) Corporation et al. Loan to 2501427 Ontario Limited and 2501431 Ontario Limited

I am responding to your letter dated October 4, 2016. I have responded to your documentation requests in sequential order:

1. We have compiled the documents in respect to the loan transaction on a USB key at our office. Please arrange to have a courier pick up this USB stick from our reception tomorrow;
2. Please obtain these communications from Ms. Theberge directly. Trez does not wish to put itself in the middle of your clients' dispute with the other shareholders of 2501427 Ontario Limited and 2501431 Ontario Limited. As you know, the loan remains in default. As discussed yesterday, in addition to events of default set out in the Demand Letter dated August 17, 2016, the Borrowers have since failed to make the monthly interest payments that were due on September 1, 2016 and October 1, 2016 and Trez has also been forced to make a substantial payment to the utility provider as a result of the Borrowers' failure to pay. This amount has been added to the loan balance;
3. Please obtain this document from Ms. Theberge directly; and
4. Please obtain these documents from Ms. Theberge directly.

In respect of your clients' proposal, please send this to me in writing as soon as possible. As discussed yesterday, the loan is in default and Trez will not sit idle and compromise its position while the shareholders engage in protracted legal dispute.



ROBINS APPLEBY
BARRISTERS + SOLICITORS

- 2 -

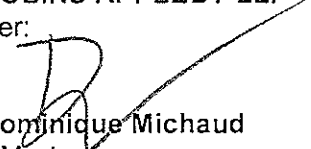
Trez is neutral in respect of the shareholders dispute and does not agree to keep its discussions with your clients confidential. In the circumstances, this would amount to taking one side over the other. Trez will continue to act as a prudent lender and in a transparent manner.

Lastly, we ask that you confirm whether you now represent Mr. Yau in respect to his guarantee. If this is the case, we will communicate with you in respect of this matter going forward and continue to deal with Ms. Theberge as the Borrowers' corporate lawyer.

Yours very truly,

ROBINS APPLEBY LLP

Per:


Dominique Michaud
DM:wl

THIS IS EXHIBIT "O" REFERRED TO IN
THE AFFIDAVIT OF GAETANO COSCIA
SWORN BEFORE ME THIS 4TH DAY
OF NOVEMBER, 2016


A Commissioner, Notary, Etc.
KEUN TAE KIM

Keun Tae Kim, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 16, 2019.

APPOINTMENT

TO: Ira Smith Trustee & Receiver Inc.

RE: 2501427 ONTARIO LIMITED AND 2501431 ONTARIO LIMITED
(collectively referred to as the "Company")

As security for the indebtedness of the Company to Trez Capital (2011) Corporation, Trez Capital Limited Partnership and Computershare Trust Company of Canada (hereinafter referred to collectively as "TREZ"), TREZ holds a General Security Agreement and a Charge/Mortgage registered against the Lands municipally described as 200 Matheson Blvd. W., Mississauga, Ontario (hereinafter called the "Security").

By reason of the default of the Company in the performance of its obligations under the Security and the Security thereby having become enforceable, TREZ hereby appoints you as Receiver and Manager of the Company pursuant to the terms of the said Security with such powers as are contained therein, including the power:

1. to take possession of all the assets, property and undertaking of the Company;
2. to carry on or concur in carrying on the business of the Company; and
3. to sell or otherwise dispose of the assets, property and undertaking of the Company pursuant to the power of sale provisions contained therein and the laws of the Province of Ontario.

Pursuant to the terms of the Security, you are deemed to be the agent of the Company and the Company shall be responsible for your acts, defaults, remuneration and expenses and TREZ shall not be in any way responsible for your misconduct or negligence.

APPOINTMENT - PAGE 2

DATED at Vancouver, this 10th day of October, 2016.

COMPUTERSHARE TRUST COMPANY OF CANADA

Per: [Signature] [Signature]
 Name: Samuel S. Liaw Aaron Cao
Administrator, MBS Professional, MBS
 Title: _____

I/We have authority to bind the corporation

TREZ CAPITAL (2011) CORPORATION

Per: [Signature]
 Name: Alexander (Sandy) Hanson
 Title: Chief Financial Officer

I/We have authority to bind the corporation

TREZ CAPITAL LIMITED PARTNERSHIP

Per: [Signature]
 Name: Alexander (Sandy) Hanson
 Title: Chief Financial Officer

I/We have authority to bind the corporation/limited partnership

Ira Smith Trustee & Receiver Inc. hereby consents to act as Receiver and Manager of the Company in accordance with the terms and conditions above.


DATED at Vaughan, this 10th day of October, 2016.

Ira Smith Trustee & Receiver Inc.

Per: [Signature]

I have authority to bind the Corporation

THIS IS EXHIBIT "P" REFERRED TO IN
THE AFFIDAVIT OF GAETANO COSCIA
SWORN BEFORE ME THIS 4TH DAY
OF NOVEMBER, 2016


A Commissioner, Notary, Etc.
KEUN TAE KIM

Keun Tae Kim, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 16, 2019.



167 Applewood Cres. Suite 6, Concord, ON L4K 4K7
Phone: 905.738.4167
Fax: 905.738.9848
irasmithinc.com

Memo

Brandon Smith

Phone: 905.738.4167 ext. 113

Email: brandon@irasmithinc.com

To: D. Michaud, Robbins Appleby LLP
From: Brandon Smith
CC: Client/File
Date: November 1, 2016
Re: 200 Matheson Blvd. W.

Further to our memo dated October 17, 2016 we report as follows regarding the state of affairs of our private appointment:

Lack of Co-operation from Debtors

Following our appointment, we corresponded with Ms. Theberge, legal counsel for the debtors. Her reply was that as there is a shareholder dispute, she is in a position of conflict and can no longer act, but will forward our request for co-operation. No reply or co-operation has been received from Ms. Theberge's client(s).

We contacted Mr. Ollis, as he was the principal of the purchaser in the offer to purchase that the court approved in our previous capacity as Receiver over Kingsview/St. Georges (prior to a direction to register title at closing). We requested to be provided with all books and records, property etc. as well as the names of shareholders and contact information, or to be advised that Mr. Ollis has no such information. Mr. Ollis has not responded.

We have received correspondence from a Mr. Macdonald who identifies himself as a "stakeholder" in these proceedings but it serves to discuss allegations of conduct amongst other stakeholders and does not serve as willingness to co-operate with the receiver.

After receiving a copy of the insurance binder from Trez for the insurance coverage previously placed by the debtors, we contacted the broker and requested we be added as a named insured. The broker advised initially that he would have to seek instructions from his client and upon a forceful reply from our office he indicated the insurer was put on notice.

Tenants

Either our office or the property manager has received positive confirmation that the tenants occupying units 105 and 202 will commence payment of November rent to us as receiver. We have written to those parties confirming their occupancy terms as per the property manager's advice and leases in our possession (from our prior experience with the property) and we have not received a reply that contradicts our understanding.

Unit 100 is being occupied by BPR Litigation Lawyers ("BPR"). We are in possession of a lease for that space with 2530462 Ontario Inc. as tenant, provided to us by BPR. The lease is for a portion of the full space as demised at the time of our prior appointment and it does not synchronize with demising walls as per drawings commissioned in 2015. The lease is substantially below market rate (less than 25% of market rate according to our property manager), and potentially at a loss to the landlord as it does not adequately provide for TMI, has various provisions strongly in the tenant's favour, including a six month rent free provision and the right to a 15-year extension on same terms (the existing term is 2 years commencing September 1).

The BPR lease undermines the cashflow and value of the property and the integrity of any legitimate sales and leasing process that may be carried out by the receiver. Furthermore, it demonstrates either a complete lack of prudent business acumen on the part of the debtor landlord who negotiated this lease or that it was a non-arm's length commercially unreasonable arrangement.

We have received no reply to our letters sent to units, 101 and 200 requesting a copy of their leases and attorning rent. Both units are secured with high security locks and the property manager is not in possession of keys or a lease for these units. Unit 101 is believed to be occupied by Mr. Yau and his associates and unit 200 is believed to be occupied by Mr. Middlebrook and his associates. At this time, we have also not received any payment of rent for the month of November for these units. Our property manager has since advised that Mr. Yau has added a security system to fortify unit 101.

Given that we are privately appointed and do not have keys or co-operation of the debtor we are limited in our enforcement options, especially as against spaces controlled by the debtors.

Cashflow and Arrears

The property manager has advised that the debtors have allowed all accounts with all suppliers and contractors to go into arrears. The approximate amount of \$23,000 in

aggregate is owed to nine suppliers or contractors. Most are threatening to discontinue providing service to the property. This concerns the supply of utilities, maintenance, snow removal and cleaning, all which affects safety, integrity, value and marketability of the property.

The property manager is holding approximately \$5,000 in trust for the debtors. I have instructed the property manager to use those funds to pay invoices for services for October, which are approximately the same amount, over and above the \$23,000 of arrears.


Although we are still working on a cashflow model, which is largely dependent on the number of tenants paying rent (and at what rate), our estimate shows a monthly shortfall of between \$9,000 and \$16,000, and a total operational loss for Q4 2016 of \$35,000 (all figures exclude property taxes). We will need to be able to commence a proper leasing program with our property manager and rely on Trez to cover the operational shortfalls of the property in addition to professional fees.

Other Matters

The property manager has advised that he has never received instructions from the debtors concerning HST and doubts that they are HST registered. In accordance with the *Excise Tax Act* (Canada) in a receivership, an HST trust claim ranks ahead of mortgage security.

Your correspondence with the debtors suggests that they are in arrears with payment of property taxes. As we have no books and records we are unable to verify the extent of the arrears. As you are aware, the *Municipal Act* (Ontario) creates a priority for unpaid property taxes, ahead of mortgage security.

THIS IS EXHIBIT "Q" REFERRED TO IN
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OF NOVEMBER, 2016


A Commissioner, Notary, Etc.
KEUN TAE KIM

Keun Tae Kim, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 16, 2019.



1550-1185 West Georgia Street
Vancouver, BC V6E 4E6

November 2, 2016

Mortgage Statement

Loan: YAU - 200 MATHESON & AVEBURY ROAD (Loan no. 1442/16)
Borrower: 2501427 Ontario Limited and 2501431 Ontario Limited
Property Address: 200 Matheson Blvd. W. and 5950 Avebury Rd., Mississauga, Ontario

Approved Loan Amount: 11,400,000.00

Interest rates:

- | | |
|--|--------------------------|
| a) Payment Holiday (interest free) for months 0 -6); | Feb 2 2016 to Aug 1 2016 |
| b) 5% per annum for months 7 -18; | Aug 2 2016 to Aug 1 2017 |
| c) 6% per annum for months 19 - 30; | Aug 2 2017 to Aug 1 2018 |
| d) 7% per annum for months 31 - 42; and; | Aug 2 2018 to Aug 1 2019 |
| e) 25% per annum thereafter; | Aug 2 2019 to Sep 1 2019 |

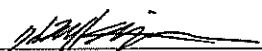
Maturity 2-Sep-19

	From	To	Days	Rate p.a.	E & OE			Principal Balance
					Principal Advance	Interest	Expenses	
First advance	2-Feb-16				11,400,000.00			11,400,000.00
Trez paid arrears Hydro Bills	10-Aug-16						79,730.16	79,730.16
Balance on August 10, 2016					11,400,000.00	0.00	79,730.16	11,479,730.16
Interest	2-Aug-16	9-Aug-16	8	5.00%		12,459.02		
Interest	10-Aug-16	31-Aug-16	22	5.00%		34,501.92		46,960.94
Balance on September 1, 2016					11,400,000.00	46,960.94	79,730.16	11,526,691.10
Interest	1-Sep-16	30-Sep-16	30	5.00%		47,240.54		47,240.54
Balance on October 1, 2016					11,400,000.00	94,201.47	79,730.16	11,573,931.63
Interest	1-Oct-16	31-Oct-16	31	5.00%		49,015.28		49,015.28
Balance on November 1, 2016					11,400,000.00	143,216.75	79,730.16	11,622,946.92
Paid legal fees on Nov. 1, 2016								
Robins Appleby Bill with ref#153762 dated Aug 30, 2016		4,893.24						
Robins Appleby Bill with ref#153987 dated Sep 29, 2016		8,018.88					12,912.12	12,912.12
Blaney McMurtry Inv#591663 dated Sep 30, 2016		310.75					310.75	310.75
Balance on November 1, 2016					11,400,000.00	143,216.75	92,953.03	11,636,169.79
Interest	1-Nov-16	2-Nov-16	2	5.00%		3,179.28		3,179.28
Balance on November 2, 2016					11,400,000.00	146,396.04	92,953.03	11,639,349.07
Total principal, interest and paid expenses as of November 2, 2016								\$11,639,349.07
Add: Administration and Management fees for Aug 2016 and Nov 2016 (\$10,000 per month x 4 months) re: failure to pay the property taxes								40,000.00
Total amount due on November 3, 2016 up to 1:00 PM PST								\$11,679,349.07
Interest per dlem on November 3, 2016 after 1:00 PM PST								\$ 1,589.64

Notes:

- This statement does not include any fees that will be charged by the receiver - Ira Smith
- This statement does not include any unbilled legal fees
- There is property taxes arrears of \$161,821.06 if no payment was made by the Borrower since the delivery of the Demand Letter on August 17, 2016

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OF NOVEMBER, 2016


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KEUN TAE KIM

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Expires August 16, 2019.

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File Currency: 01NOV 2016



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Type of Search	Business Debtor								
Search Conducted On	2501427 ONTARIO LIMITED								
File Currency	01NOV 2016								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	713717766	1	1	1	1	01FEB 2021			
FORM 1G FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
713717766		001	001		20160201 1207 1862 8772	P PPSA	5		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	2501427 ONTARIO LIMITED								
	Address				City	Province	Postal Code		
	200 MATHESON BOULEVARD WEST				MISSISSAUGA	ON	L5R 3L7		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	2501431 ONTARIO LIMITED								
	Address				City	Province	Postal Code		
	200 MATHESON BOULEVARD WEST				MISSISSAUGA	ON	L5R 3L7		
Secured Party	Secured Party / Lien Claimant								
	COMPUTERSHARE TRUST COMPANY OF CANADA								
	Address				City	Province	Postal Code		
	100 UNIVERSITY AVENUE, 9TH FLOOR				TORONTO	ON	M5J 2Y1		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X				
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	SECURITY RELATING TO THOSE LANDS AND PREMISES MUNICIPALLY KNOWN AS								
	200 MATHESON BOULEVARD WEST, MISSISSAUGA, ONTARIO AND 5950 AVEBURY								
	ROAD, MISSISSAUGA, ONTARIO. LOAN NO. 1422/16.								
Registering Agent	Registering Agent								
	BLANEY MCMURTRY LLP (R. COHEN)								
	Address				City	Province	Postal Code		
	2 QUEEN STREET EAST, SUITE 1500				TORONTO	ON	M5C 3G5		

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	BLANEY MCMURTRY LLP (R. COHEN)								
	Address				City	Province	Postal Code		
	2 QUEEN STREET EAST, SUITE 1500				TORONTO	ON	M5C 3G5		

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OF NOVEMBER, 2016


A Commissioner, Notary, Etc.
KEUN TAE KIM

Keun Tae Kim, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 16, 2019.

CLEAR CERTIFICATE / CERTIFICAT LIBRE**SHERIFF OF / SHÉRIF DE :** CITY OF TORONTO (TORONTO)**CERTIFICATE # /
N° DE CERTIFICAT :** 29826726-4139186B**DATE OF CERTIFICATE /
DATE DU CERTIFICAT :** 2016-NOV-02**SHERIFF'S STATEMENT**

THIS CERTIFIES THAT THERE ARE NO ACTIVE WRITS OF EXECUTION, ORDERS OR CERTIFICATES OF LIEN FILED WITHIN THE ELECTRONIC DATABASE MAINTAINED BY THIS OFFICE IN ACCORDANCE WITH SECTION 10 OF THE *EXECUTION ACT* AT THE TIME OF SEARCHING AGAINST THE REAL AND PERSONAL PROPERTY OF:

DÉCLARATION DU SHÉRIF

CE CERTIFICAT ATTESTE QU'IL N'Y A AUCUNE ORDONNANCE ACTIVE OU AUCUN BREF D'EXÉCUTION FORCÉE OU CERTIFICAT DE PRIVILÈGE ACTIF DANS LA BASE DE DONNÉES ÉLECTRONIQUE MAINTENUE PAR CE BUREAU AUX TERMES DE L'ARTICLE 10 DE LA *LOI SUR L'EXÉCUTION FORCÉE* AU MOMENT DE LA RECHERCHE VISANT LES BIENS MEUBLES ET IMMEUBLES DE :

NAME SEARCHED / NOM RECHERCHÉ

#	PERSON OR COMPANY / PERSONNE OU SOCIÉTÉ	NAME OR SURNAME, GIVEN NAME(S) / NOM OU NOM DE FAMILLE, PRÉNOM(S)
1.	COMPANY / SOCIÉTÉ	2501427 ONTARIO LIMITED
2.	COMPANY / SOCIÉTÉ	2501431 ONTARIO LIMITED

CAUTION TO PARTY REQUESTING SEARCH:

1. IT IS THE RESPONSIBILITY OF THE REQUESTING PARTY TO ENSURE THAT THE NAME SEARCHED IS CORRECT.
2. BY VIRTUE OF THIS CERTIFICATE, THE SHERIFF IS ASSURING THAT THIS NAME WILL REMAIN CLEAR UNTIL THE END OF CLOSE OF THIS BUSINESS DATE, UNLESS THE SHERIFF IS DIRECTED OTHERWISE UNDER AN ORDER OF THE COURT.

AVERTISSEMENT À LA PARTIE QUI DEMANDE LA RECHERCHE :

1. IL INCOMBE À LA PARTIE QUI DEMANDE LA RECHERCHE DE S'ASSURER QUE LE NOM RECHERCHÉ EST EXACT.
2. EN VERTU DU PRÉSENT CERTIFICAT, LE SHÉRIF ASSURE QUE CE NOM DEMEURE LIBRE JUSQU'À LA FIN DE CETTE JOURNÉE DE TRAVAIL, À MOINS DE RECEVOIR DES DIRECTIVES CONTRAIRES AUX TERMES D'UNE ORDONNANCE DU TRIBUNAL.

CHARGE FOR THIS CERTIFICATE CDN 23.00
/ FRAIS POUR CE CERTIFICAT :

SEARCHER REFERENCE / 1600639
REFERENCE CONCERNANT
L'AUTEUR DE LA DEMANDE :

CLEAR CERTIFICATE / CERTIFICAT LIBRE**SHERIFF OF / SHÉRIF DE :** REGIONAL MUNICIPALITY OF YORK (NEWMARKET)**CERTIFICATE # /
N° DE CERTIFICAT :** 29826745-9471575B**DATE OF CERTIFICATE /
DATE DU CERTIFICAT :** 2016-NOV-02**SHERIFF'S STATEMENT**

THIS CERTIFIES THAT THERE ARE NO ACTIVE WRITS OF EXECUTION, ORDERS OR CERTIFICATES OF LIEN FILED WITHIN THE ELECTRONIC DATABASE MAINTAINED BY THIS OFFICE IN ACCORDANCE WITH SECTION 10 OF THE *EXECUTION ACT* AT THE TIME OF SEARCHING AGAINST THE REAL AND PERSONAL PROPERTY OF:

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REFERENCE CONCERNANT
L'AUTEUR DE LA DEMANDE :

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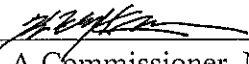
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Keun Tae Kim, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 16, 2019.

Court File No.: CV-16-11594-00CL

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

IN THE MATTER OF Section 101 of the
Courts of Justice Act and Section 243 of the *Bankruptcy and Insolvency Act*

BETWEEN:

**TREZ CAPITAL LIMITED PARTNERSHIP,
TREZ CAPITAL (2011) CORPORATION AND
COMPUTERSHARE TRUST COMPANY OF CANADA**

Applicants

-and-

2501427 ONTARIO LIMITED and 2501431 ONTARIO LIMITED

Respondents

CONSENT

Ira Smith Trustee & Receiver Inc., a licensed trustee in bankruptcy, hereby agrees to act as Receiver of the property, assets and undertaking of the Respondents, 2501427 Ontario Limited and 2501431 Ontario Limited.

Dated at Toronto this 4th day of November, 2016.

Ira Smith Trustee & Receiver Inc.Per: 

Name: Ira Smith

Title: President, Trustee in Bankruptcy

TREZ CAPITAL LIMITED - and- 2501427 ONTARIO LIMITED
PARTNERSHIP ET AL.

Applicants

Respondents

Court File No.: CV-16-11594-00CL

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

IN THE MATTER OF Section 101 of the
Courts of Justice Act and Section 243 of the *Bankruptcy
and Insolvency Act*

PROCEEDING COMMENCED AT TORONTO

CONSENT

ROBINS APPLEBY LLP

Barristers + Solicitors
2600 - 120 Adelaide Street West
Toronto, ON M5H 1T

Dominique Michaud LSUC No.: 56871V

dmichaud@robapp.com
Tel: (416) 360-3795
Fax: (416) 868-0306

Lawyers for the Applicants

TREZ CAPITAL LIMITED - and- 2501427 ONTARIO LIMITED
PARTNERSHIP ET AL.

Applicants

Respondents

Court File No.: CV-16-11594-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF Section 101 of the
Courts of Justice Act and Section 243 of the *Bankruptcy*
and Insolvency Act

PROCEEDING COMMENCED AT TORONTO

APPLICATION RECORD

ROBINS APPLEBY LLP
Barristers + Solicitors
2600 - 120 Adelaide Street West
Toronto, ON M5H 1T1

Dominique Michaud LSUC No.: 56871V
dmichaud@robapp.com
Tel: (416) 360-3795
Fax: (416) 868-0306

Lawyers for the Applicants