

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

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

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

**C&K MORTGAGE SERVICES INC. and 975393 ONTARIO INC.**

Applicants

and

**AXESS PICKERING LTD.**

Respondent

**APPLICATION RECORD**

October 1, 2021

**DICKINSON WRIGHT LLP**

Barristers & Solicitors

199 Bay Street

Suite 2200, Box 447

Commerce Court Postal Station

Toronto, ON M5L 1G4

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**DAVID Z. SEIFER (77474F)**

Email: DSeifer@dickinson-wright.com

Tel: 416-646-6867

Lawyers for the Applicants

**TO: SERVICE LIST**

## Service List

**TO: AXESS PICKERING LTD.**

973 Brock Rd., Unit 12  
Pickering, ON  
L1W 3A4

Attention: Dan Hughes  
Email: [danhughes@libertyhamlets.ca](mailto:danhughes@libertyhamlets.ca)

**AND TO: LIBERTY HAMLETS INCORPORATED**

973 Brock Rd., Unit 12  
Pickering, ON  
L1W 3A4

Attention: Dan Hughes  
Email: [danhughes@libertyhamlets.ca](mailto:danhughes@libertyhamlets.ca)

**AND TO: DANIEL ROBERT HUGHES**

10 Noake Crescent  
Ajax, ON  
L1T 3L7

Email: [danhughes@libertyhamlets.ca](mailto:danhughes@libertyhamlets.ca)

**AND TO: 975693 ONTARIO INC.**

61 Binscarth Road  
Toronto, ON  
M4W 1Y3

Attention: Grant Anthony  
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**AND TO: SAGEWISE CAPITAL CORPORATION**

4080 Confederation Parkway, Suite 402  
Mississauga, ON  
L5B 0G1

Email: [support@sagewisecapital.com](mailto:support@sagewisecapital.com)

**AND TO: PINE RIDGE MANAGEMENT INC.**

26 Way Street  
Brooklin, ON  
L1M 1B7

**AND TO: GINA BATISTA**  
7890 Pine Valley Drive  
Woodbridge, ON  
L4L 2J3

Email: [batitsa.gina@yahoo.com](mailto:batitsa.gina@yahoo.com)

**AND TO: RNV INVESTMENTS, LLC**  
12401 Orange Drive, Suite 222  
Davie, Florida  
USA, 33330

Attention: Richard Bikowksi  
Email: [richard@rnvinvestments.com](mailto:richard@rnvinvestments.com)

**AND TO: ALVAREZ & MARSAL CANADA INC.**  
200 Bay Street  
Toronto, ON  
M5J 2J1

Attention: Stephen Ferguson  
Email: [sferguson@alvarezandmarsal.com](mailto:sferguson@alvarezandmarsal.com)

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Court File No.

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

Electronically issued  
Délivré par voie électronique : 28-Sep-2021  
Toronto

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

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

*(Court Seal)*

**C & K MORTGAGE SERVICES INC.  
and 975393 ONTARIO INC.**

Applicants

- and -

**AXESS PICKERING LTD.**

Respondent

**NOTICE OF APPLICATION**

**TO THE RESPONDENT**

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

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

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

at the following location:

Commercial List Court, 330 University Avenue, Toronto, ON

on October 12, 2021 at 12:00 p.m. *(or on a day to be set by the registrar).*

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<https://dickinsonwright.zoom.us/j/85918088374?pwd=UDRWdUxNbVR4TINFYXRwUWFWMjc3Zz09>

Meeting ID: 859 1808 8374

Passcode: 188762

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 \_\_\_\_\_ Issued by \_\_\_\_\_  
Local Registrar

Address of court office: Superior Court of Justice  
330 University Avenue, 9th Floor  
Toronto ON  
M5G 1R7

TO: **AXESS PICKERING LTD.**  
973 Brock Road  
Unit 12  
Pickering, Ontario  
L1W 3A4



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## APPLICATION

1. The Applicants make application for: *(State here the precise relief claimed.)*
  - (a) if necessary, an Order abridging the time for service and filing of this Notice of Application and the Application Record;
  - (b) an Order, in the form attached hereto as Schedule “A”, appointing Alvarez & Marsal Canada Inc. Inc. as receiver and manager (in such capacities, the “**Receiver**”) of the assets, property and undertaking of Axess Pickering Ltd. (the “**Debtor**”), pursuant to section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3 (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C-43 (the “**CJA**”), including, without limitation, the property municipally known as 1525 Pickering Parkway, in Pickering, Ontario (the “**Real Property**”);
  - (c) their costs of this proceeding, plus all applicable taxes; and
  - (d) such further and other relief as to this Honourable Court may seem just.
2. The grounds for the application are:
  - (a) The Applicants hold first-ranking security over the assets of the Debtor, including a first charge registered against the Real Property on March 1, 2021 (the “**First Charge**”);

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- (b) The First Charge secures payment of the principal sum of \$8.2 million, together with interest at the rate of 12% percent per annum, calculated monthly, not in advance;
- (c) The Real Property is a vacant 1.273 acre parcel which is being developed for construction of 336 units, in two residential condominium towers with appurtenant parking, and approximately 26,000 square feet of office/restaurant space;
- (d) Default in payment of interest under the First Charge occurred on September 1, 2021;
- (e) On September 3, 2021, the Applicants made written demand on the Debtor for payment and issued a notice of intention to security pursuant to section 244 of the *BIA*;
- (f) No payments have been received since September 1, 2021 and the ten day period under section 244 of the *BIA* has expired;
- (g) The First Charge provides that upon default the Applicants may appoint a receiver over the Real Property;
- (h) It is just and convenient that a receiver be appointed to market and sell the Property;
- (i) Section 243(1) of the *BIA*, section 101 of the *CJA*, and Rules 3.02(1), 16.08 and 14.05(3)(d), ( e), (f), (g) and (h) of the *Rules of Civil Procedure*; and,

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(j) Such further and other grounds as the lawyers may advise and this Honourable Court may permit.

3. The following documentary evidence will be used at the hearing of the application:

- (a) The Affidavit of Gary Gruneir to be sworn and filed;
- (b) The Consent of Alvarez & Marsal Canada Inc. Inc. to act as Receiver; and
- (c) Such further and other evidence as the lawyers may advise and this Honourable Court may permit.

September 28, 2021

**DICKINSON WRIGHT LLP**

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Lawyers for the Applicants

Schedule "A"

Court File No.

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

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

THE HONOURABLE	)	•DAY, THE
	)	
JUSTICE	)	DAY OF • , 2021

B E T W E E N:

**C & K MORTGAGE SERVICES INC.  
and 975393 ONTARIO INC.**

Applicants

- and -

**AXESS PICKERING LTD.**

Respondent

**ORDER  
(Appointing Receiver)**

THIS APPLICATION made by the Applicants for an Order appointing Alvarez & Marsal Canada Inc. Inc. as receiver and manager (in such capacities, the "Receiver"), without security, of all of the assets, undertakings and properties of the Respondent Alvarez & Marsal Canada Inc. Inc. Axess Pickering Ltd. (the "Debtor"), was heard this day by Zoom judicial videoconference.

ON READING the affidavit of Gary Gruneir sworn •, 2021 and the Exhibits thereto, and on hearing the submissions of counsel for the Applicants, no one else appearing although duly served as appears from the affidavit of service of • sworn •, 2021, and on reading the consent of Alvarez & Marsal Canada Inc. Inc. to act as the Receiver,

## **SERVICE**

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

## **APPOINTMENT**

2. THIS COURT ORDERS that pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “BIA”), and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended, Alvarez & Marsal Canada Inc. Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor, including the lands and premises legally described in Schedule “A” hereto, and all proceeds thereof (the “Property”).

## **RECEIVER’S POWERS**

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent

security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby

conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) with the approval of this Court, to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business, and in each such case, notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required;
- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the Receiver's administration, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (p) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and

- (q) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

4. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being “Persons” and each being a “Person”) shall forthwith advise the Receiver of the existence of any Property in such Person’s possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver’s request.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the “Records”) in that Person’s possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give



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

#### **NO PROCEEDINGS AGAINST THE RECEIVER**

7. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a “Proceeding”), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

#### **NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY**

8. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

9. THIS COURT ORDERS that all rights and remedies against the Debtor, Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any “eligible financial contract” as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment,

(iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

### **NO INTERFERENCE WITH THE RECEIVER**

10. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

### **CONTINUATION OF SERVICES**

11. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

### **RECEIVER TO HOLD FUNDS**

12. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Appointment Accounts") and the monies standing to the credit of such Post Appointment Accounts from time to time, net of any disbursements provided for

herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

### **EMPLOYEES**

13. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

### **LIMITATION ON ENVIRONMENTAL LIABILITIES**

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

### **LIMITATION ON THE RECEIVER'S LIABILITY**

15. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross

negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

### **RECEIVER'S ACCOUNTS**

16. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

17. THIS COURT ORDERS that the Receiver and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

18. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

### **FUNDING OF THE RECEIVERSHIP**

19. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$500,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may

arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the “Receiver’s Borrowings Charge”) as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver’s Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

20. THIS COURT ORDERS that neither the Receiver’s Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

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

22. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver’s Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver’s Certificates.

## **SERVICE AND NOTICE**

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

24. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

#### **GENERAL**

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

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

27. 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.

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

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

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

31. THIS COURT ORDERS that this Order is effective from today's date and is not required to be entered.

---

**SCHEDULE “A”**

**LANDS AND PREMISES**

**PIN: 26330 - 0016 LT**

PT LT 20 CON 1 PICKERING AS IN D42810 EXCEPT PT 1, 40R7449 & 40R12400; S/T  
D127632, D133802, D50967 PICKERING

*Municipal Address:* 1525 PICKERING PARKWAY, PICKERING



**SCHEDULE “B”**  
**RECEIVER CERTIFICATE**

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. THIS IS TO CERTIFY that Alvarez & Marsal Canada Inc., the Receiver (the “Receiver”) of all of the assets, undertakings and properties of The Midas Investment Corporation (the “Debtor”), including the lands and premises municipally known as 1525 Pickering Parkway, in Pickering, Ontario (the “Property”) appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the “Court”) dated the [DATE] (the “Order”) made in an application having Court file number \_\_\_\_\_, has received as such Receiver from the holder of this certificate (the “Lender”) the principal sum of \$ \_\_\_\_\_, being part of the total principal sum of \$ \_\_\_\_\_ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded monthly not in advance on the \_\_\_\_\_ day of each month after the date hereof at a notional rate per annum equal to the rate of \_\_\_\_\_ per cent.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the \_\_\_\_ day of \_\_\_\_\_, 2021.

Alvarez & Marsal Canada Inc., solely in its  
capacity as Receiver of the Property, and not in  
its personal capacity

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

Name:

Title:

C & K MORTGAGE SERVICES INC. et al Applicants	-and- Respondent	AXESS PICKERING LTD.	Court File No.
			ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)  PROCEEDING COMMENCED AT TORONTO
			ORDER (Appointing Receiver)
			DICKINSON WRIGHT LLP Barristers & Solicitors 199 Bay Street Suite 2200, Box 447 Commerce Court Postal Station Toronto, ON M5L 1G4  David P. Preger (36870L) dpreger@dickinsonwright.com Tel: (416) 646-4606  David Z. Seifer (77474F) Email: DSeifer@dickinsonwright.com Tel: 416-646-6867  Lawyers for the Applicants

**C & K MORTGAGE SERVICES INC. et al**  
Applicants

**-and- AXESS PICKERING LTD.**  
Respondent

Court File No.

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

**PROCEEDING COMMENCED AT  
TORONTO**

**NOTICE OF APPLICATION**

**DICKINSON WRIGHT LLP**

Barristers & Solicitors  
199 Bay Street  
Suite 2200, Box 447  
Commerce Court Postal Station  
Toronto, ON M5L 1G4

**David P. Preger (36870L)**  
dpreger@dickinsonwright.com  
Tel: (416) 646-4606

**David Z. Seifer (77474F)**  
Email: DSeifer@dickinsonwright.com  
Tel: 416-646-6867

Fax: 1-844-670-6009

Lawyers for the Applicants

# Tab 2

Court File No. CV-21-669408-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

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

B E T W E E N:

**C & K MORTGAGE SERVICES INC.  
and 975393 ONTARIO INC.**

Applicants

- and -

**AXESS PICKERING LTD,**

Respondent

**AFFIDAVIT OF GARY GRUNEIR**  
*(Sworn September 30, 2021)*

**I, GARY GRUNEIR**, of the City of Markham, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am the President and principal broker of C & K Mortgage Services Inc., a licensed mortgage broker which carries on business as Rescom Capital (“**Rescom**”). I have been a broker of private mortgage loans for over 30 years. Rescom originated and administers the First Charge (hereinafter defined). As such, I have personal knowledge of the matters to which I hereinafter depose.

2. I am swearing this Affidavit in support of an application to appoint Alvarez & Marsal Canada Inc. as receiver and manager of the assets, property and undertakings of the Respondent Axess Pickering Ltd. (the “**Debtor**”) including, without limitation, the property municipally known as 1525 Pickering Parkway, in Pickering, Ontario (the “**Real Property**”).

### **The Real Property**

3. The Real Property is a vacant 1.273 acre parcel, which is being developed for construction of 336 units, in two residential condominium towers with appurtenant parking, and approximately 26,000 square feet of office/restaurant space. Attached as **Exhibit A** are copies of several pages from a website, <https://axesscondos.ca>, in which condominium units are being marketed to the general public.

### **The Applicants’ Security**

4. Pursuant to a commitment dated January 22, 2021 and accepted by the Debtor and Dan Hughes and Liberty Hamlets Incorporated, as guarantors on January 27, 2021 (the “**Commitment**”), Rescom agreed to arrange first mortgage financing to assist the Debtor in acquiring the Real Property. The Commitment provided for a loan of \$8.2 million, for a term of six months, with interest at 12 percent per annum, calculated and payable interest only monthly. The security for the loan would, include, among others things, a first mortgage and first general assignment of rents over the Real Property and a first general security agreement from the Debtor. A copy of the Commitment is attached as **Exhibit B**.

5. The Real Property was transferred from Pine Ridge Management Inc. (“**Pine Ridge**”), as transferor, to the Debtor, as transferee, on March 1, 2021 for \$10 million. A copy of the Transfer

is attached as **Exhibit C**. Copies of the First Charge and the Notice of Assignment of Rents registered against the Real Property on March 1, 2021 are attached, respectively, as **Exhibits D and E**.

6. Copies of the general security agreement given by the Debtor to the Applicants, dated February 24, 2021 (the “**GSA**”) and the Financing Change Statement respecting the Applicants’ security interest, registered under the *PPSA* on February 26, 2021, are attached, respectively, **Exhibits F and G**.

#### **Other Encumbrances**

7. A copy of the parcel register in respect of the Real Property, current as of September 29, 2021, is attached as **Exhibit H**.

8. According to the parcel register, the Real Property is subject to three encumbrances registered subsequent to the First Charge and the Notice of Assignment of Rents. The encumbrances are summarized in the following table and copies are attached as exhibits:

<b>Exhibit</b>	<b>Instrument</b>	<b>Amount/Description</b>	<b>Holder</b>	<b>Date Registered</b>
<b>I</b>	Charge maturing on August 25, 2021	\$1,500,000	Sagewise Capital Corporation	March 1, 2021
<b>J</b>	Notice of unregistered, estate, right interest or equity	Condo sale agreement between Pine Ridge., as seller, and Tom Oldman, as buyer, with respect to 10 condo units for \$2 per unit and 16 parking spaces and lockers at no charge	Pine Ridge	March 1, 2021
<b>K</b>	Charge maturing on September 9, 2021	\$883,630	Gina Batista and RNV Investments LLC	June 15, 2021



9. With respect to the Notice attached as Exhibit J, the Applicants obtained a written Postponement dated March 1, 2021 signed by Tom Oldman, President of Pine Ridge (the “**Acknowledgment**”). A copy of the Acknowledgment is attached as **Exhibit L**. Pursuant to the Acknowledgement, any right, title and interest in the condominium sale agreement was postponed in favour of the Applicants and it was acknowledged that in the event the Applicants enforced their security by way of power of sale, the appointment of receiver, or otherwise, they would not be bound to recognize or be bound by the condominium sale agreement.

10. From discussions I have had with Richard Bikowski, a mortgage broker, based in London, Ontario, the Charge registered on June 15, 2021 was given in part to secure a fee the Debtor had agreed to pay Mr. Bikowski in connection with referring the financing contemplated under the Commitment to Rescom.

11. A copy of a *PPSA* enquiry in respect of the Debtor, current as of September 28, 2021, is attached as **Exhibit M**. Apart from the registration in favour of the Applicants, there are no other registrations.

#### **Forbearance Agreement Signed but Financial Terms Not Complied With**

12. On August 30, 2021, I had a telephone discussion with Blair Gagnon of Liberty Hamlets Incorporated, the corporate guarantor of the First Charge. Mr. Gagnon advised me that the Debtor would not in be in position to repay the First Charge on the maturity date of September 1, 2021 and asked whether I would be agreeable to extending the time for repayment. I responded that I would consider forbearing for a period of two months upon receiving immediate payment

of \$200,000, representing \$82,000 of monthly interest for two months, and \$18,000 for monthly extension and forbearance fees for two months. At 2:07 pm, I emailed Mr. Gagnon to confirm that I was agreeable to those terms. At 4:25 pm, Mr. Gagnon confirmed his acceptance. A copy of our email thread is attached as **Exhibit N**.

13. On September 3, 2021, the Applicants' lawyer, Kimberly Gabriel of Garfinkle Biderman LLP, received a signed Forbearance Agreement from the Debtor's lawyer, Caterina Licata, a copy of which is attached as **Exhibit O**. Under the terms of the Forbearance Agreement, the Debtor expressly consented to an Order of the Court appointing a receiver if the First Charge is not repaid by November 1, 2021.

14. Unfortunately, however, the funds contemplated under the Forbearance Agreement were not included when the Forbearance Agreement was delivered to Ms. Gabriel. Accordingly, Ms. Gabriel immediately emailed Ms. Licata to inquire when the funds would be forthcoming and to confirm that she was in the middle of preparing demands and a *BIA* notice, as contemplated under the Forbearance Agreement.

15. At 1:48 pm, Ms. Licata responded that her clients were making arrangements with the Applicants but the funds would not be delivered that day. At 1:53 pm, Ms. Gabriel emailed Ms. Licata to advise that the timing of the payment was not negotiable. A copy of the email thread is attached as **Exhibit P**.

16. Copies of the demands sent to the Debtor and the guarantors on September 3, 2021, the section 244 *BIA* notice that was issued, and the registered mail receipts are attached, collectively, as **Exhibit Q**.

17. No payments have been received since September 1, 2021.

**Just and Convenient to Appoint a Receiver**

18. Given the amount of subordinate debt which is now saddling the Real Property, the apparent efforts of the Debtor to market condominium units to the general public although construction has not yet begun and the inability of the Debtor to make the relatively modest payments contemplated under the Forbearance Agreement, I believe that it is just and convenient that a Receiver be appointed to market and sell the Real Property without delay. A court-appointed receiver will ensure that the Property is marketed and sold in a fair and transparent process, having regard to the interests of all of the Debtor's stakeholders, including the Applicants.

**SWORN** by **GARY GRUNEIR**, at the City of Markham, before me at the City of Toronto, in the Province of Ontario, on September 30, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



\_\_\_\_\_  
Commissioner for Taking Affidavits  
(or as may be)

}



\_\_\_\_\_  
**GARY GRUNEIR**

This is Exhibit “A” referred to in the Affidavit of GARY GRUNEIR sworn by GARY GRUNEIR of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on October 1, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



---

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

**DAVID P. PREGER**



AXESS  
CONDOS • PICKERING



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Calm, cool & connected condos  
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## HOME IS ABOUT COMFORT AND CONNECTION.

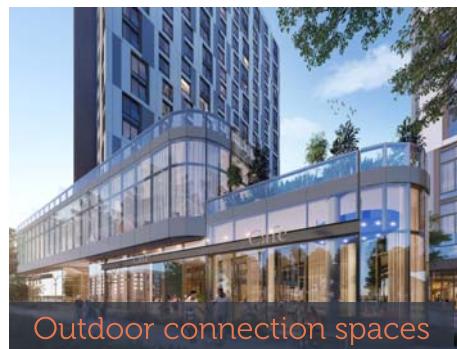
That's why Axess features several modern spaces that allow people to socialize, work and relax, each within a unique environment like the Four Season Sensory Garden or Culture Cafe. Four Season Sensory Garden A modern entrance



Four Season Sensory Garden



A modern entrance



Outdoor connection spaces



Axess Club



Culture Cafe



Bringing people together

This is Exhibit “B” referred to in the Affidavit of GARY GRUNEIR sworn by GARY GRUNEIR of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on October 1, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



---

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

**DAVID P. PREGER**



ReSCOM<sup>CA</sup>

RESCOM Capital  
1670 Bayview Avenue, Suite  
400 Toronto, Ontario M4G 3C2

T. 416.485 2636  
F. 416.482 4043  
[www.rescomcapital.com](http://www.rescomcapital.com)

January 22, 2021

Liberty Hamlets incorporated  
Axess Pickering Ltd  
Dan Hughes

~~108 Noake Crescent~~ #12 973 Brock Road  
Ajax ON Pickering, ON  
3L7L1W 3A4

DH  
[Signature]

Dear: Sir:

Re: 1525 Pickering Parkway, Pickering Ontario

This letter will serve as our commitment to arrange first mortgage financing on the above captioned property.

Loan Amount: EIGHT MILLION TWO HUNDRED THOUSAND DOLLARS (\$8,020,000) DH [Signature]

Interest Rate: 12 percent per annum, calculated and payable interest only monthly.

Term: 6 months

Privileges: The mortgage will be closed for three months and open thereafter upon receipt of 30 days written notice and payment of one month's interest bonus.

Amortization: Interest only.

- Security:
1. A first mortgage on the lands known as 1525 Pickering Parkway, Pickering ON
  2. A first general assignment of rents.
  3. A first general security agreement in a form satisfactory to the lender's solicitor.
  4. An assignment of all letters of credit deposited with the municipality.
  5. The personal guarantee of Dan Hughes.
  6. The Corporate guarantee of Axess Pickering Ltd.
  7. The corporate Guarantee of Liberty Hamlets Incorporated
  8. An assignment of all plans and studies, related to the proposed development and applications.
  9. Such other reasonable documentation as the lender's solicitor may consider advisable.

DH

**Advance of Funds:** The advance of funds will be made when the lender's solicitor can provide their certificate(s) of title and when all other conditions precedent to such advance as stated herein are satisfied. Advance of funds will be subject to the following conditions.

**Conditions:**

1. Satisfactory updated appraisal report by Cushman & Wakefield indicating an as is value of not less than \$10,100,000. It is a further condition for the making of this loan that the appraiser provide the lender with a Letter authorizing the lender that they may rely on the appraisal for lending purposes.
2. Satisfactory evidence that the property has been purchased for \$10,000,000. Borrower to provide a copy of the Agreement of Purchase and Sale including all Amendments.
3. Satisfactory evidence that the property is currently zoned to permit the proposed use and there are no outstanding work orders or notices of violations from any governmental departments. The mortgagor will provide all appropriate consents to obtain such information.
4. Satisfactory review of the project planner's report as to the development feasibility and status. This is to be reviewed by the lender's planner at a cost not to exceed \$5,000. This will include reviewing the following:
  - a) Functioning Service Reports (FSR)
  - b) Current Zoning By-Law
  - c) Geotechnical Investigation
  - d) Environmental Reports
  - e) Proposed Site plan and drawings
  - f) PAC report
  - g) Planners Report for Development Application
  - h) Noise impact study
  - i) Any and all other development reports completed to date.
5. All local improvement charges, realty taxes and other charges affecting the properties shall have been paid to the date of the advance of funds. The charge shall include a provision for the collection of property taxes by the lender, at the lender's option. Payment of taxes by the lender can be waived or asked for at any time during the term of the mortgage. The lender acknowledges that the outstanding realty taxes affecting the property in question will be satisfied out of the advance of funds hereunder.
6. All reasonable engineering, inspections, title, survey and legal customary expenses of the lender are for the account of and shall be paid by the borrower.
7. Satisfactory physical site inspection.

DH

8. Title and all security must be satisfactory to the lender's solicitor.
9. Title insurance in a form satisfactory to the lender's solicitor.
10. The lender shall be provided with original or certified copies of insurance policies. The coverage, terms and insurance company must be satisfactory to the lender.
11. The borrower and guarantors shall provide financial and supporting information as the lender may require, including the following: Unaudited Financial Statements; and Net Worth Statements.
12. The borrower will provide the lender with documentation supporting the ownership structure.
13. In the event of the borrower selling, transferring or conveying title to the lands, or if there is a change in the beneficial ownership, the mortgage will become due and payable, save and except the transfer from the current owner to a corporation of which the corporation shall have as its officer, director and majority shareholder, the borrower's shareholders with satisfactory evidence to the mortgagee. It is understood and agreed that such a transfer shall not relieve the borrower from its obligations.
14. In the event that any payment is returned to the lenders for any cause whatsoever, including there being insufficient funds in the borrower's account to cover same, the lender will be entitled to reimbursement for all bank charges related to the dishonoured cheque in addition, the lender or administrator's time for collection will be charged at a rate of \$300 per hour and all time will be docketed and charged to the borrower's account. These charges will apply to all administration costs related to any default under the mortgage including but not limited to collection costs related to late payments, insurance cancellation and work orders affecting the property.
15. Any payment (other than payment of the regular payments of interest) that is made after 1:00 p.m. on any day or 11:00 a.m. on a Friday or the business day preceding a statutory holiday, shall be deemed for the purpose of calculation of interest, to have been made and received on the next bank business day. For greater certainty, if funds are received (or deemed received) on a Friday after 11:00 a.m. or the day preceding a statutory holiday, interest will be payable to the next bank business day.
16. If at any time before or after the advance, there is or has been any material discrepancy or inaccuracy in any written information, statements or representations therefore made or furnished by or on behalf of the borrower, then the lender shall be entitled forthwith to cancel the lender's obligations hereunder or declare any monies therefore advanced with interest to be forthwith due and payable and retain all fees provided by the borrower.

DH

17. In the event of default, Rescom Capital will be appointed as the lender's manager and will be entitled to a fee of \$300 per hour for its services and such fee will be charged to the borrower's account.

18. The borrower will complete and application on the lenders standard form and will provide photo identification for all guarantors and signing officers for the corporation.

19. If the borrower is a corporation, a list of every legal or beneficial owner of, or person who exercises direct or indirect control or direction over more than 25% of the voting rights attached to the outstanding voting securities of the corporation must be provided.

20. This commitment is open for acceptance until 5:00 PM on January 27, 2021.

22. The first advance must be drawn down and qualified for by ~~Jan~~February 15, 2021, failing which this letter of proposal will be terminated.

**Inspection Fee: \$1,000**

**Special Condition:** An amount equal to six months interest (\$480,000) will be deducted from the advance of funds to be applied as prepaid interest. The borrower acknowledges that these funds will be paid to the investors as a lump-sum payment. If the loan is repaid prior to the maturity date, the borrower will be given credit for the unused portion.

This commitment is issued on the understanding that your acceptance will be accompanied by a certified cheque payable to Rescom Capital for \$50,000 which shall be deemed earned as a standby fee upon acceptance hereof and which will be credited toward the commission payable when the proceeds of the loan are advanced. The fee shall be forfeited if the loan is not proceeded with, due to any cause whatsoever other than the lender's default. Notwithstanding such retention, you shall remain liable for all fees and costs as referred to herein.

Yours truly,

RESCOM CAPITAL

Gary Grunir  
President and Principal Broker

DH

*The undersigned hereby accepts the above terms and conditions.*

Dated this 27th day of January 2021.



Dan Hughes, Guarantor



Axess Pickering Ltd., Borrower



Liberty Hamlets Incorporated, Guarantor

DH

***These questions must be asked and answered to comply with the new regulations of the Financial Services Regulatory Authority of Ontario (FSRA), that went into affect on July 1, 2018.***

Has the developer or any of the principals of the developer (directors, officers, owners, partners or majority shareholders) been involved in any of the following:

- (a) Been convicted, found guilty of or currently charged with any criminal or regulatory offence under any law of any province, territory, state or country?

Yes ☐ No ☒

- (b) Currently the subject of any civil proceedings or any unsatisfied judgements imposed by a civil court in Canada or elsewhere, against the developer, against the principals personally, or against a business in which they have an interest in at least ten percent of the equity shares or ownership shares of the business?

Yes ☐ No ☒

- (c) Within the five years before the date of this form, declared bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person?

Yes ☐ No ☒

- (d) Been the subject of a regulatory investigation or proceeding, or has otherwise been subject to regulatory sanctions?

Yes ☐ No ☒

Dated this 27th day of January, 2021

  
\_\_\_\_\_  
Dan Hughes

  
\_\_\_\_\_  
Axess Pickering Ltd

  
\_\_\_\_\_  
Liberty Hamlets Incorporated

DH



7

RESCOM Capital  
1670 Bayview Avenue, Suite 400  
Toronto Ontario M4G 3C2

T. 416 485 2636  
F. 416 482 4043  
[www.rescomcapital.com](http://www.rescomcapital.com)

January 22, 2021

Liberty Hamlets Incorporated  
Axess Pickering Ltd  
Dan Hughes  
108 Noake Crescent  
Ajax ON  
L1T 3L7

Dear: Sir:

**Re: 1525 Pickering Parkway, Pickering Ontario**

Further to our letter of proposal dated January 22, 2021, this letter forms part of the conditions thereof. Your costs in obtaining the loan shall be \$440,000. Legal costs, inspection fees and disbursements are additional and such fees will be deducted from the first advance of funds. If the loan is not proceeded with, due to any cause whatsoever other than the lender's default, you shall remain liable for all fees and costs as referred to herein.

Any fees earned as a result of acceptance of this Commitment Letter, together with any expenses or costs incurred by Rescom Capital, including but not limited to, appraisal, re-appraisal, inspections, re-inspections, title searches, plan review, 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 Rescom Capital may file and maintain a caveat on the title to the Subject Property to protect that charge and the Borrower(s) and Guarantor(s) do hereby mortgage to Rescom Capital the amount necessary to pay all fees and expenses as detailed herein as a charge against the Subject Property.

Yours truly,  
Rescom Capital

  
Gary Granger  
President and Principal Broker

*The undersigned hereby accepts the above terms and conditions.*

Dated this 27th day of January, 2021.

  
Dan Hughes

  
Axess Pickering Ltd

  
Liberty Hamlets Incorporated

DH

This is Exhibit “C” referred to in the Affidavit of GARY GRUNEIR sworn by GARY GRUNEIR of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on October 1, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



---

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

**DAVID P. PREGER**



Properties				
PIN	26330 - 0016	LT	Interest/Estate	Fee Simple
Description	PT LT 20 CON 1 PICKERING AS IN D42810 EXCEPT PT 1, 40R7449 & 40R12400 ; S/T D127632,D133802,D50967 PICKERING			
Address	1525 PICKERING PARKWAY PICKERING			

Consideration	
Consideration	\$10,000,000.00

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

Name

PINE RIDGE MANAGEMENT INC.

Address for Service

26 Way Street, Brooklin, Ontario, L1M 1B7

I, Thomas Oldman (President), have the authority to bind the corporation.

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

Transferee(s)	Capacity	Share
Name	AXESS PICKERING LTD.	Registered Owner
Address for Service	12-973 Brock Road Pickering. Ontario. L1W 3A4	

STATEMENT OF THE TRANSFEROR (S): The transferor(s) verifies that to the best of the transferor's knowledge and belief, this transfer does not contravene the Planning Act.

STATEMENT OF THE SOLICITOR FOR THE TRANSFEROR (S): I have explained the effect of the Planning Act to the transferor(s) and I have made inquiries of the transferor(s) to determine that this transfer does not contravene that Act and based on the information supplied by the transferor(s), to the best of my knowledge and belief, this transfer does not contravene that Act. I am an Ontario solicitor in good standing.

STATEMENT OF THE SOLICITOR FOR THE TRANSFeree (S): I have investigated the title to this land and to abutting land where relevant and I am satisfied that the title records reveal no contravention as set out in the Planning Act, and to the best of my knowledge and belief this transfer does not contravene the Planning Act. I act independently of the solicitor for the transferor(s) and I am an Ontario solicitor in good standing.

Signed By

Gerald Byron Brunt

128 Byron St. N.  
Whitby  
L1N 5S4

acting for  
Transferor(s)

Signed

2021 03 01

Tel

905-668-3375

Fax

905-668-7037

I am the solicitor for the transferor(s) and I am not one and the same as the solicitor for the transferee(s).

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

Caterina Licata

915-45 Sheppard Avenue East  
North York  
M2N 1N5

acting for  
Transferee(s)

Signed

2021 03 01

Tel

647-405-0470

Fax

647-361-1010

I am the solicitor for the transferee(s) and I am not one and the same as the solicitor for the transferor(s).

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

Submitted By

CATERINA LICATA BARRISTER AND SOLICITOR

915-45 Sheppard Avenue East  
North York  
M2N 1N5

2021 03 01

Tel

647-405-0470

Fax

647-361-1010

Fees/Taxes/Payment

Statutory Registration Fee	\$65.30
Provincial Land Transfer Tax	\$196,475.00
Total Paid	\$196,540.30

File Number

Transferor Client File Number :                    19-59915

LAND TRANSFER TAX STATEMENTS

In the matter of the conveyance of: 26330 - 0016 PT LT 20 CON 1 PICKERING AS IN D42810 EXCEPT PT 1, 40R7449 & 40R12400 ; S/T D127632,D133802,D50967 PICKERING

BY: PINE RIDGE MANAGEMENT INC.  
TO: AXESS PICKERING LTD. Registered Owner

1. DANIEL ROBERT HUGHES

I am

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

2. I have read and considered the definition of "single family residence" set out in subsection 1(1) of the Act. The land being conveyed herein:  
does not contain a single family residence or contains more than two single family residences.

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

(a) Monies paid or to be paid in cash	\$10,000,000.00
(b) Mortgages (i) assumed (show principal and interest to be credited against purchase price)	\$0.00
(ii) Given Back to Vendor	\$0.00
(c) Property transferred in exchange (detail below)	\$0.00
(d) Fair market value of the land(s)	\$0.00
(e) Liens, legacies, annuities and maintenance charges to which transfer is subject	\$0.00
(f) Other valuable consideration subject to land transfer tax (detail below)	\$0.00
(g) Value of land, building, fixtures and goodwill subject to land transfer tax (total of (a) to (f))	\$10,000,000.00
(h) VALUE OF ALL CHATTELS -items of tangible personal property	\$0.00
(i) Other considerations for transaction not included in (g) or (h) above	\$0.00
(j) Total consideration	\$10,000,000.00

6. Other remarks and explanations, if necessary.

- 1. The information prescribed for purposes of section 5.0.1 of the Land Transfer Tax Act is not required to be provided for this conveyance.
- 2. The transferee(s) has read and considered the definitions of "designated land", "foreign corporation", "foreign entity", "foreign national", "specified region" and "taxable trustee" as set out in subsection 1(1) of the Land Transfer Tax Act. The transferee(s) declare that this conveyance is not subject to additional tax as set out in subsection 2(2.1) of the Act because:
- 3. (c) The transferee(s) is not a "foreign entity" or a "taxable trustee".
- 4. The transferee(s) declare that they will keep at their place of residence in Ontario (or at their principal place of business in Ontario) such documents, records and accounts in such form and containing such information as will enable an accurate determination of the taxes payable under the Land Transfer Tax Act for a period of at least seven years.
- 5. The transferee(s) agree that they or the designated custodian will provide such documents, records and accounts in such form and containing such information as will enable an accurate determination of the taxes payable under the Land Transfer Tax Act, to the Ministry of Finance upon request.

PROPERTY Information Record

A. Nature of Instrument:

Transfer

LRO 40

Registration No.

DR1978271

Date:

2021/03/01

B. Property(s):

PIN 26330 - 0016

Address

1525 PICKERING PARKWAY PICKERING

Assessment

0102001 - 630005000002

C. Address for Service:

12-973 Brock Road Pickering. Ontario. L1W 3A4

D. (i) Last Conveyance(s):

PIN 26330 - 0016

Registration No.

DR10019

(ii) Legal Description for Property Conveyed: Same as in last conveyance?

Yes☒

No☐

Not known☐

E. Tax Statements Prepared By:

Caterina Licata

915-45 Sheppard Avenue East

North York M2N 1N5

This is Exhibit “D” referred to in the Affidavit of GARY GRUNEIR sworn by GARY GRUNEIR of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on October 1, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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

**DAVID P. PREGER**

Properties				
PIN	26330 - 0016	LT	Interest/Estate	Fee Simple
Description	PT LT 20 CON 1 PICKERING AS IN D42810 EXCEPT PT 1, 40R7449 & 40R12400 ; S/T D127632,D133802,D50967 PICKERING			
Address	1525 PICKERING PARKWAY PICKERING			

Chargor(s)	
The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.	
Name	AXESS PICKERING LTD.
Address for Service	973 Brock Road Unit 12 Pickering, Ontario L1W 3A4
I, Daniel Robert Hughes, President, have the authority to bind the corporation.	
This document is not authorized under Power of Attorney by this party.	

Chargee(s)		Capacity	Share
Name	C & K MORTGAGE SERVICES INC.		an undivided \$6,000,000 / \$8,200,000 interest
Address for Service	1670 Bayview Avenue Suite 400 Toronto, Ontario M4G 3C2		
Name	975393 ONTARIO INC.		an undivided \$2,200,000 / \$8,200,000 interest
Address for Service	c/o 1670 Bayview Avenue Suite 400 Toronto, Ontario M4G 3C2		

Statements
Schedule: See Schedules

Provisions			
Principal	\$8,200,000.00	Currency	CDN
Calculation Period	monthly, not in advance		
Balance Due Date	2021/09/01		
Interest Rate	12.0%		
Payments	\$82,000.00		
Interest Adjustment Date	2021 03 01		
Payment Date	first day of each and every month		
First Payment Date	2021 04 01		
Last Payment Date	2021 09 01		
Standard Charge Terms	200033		
Insurance Amount	Full insurable value		
Guarantor	Liberty Hamlets Incorporated and Daniel Robert Hughes		

Signed By				
Kimberly Anne Gabriel	1 Adelaide Street E., Suite 801 Toronto M5C 2V9	acting for Chargor(s)	Signed	2021 02 26
Tel	416-869-1234			
Fax	416-869-0547			

Signed By

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

Submitted By

GARFINKLE, BIDERMAN LLP

1 Adelaide Street E., Suite 801  
Toronto  
M5C 2V9

2021 03 01

Tel        416-869-1234

Fax        416-869-0547

Fees/Taxes/Payment

Statutory Registration Fee

\$65.30

Total Paid

\$65.30

File Number

Chargée Client File Number :                    2677-584

## SCHEDULE "A" - Additional Provisions

### 1. Letter of Commitment

Any reference in this Charge to the Commitment Letter or Letter of Commitment (the "Commitment Letter" or "Letter of Commitment") shall mean the Commitment Letter referable to this transaction dated January 22, 2021 (and any amendments thereto, if applicable).

This Charge shall secure any and all amounts owing by the Chargor to the Chargee pursuant to the Letter of Commitment.

All provisions of the Letter of Commitment are hereby incorporated into this Charge.

Any default by the Mortgagor with regard to any provision of the Letter of Commitment shall constitute a default under this Charge.

### 2. Interest Rate

The mortgage shall bear interest at the rate of 12.0% per annum, compounded and payable monthly, not in advance. Interest at the aforesaid rate on the amounts advanced from time to time shall be payable on the first day of each and every month throughout the term of the Charge and the principal sum (with all unpaid accrued interest) shall become due and payable on September 1, 2021. The parties hereto acknowledge and agree that the Chargee shall not be deemed to reinvest any monthly or other payments received by it hereunder.

In case default shall be made in payment of any sum to become due for interest at any time appointed for payment in this Charge, compound interest shall be payable and the sum in arrears for interest from time to time, as well after as before maturity and judgment, shall bear interest at the rate provided for in this Charge. In the event the interest and compound interest are not paid one month from the time of default, a rest shall be made, and compound interest at the rate provided for in this Charge shall be payable on the aggregate amount then due, as well after as before maturity and judgment, and so on from time to time, and all such interest and compound interest shall be a charge upon the Charged Property.

The Chargee shall have the right to deduct from any advance, interest from the date of advance to the interest adjustment date.

### 3. Prepayment Privilege

Provided that this Charge shall be closed for the period of three months and thereafter, if the Charge is not in default, the Chargor shall have the right of prepaying the whole amount hereby secured upon thirty day's written notice by the Mortgagor to the Mortgagee and further upon payment of one month's interest on the amount so prepaid as a bonus.

### 4. Default

In addition to any other Default Clauses set out in this Charge, or in the Standard Charge Terms referred to herein, the monies hereby secured, together with interest thereon as aforesaid, shall become payable and the security hereby constituted shall become enforceable immediately upon demand by the Chargee on the occurrence or happening of any of the following events ("Event(s) of Default"):

- (a) the Chargor makes default in the payment of the principal, interest or other monies hereby secured or any principal or interest payment and other monies owed by it to the Chargee whether secured by this Charge or not;
- (b) the Chargor makes default in the payment of principal, interest or other monies secured by any other Charges registered against the Charged Property whether in priority to or subsequent to this Charge;
- (c) the Chargor makes material default in the observance or performance of any written covenant or undertaking heretofore or hereafter given by it to the Chargee, whether contained herein or not and pertaining to the assets or the financial condition of the Chargor and such default has not been cured within fifteen (15) days of written notice thereof being delivered to the Chargor;
- (d) if any statement, information (oral or written) or representation heretofore or hereafter made or given by or on behalf of the Chargor to the Chargee and pertaining to the assets or the financial condition of the Chargor, and whether contained herein or not is false, inaccurate and/or misleading in any material

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respect;

- (e) an order is made or an effective resolution passed for the winding-up, liquidation, amalgamation or reorganization of the Chargor, or a petition is filed for the winding up of the Chargor;
- (f) the Chargor becomes insolvent or makes a general assignment for the benefit of its creditors or otherwise acknowledges its insolvency; or the Chargor makes a bulk sale of its assets; or a bankruptcy petition or receiving order is filed or presented against the Chargor;
- (g) any proceedings with respect to the Chargor are commenced under the Companies' Creditors Arrangement Act;
- (h) any execution, sequestration, extent or any other process of any Court becomes enforceable against the Chargor or a distress or analogous process is levied upon the property and assets of the Chargor or any part thereof, which in the opinion of the Chargee is a substantial part, and remains unsatisfied for such period as would permit such property to be sold thereunder, less two (2) business days, provided that such process is not in good faith disputed and, in that event, if the Chargor shall desire to contest such process it shall give security to the Chargee which, in the absolute discretion of the Chargee, shall be deemed sufficient to pay in full the amount claimed in the event it shall be held to be a valid claim;
- (i) the Chargor ceases or threatens to cease to carry on its business or the Chargor commits or threatens to commit any act of bankruptcy or insolvency;
- (j) the property hereby mortgaged and charged (the "Charged Property") or any part thereof, other than sales of lots containing fully completed single family dwellings to bona fide purchasers for value, with prior written approval by the Chargee, are sold by the Chargor or if there is a change in the present effective voting control of the Chargor or a change in the beneficial ownership of the Chargor or the assets or any one of them;
- (k) the monies secured hereby, together with interest thereon shall not be repaid to the Chargee when due;
- (l) the Chargor makes any default with regard to any provision of the Commitment Letter.

#### 5. Chargee May Remedy Default

If the Chargor should fail to perform any covenant or agreement of the Chargor hereunder, the Chargee may itself perform or cause to be performed such covenant or agreement and all expenses incurred or payments made by the Chargee in so doing, together with interest thereon at the rate set forth herein, shall be added to the indebtedness secured herein and shall be paid by the Chargor and be secured by this Charge together with all other indebtedness secured thereby, provided however that the foregoing shall not in any way be interpreted as an obligation of the Chargee.

#### 6. Construction Liens

Provided also that upon the registration of any construction lien against title to the charged property which is not discharged within a period of ten (10) days from the registration thereof, all monies hereby secured shall, at the option of the Chargee, forthwith become due and payable.

The Chargee may at its option, withhold from any advances for which the Chargor may have qualified, such holdbacks as the Chargee in its sole discretion, considers advisable to protect its position under the provisions of the Construction Act, R.S.O. 1990, c. C30 so as to secure its priority over any construction liens, until the Chargee is fully satisfied that all construction lien periods have expired and that there are no preserved or perfected liens outstanding. Nothing in this clause shall be construed to make the Chargee an "owner" or "payer" as defined under the Construction Act, R.S.O. 1990, c. C30, nor shall there be, or be deemed to be, any obligation by the Chargee to retain any holdback which may be required by the said legislation. Any holdback which may be required to be made by the owner or payer shall remain solely the Chargor's obligation. The Chargor hereby covenants and agrees to comply in all respects with the provisions of the Construction Act, R.S.O. 1990, c. C30.

#### 7. Construction Loan

Provided that the Chargor and Chargee agree that if this is a construction loan, the following conditions shall apply:

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- (a) the Chargor further covenants that all installation of services and construction on the lands hereby secured shall be carried out by reputable contractors with sufficient experience in a project of this nature and size, which contractors must be approved by the Chargee and which approval shall not be unreasonably withheld;
- (b) that the installation of services and the construction of dwellings on the said lands, once having been commenced, shall be continued in a good and workmanlike manner, with all due diligence and in substantial accordance with the plans and specifications delivered to the Chargee and to the satisfaction of the Municipality and all governmental and regulatory authorities having jurisdiction;
- (c) provided that should the servicing and construction on the said lands cease for any reason whatsoever (strike, material shortages, weather and conditions or circumstances beyond the control of the Chargor excepted), for a period of fifteen (15) consecutive days unless explained to the satisfaction of the Chargee acting reasonably (Saturdays, Sundays and Statutory holidays excepted), then the monies hereby secured, at the option of the Chargee shall immediately become due and payable. In the event that construction does cease, then the Chargee shall have the right, at its sole option, to assume complete control of the servicing and construction of the project on the said lands in such manner and on such terms as it deems advisable. The cost of completion of servicing and construction of the project by the Chargee and all expenses incidental thereto shall be added to the principal amount of the Charge, together with a management fee of fifteen percent (15%) of the costs of the construction completed by the Chargee. All costs and expenses, as well as the said management fee shall bear interest at the rate as herein provided for and shall form part of the principal secured hereunder and the Chargee shall have the same rights and remedies with respect to collection of same as it would have with respect to collection of principal and interest hereunder or at law;
- (d) at the option of the Chargee, at all times there shall be a holdback of ten percent (10%) with respect to work already completed;
- (e) all advances which are made from time to time hereunder shall be based on Certificate of the Chargee's agents prepared at the expense of the Chargor, which Certificates shall without limitation certify the value of the work completed and the estimated costs of any uncompleted work and such Certificates shall further certify that such completed construction and/or servicing to the date of such Certificate shall be in accordance with the approved plans and specifications for the said construction and further, in a good and workmanlike manner and in accordance with the permits issued for such servicing and construction and in accordance with all municipal and other governmental requirements of any authority having jurisdiction pertaining to such servicing and construction and there shall be no outstanding work orders or other requirements pertaining to servicing and construction on the said lands. Such Certificates with respect to any values shall not include materials on the site which are not incorporated into the buildings or the services;
- (f) At all times there shall be sufficient funds unadvanced under this Charge to complete the construction as well as a holdback of ten (10%) with respect to work already completed.

#### 8. Environmental

- (a) "Hazardous Substances" includes:
  - (i) any substances that, if added to any water or emitted into the air would create or contribute to the creation of a condition of such water or air that is detrimental to its use by or to the health, safety or welfare of persons or animals or cause damage to plant life or Charged property;
  - (ii) any radioactive materials or explosives;
  - (iii) any substances declared from time to time to be hazardous, dangerous or toxic under any applicable federal, provincial or municipal law, by-law, regulation or other enactment, including without limitation, asbestos; and
  - (iv) any other substances which is or may become hazardous, toxic or dangerous to persons or Charged property.

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- (b) The Chargor hereby represents, warrants, covenants and agrees to and with the Chargee that:
- (i) to the best of the knowledge of the Chargor after due and diligent inquiry, there are no Hazardous Substances on the Charged property no Hazardous Substances have ever been used, stored or located on the Charged property and no part of the Charged property is or has ever been contaminated by any Hazardous Substances;
  - (ii) no Hazardous Substances shall be brought onto or used on the Charged property without the prior written consent of the Chargee;
  - (iii) any Hazardous Substances brought onto the Charged property or used by any person on the Charged property shall be transported, used and stored only in accordance with all applicable laws, regulations, by-laws and other lawful requirements, prudent industrial standards and any other requirements of the Chargee;
  - (iv) no use of the Charged property will be allowed which may cause or increase the likelihood of the escape, seepage, leakage, spillage, release or discharge of any Hazardous Substances on, from or under the Charged property or permit any policy of insurance in respect to the Charged property to be cancelled; and
  - (v) the Chargor shall promptly notify the Chargee as soon as it knows or suspects that any Hazardous Substances have been brought onto the Charged property or that there is any actual, threatened or potential escape, seepage, leakage, spillage, release or discharge of any Hazardous Substances on, from or under the Charged property.
- (c) The Chargor shall indemnify and save harmless the Chargee, its officers, directors, employees, agents and shareholders against and from all loss, costs and damages (including, without limitation, all legal fees and disbursements) which they or any of them may suffer, incur or become liable for by reason of or arising out of the use, generation, storage, escape, seepage, leakage, spillage, release, disposal or presence on, from or under the Charged property of any Hazardous Substances including, without limitation the cost of any reports as to compliance with or breach of the provisions of this paragraph 8 which the Chargee, acting reasonably may obtain at any time and from time to time.

#### 9. Miscellaneous

The Chargor agrees as follows:

- (a) The Chargor shall keep the Charged Property and buildings, erections and improvements thereon in good condition and repair according to the nature and description thereof, respectively, and the Chargee may, whenever it deems necessary, by its agent, enter upon and inspect the Charged Property and make such repairs as it deems necessary, and the reasonable cost of such inspection and repairs with interest at the rate aforesaid shall be added to the Charge debt and be payable forthwith and be a charge upon the Charged Property prior to all claims thereon subsequent to this Charge.
- (b) to pay taxes, utilities and other operating and maintenance costs and provide evidence thereof to the Chargee;
- (c) to perform all governmental requirements and obligations as required;
- (d) to deliver to the Chargee all reasonable financial information deemed necessary by the Chargee, when requested including, within one hundred and twenty (120) days of the end of each fiscal year of the Chargor, furnishing to the Chargee audited financial statements prepared at the expense of the Chargor and, additionally, within one hundred and twenty (120) days of the end of the fiscal year of the operation of the Charged Property by the Chargor, furnishing to the Chargee an audited annual operating statement prepared at the expense of the Chargor, which statement, notwithstanding the generality of the foregoing, shall set forth the gross rents and other revenue derived by the Chargor from the Charged Property, the costs and expenses of the operation and maintenance of the Charged Property and such information and explanation in respect

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of the foregoing as may be required by the Chargee and such statements shall be required to be prepared by a duly qualified chartered accountant and/or certified public accountant suitable to the Chargee and the correctness of such statements shall be duly supported by the affidavit of a director or officer of the Chargor.

- (e) to comply with all covenants and reporting requirements set out in the Commitment Letter;
- (f) to provide or comply with such other covenants and terms as the Chargee may reasonably require.

**10. Restriction on Transfer**

In the event of the Chargor selling, transferring or conveying title or its rights to a purchaser, transferee or grantee not approved by the Chargee or in the event of a change in the legal or beneficial ownership of the Property, the Mortgagor or the Chargor, not approved in writing by the Chargee, then, at the sole option of the Chargee, all monies secured, together with all accrued and unpaid interest thereon and any other amounts due under this Charge shall become due and payable.

**11. Assignment of Condominium Voting Rights**

In the event that the property or any part thereof is or becomes a unit within a Condominium Corporation, the Chargee shall have all rights to vote on all matters relating to the said Condominium Corporation, in the place of and on behalf of the Chargor, and the Chargor hereby assigns unto the Chargee all such voting rights.

In the event that the property or any part thereof is or becomes a Common Element Condominium Corporation, the Chargee shall have all rights to vote on all matters relating to the said Common Element Condominium Corporation in the place of and on behalf of the Chargor, to the extent that the Chargor would have such rights, and the Chargor hereby assigns unto the Chargee all such voting rights.

The Chargor agrees that voting control of the Chargor shall not change during the currency of this loan without the prior written consent of the Chargee.

**12. Subsequent Financing**

No financing subsequent to the Chargee's facilities shall be permitted, without the prior written consent of the Chargee which consent shall not be unreasonably withheld.

**13. NSF and Late Payment Charge**

In the event that any payment is returned to the lender for any cause whatsoever, including there being insufficient funds in the borrower's account to cover same, the lender will be entitled to reimbursement for all bank charges related to the dishonoured cheque in addition, the lender or administrator's time for collection will be charged at a rate of \$300 per hour and all time will be docketed and charged to the borrower's account. These charges will apply to all administration costs related to any default under the mortgage including but not limited to collection costs related to late payments, insurance cancellation and work orders affecting the property. All payments (other than regular monthly payments of interest) must be received no later than 1:00 PM or they shall be deemed earned the following business day. Payments being made on a Friday or on a business day preceding a statutory holiday must be received no later than 11:00 AM or they shall be deemed earned the following business day. For greater certainty, if funds are not received before the times stipulated herein, interest will continue to accrue to the next bank business day. All payments not made by the due date will be subject to the lender's administration costs in processing same.

**14. Default**

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

**15. Manager's Fee**

In the event of default herein, Rescom Capital will be appointed as the Chargee's

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Manager, at the Chargee's discretion and will be entitled to a fee of \$300.00 per hour for its services and such fee will be charged to the Chargor's account, and added to the amount owing under this Charge.

**16. Post-dated Cheques**

The Chargor shall supply a series of post-dated cheques to each of the Chargee(s) (or as directed) on or before the advance and any renewal or extension thereof.

**17. Statement Charge**

The Chargor shall pay to the Chargee the sum of \$100.00 for every statement requested by the Chargor, or any party on behalf of the Chargor or any party interested in the Charged Property and provided by the Chargee.

**18. Commencing of Proceedings**

The Chargor shall pay to the Chargee (exclusive of legal costs) the sum of \$500.00 for each and every instance the Chargee is required to institute default or enforcement proceedings under this Charge.

**19. Insurance**

Without limiting the generality of any provision of this Charge, the Chargor shall carry such liability, rental, boiler, fire and other insurance coverage in such amounts as required by the Chargee. Written evidence of continuance of such insurance from the insurer under such policy or policies to the effect that coverage has been extended for a minimum of at least one year and all premiums with respect to such extended term of such coverage have been paid for in full shall be produced to the Chargee at least thirty (30) days before expiration of any term of such respective policy; otherwise the Chargee may provide therefor and charge the premium paid and interest thereon at the rate provided in this Charge to the Chargor and the same shall be payable forthwith and shall also be a charge upon the Charged Property together with a penalty of \$500.00.

Notwithstanding any other provision to the contrary, statutory or otherwise, in the event of any moneys becoming payable pursuant to an insurance policy with respect to buildings located on the Charged Property, the Chargee may at its option require the said moneys to be applied by the Chargor in making good the loss or damage in respect of which the money is received, or in the alternative, may require that any or all of the moneys so received to applied in or towards satisfaction of any or all of the indebtedness secured hereunder whether or not the same has become due.

Provided also that the covenant for insurance hereinbefore contained shall provide that loss, if any, shall be payable to the said Chargee, as its interest may appear, subject to the Chargee's standard form of mortgage clause or the standard form of mortgage clause approved by the Insurance Bureau of Canada which shall be attached to the policy of insurance and form part thereof.

**20. Payment of Taxes**

With respect to municipal taxes, school taxes and local improvement rates (hereinafter referred to as "**Taxes**") chargeable against the Charged Property, the Chargor covenants and agrees with the Chargee that:

- (a) The Chargee may deduct from any advance of the moneys secured by this Charge an amount sufficient to pay the Taxes which have become due and payable during any calendar year;
- (b) The Chargee may at its sole option estimate the amount of the Taxes chargeable against the Charged Property payable in each year and the Chargor shall forthwith upon demand of the Chargee pay to the Chargee one-twelfth (1/12) of the estimated annual amount of such Taxes on the dates on which instalments of principal and interest are payable during the term of this Charge commencing with the 1st day of the first full month of the term of this Charge. The Chargee may at its option apply such payments to the Taxes so long as the Chargor is not in default under any covenant or agreement contained in this

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Charge, but nothing herein contained shall obligate the Chargee to apply such payments on account of Taxes more often than yearly. Provided, however, that if the Chargor shall pay any sum or sums to the Chargee to apply on account of Taxes, and if before the same shall have been so applied, there shall be default by the Chargor in respect of any payment of principal or interest as herein provided, the Chargee may at its option apply such sum or sums in or towards payment of the principal and/or interest in default. If the Chargor desires to take advantage of any discounts or avoid any penalties in connection with the payment of Taxes, the Chargor may pay to the Chargee such additional amounts as are required for that purpose.

- (c) In the event that the Taxes actually charged in one (1) calendar year, together with any interest and penalties thereon, exceed the estimated amount, the Chargor shall pay to the Chargee on demand the amount required to make up the deficiency. The Chargee may at its option, pay any of the Taxes when payable, either before or after they are due, without notice, or may make advances therefor in excess of the then amount of any credit held by the Chargee for the said Taxes. Any excess amount advanced by the Chargee shall be secured as an additional principal sum under this Charge and shall bear the same rate of interest as aforesaid until repaid by the Chargor.
- (d) The Chargor shall transmit to the Chargee forthwith after receipt of same the assessment notices, Tax bills and other notices affecting the imposition of Taxes upon the Charged Property
- (e) In no event shall the Chargee be liable for any interest on any amount paid to it as hereinbefore required and the moneys so received may be held with its own funds pending payment or application thereof as hereinbefore provided, provided that in the event that the Chargee does not utilize the funds received on account of Taxes in any calendar year, such amount or amounts may be held by the Chargee on account of any pre-estimate of Taxes required for the next succeeding calendar year, or at the Chargee's option the Chargee may repay such amount to the Chargor without any interest.
- (f) The Chargor shall in all instances be responsible for the payment of any and all penalties resulting out of any late payment of current Tax instalments or any arrears of Taxes, and at no time shall such penalty be the responsibility of the Chargee.
- (g) The Chargor shall deliver to the Chargee on or before December 31st in each such calendar year, written evidence from the taxing authority having jurisdiction with respect to the municipal realty Taxes levied and assessed against the Charged Property, such evidence to be to the effect that all Taxes for the current calendar year and any preceding calendar year have been paid in full. In the event of the failure of the Chargor to comply with the covenant as aforesaid, the Chargee shall be entitled to charge a servicing fee for each written enquiry directed to such taxing authority or the relevant taxation office for the purpose of ascertaining the status of the Tax account pertaining to the Charged Property, together with any costs payable to the taxing authority for such information. Such servicing fee is hereby agreed to be a fair and equitable one under the circumstances and is intended to cover the Chargee's administrative costs and shall not be deemed a penalty.

## 21. Appointment of a Receiver

**NOTWITHSTANDING** anything herein contained, it is declared and agreed that at any time, and from time to time, when there shall be default under the provisions of these presents, the Chargee may at such time, and from time to time, and with or without entering into possession of the Charged Property appoint in writing a receiver (the "**Receiver**" which term shall include a receiver/manager) of the Charged Property, or any part thereof, and of the rents and profits thereof and with or without security and may from time to time by similar writing remove any such Receiver and appoint another in its place and stead, and in the making of any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor. The Chargor hereby agrees and consents to the appointment of the Receiver of the Chargee's choice and without limitation, whether pursuant to this

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Charge, the Mortgages Act, the Construction Act, R.S.O. 1990, c. C30 or pursuant to the Courts of Justice Act (as the Chargee may at its sole option require). Without limitation, the purpose of such appointment shall be the orderly management, administration and/or sale of the Charged Property and every part thereof.

Upon the appointment of any such Receiver or Receivers from time to time the following provisions shall apply:

- (a) a statutory declaration of an officer of the Chargee as to default under the provisions of these presents shall be conclusive evidence thereof;
- (b) every such Receiver shall be the irrevocable agent or attorney of the Chargor for the collection of all rents falling due with respect to the Charged Property, and every part thereof, whether in respect of any tenancies created in priority to these presents or subsequent thereto;
- (c) the Chargee may from time to time fix the remuneration of every such Receiver who shall be entitled to deduct same out of the Charged Property or the proceeds thereof;
- (d) each such Receiver shall, so far as concerns responsibility and liability for its acts or omissions, be deemed to be the agent or attorney of the Chargor and in no event the agent of the Chargee;
- (e) the appointment of every such 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 any such Receiver or the removal of any such Receiver or the termination of any such Receivership shall not have the effect of constituting the Chargee a chargee in possession with respect to the Charged Property or any part thereof;
- (f) the Receiver shall have the power to rent any portion of the Charged Property for such terms and subject to such provisions as it may deem advisable or expedient and in so doing such Receiver shall be acting as the attorney or agent of the Chargor and shall have the authority to execute any lease of any such premises in the name and on behalf of the Chargor and the Chargor undertakes to ratify and confirm whatever acts such Receiver may do in the Charged Property;
- (g) every such Receiver shall have full power to complete any unfinished construction upon the Charged Property;
- (h) any such Receiver shall have full power to carry on or concur in the carrying on of the business of the Chargor, and to employ and discharge such agents, workmen, accountants and other individuals or companies as are required to carry on the said business, upon such terms and with such salaries, wages or remuneration as it shall think proper, and to repair and keep in repair the Charged Property and to do all necessary acts and things for the carrying on of the business of the Chargor and the protection of the Charged Property;
- (i) any such Receiver shall have the power to sell or lease or concur in selling or leasing the Charged Property, or any part thereof, and to carry any such sale or lease into effect by conveying in the name of or on behalf of the Chargor or otherwise; and any such sale may be made either at public auction or private sale as to the Receiver may seem best and any such sale may be made from time to time as to the whole or any part of the Charged Property; and the Receiver may make any stipulations as to title or conveyance or commencement of title or otherwise as it shall deem proper;
- (j) any such Receiver shall have the power to borrow money to carry on the business of the Chargor or to maintain the whole or any part of the Charged Property, in such amounts as the Receiver may from time to time deem necessary and in so doing, the Receiver may issue certificates that may be payable when the Receiver thinks expedient and shall bear interest as stated therein and the amounts from time to time payable under such certificates shall charge the Charged Property in priority to this Charge;

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- (k) any such Receiver shall have the power to execute and prosecute all suits, proceedings and actions which the Receiver in its opinion considers necessary for the proper protection of the Charged Property, to defend all suits, proceedings and actions against the Chargor or the Receiver, to appear in and conduct the prosecution and defence of any suit, proceeding or action then pending or thereafter instituted and to appeal any suit, proceeding or action;
- (l) any such Receiver shall have the full power to manage, operate, amend, repair, alter or extend the Charged Property, or any part thereof, in the name of the Chargor for the purpose of securing the payment of rentals from the Charged Property or any part thereof;
- (m) any such Receiver shall not be liable to the Chargor to account for moneys or damages other than cash received by it with respect to the Charged Property or any part thereof and out of such cash so received every such Receiver shall pay in the following order:
  - (i) its remuneration;
  - (ii) all payments made or incurred by the Receiver in connection with the management, operation, amendment, repair, alteration or extension of the Charged Property or any part thereof;
  - (iii) in payment of interest, principal and other money which may from time to time be or become a charge upon the Charged Property in priority to moneys owing hereunder and all taxes, insurance premiums and every other proper expenditure made or incurred by it with respect to the Charged Property or any part thereof;
  - (iv) in payment of all interest and arrears of interest and any other moneys remaining unpaid hereunder;
  - (v) the residue of any money so received by the Receiver shall be applied to the principal sum or any other amounts from time to time owing under this Charge;
  - (vi) subject to subparagraph (v) above, in the discretion of the Receiver, interest, principal and other moneys which may from time to time constitute a charge or encumbrance on the Charged Property subsequent in priority or subordinate to the interest of the Chargee under this Charge;

and that such Receiver may in its discretion retain reasonable reserves to meet accruing amounts and anticipated payments in connection with any of the foregoing, and further, that any surplus remaining in the hands of the Receiver, after payments made and such reasonable reserves retained as aforesaid, shall be payable to the Chargor.

Provided that save as to moneys payable to the Chargor pursuant to subparagraph (m) of this Paragraph, the Chargor hereby releases and discharges the Chargee and every such Receiver from every claim of every nature, whether sounding in damages for negligence or trespass or otherwise, which may arise or be caused to the Chargor or any person claiming through or under it by reason or as a result of anything done by the Chargee or any such Receiver under the provisions of this Paragraph, unless such claim be the direct and proximate result of bad faith or gross neglect.

The Chargor hereby irrevocably appoints the Chargee as its attorney to execute such consent or consents and all such documents as may be required in the sole discretion of the Chargee and/or its solicitor so as to give effect to the foregoing provisions and the signature of such attorney shall be valid and binding on the Chargor and all parties dealing with the Chargor, the Chargee and/or Receiver and/or with respect to the Charged Property in the same manner as if such documentation was duly executed by the Chargor itself.

## 22. Payments

- (a) All payments shall be applied firstly on account of interest calculated as

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aforesaid on the balance of the principal amount outstanding from time to time except that in the case of default hereunder, the Chargee may then apply any payment(s) received during default in whatever order it may elect as between taxes, interest, repairs, insurance, legal fees (on a solicitor and client basis) or any other payments made on behalf of the Chargor. All payments and charges and fees upon which H.S.T. is chargeable shall include an additional H.S.T. component.

**23. Notice**

Any notice, election, demand, declaration or request which may or is required to be given or made pursuant to this Charge, shall (unless otherwise required by law or set out in this Charge) be given or made in writing and shall be served personally upon an individual party for whom it is intended or upon any executive officer of a corporate party for whom it is intended or mailed by prepaid registered mail:

- (a) in the case of the Chargor at:

c/o 973 Brock Road  
Suite 12  
Pickering, Ontario, L1W 3A4

- (b) in the case of Chargee at:

c/o C & K Mortgage Services Inc.  
1670 Bayview Avenue  
Suite 400  
Toronto, Ontario  
M4G 3C2

Attention: Mr. Gary Gruneir

or such other address (or in the case of a corporate party in care of such other officer) as any party may from time to time advise the other parties hereto by notice in writing as aforesaid. The date of receipt of any such notice, election, demand, declaration or request, shall be the date of delivery of such notice, election, demand or request if delivered personally or if mailed as aforesaid shall be deemed to be the third juridical day next following the date of such mailing. If at the date of any such mailing there is a general interruption in the operation of the postal service in the Province of Ontario which does or is likely to delay the delivery by mail of such notice, election, demand or request, it shall be served personally.

**24. Invalidity**

If any of the terms, covenants or conditions of this Charge shall be void for any reason, it shall be severed from the remainder of the provisions hereof and the remaining provisions shall remain in full force and effect notwithstanding such severance.

**25. Power of Sale**

PROVIDED that in the event power of sale proceedings are taken, the Chargee as vendors may sell the property on terms and if the result is that any mortgages taken back are at a rate lower than the rate for the first and/or second mortgagee in the industry then the Chargee shall be entitled to sell these charges at a discount and the discount shall form part of the loss incurred by the Chargee and be recoverable against the Chargor.

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This is Exhibit “E” referred to in the Affidavit of GARY GRUNEIR sworn by GARY GRUNEIR of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on October 1, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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

**DAVID P. PREGER**

Properties

PIN

26330 - 0016 LT

Description

PT LT 20 CON 1 PICKERING AS IN D42810 EXCEPT PT 1, 40R7449 & 40R12400 ; S/T  
D127632,D133802,D50967 PICKERING

Address

1525 PICKERING PARKWAY  
PICKERING

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

AXESS PICKERING LTD.

Address for Service

973 Brock Road  
Unit 12  
Pickering, Ontario  
L1W 3A4

I, Daniel Robert Hughes, President, have the authority to bind the corporation.

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

Party To(s)	Capacity	Share
<div>Name</div> C & K MORTGAGE SERVICES INC.		an undivided \$6,000,000 / \$8,200,000 interest
<div>Address for Service</div> 1670 Bayview Avenue Suite 400 Toronto, Ontario M4G 3C2		
<div>Name</div> 975393 ONTARIO INC.		an undivided \$2,200,000 / \$8,200,000 interest
<div>Address for Service</div> c/o 1670 Bayview Avenue Suite 400 Toronto, Ontario M4G 3C2		

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, DR1978274 registered on 2021/03/01 to which this notice relates is deleted

Schedule: See Schedules

Signed By

Kimberly Anne Gabriel

1 Adelaide Street E., Suite 801  
Toronto  
M5C 2V9

acting for  
Applicant(s)

Signed

2021 02 26

Tel

416-869-1234

Fax

416-869-0547

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

Kimberly Anne Gabriel

1 Adelaide Street E., Suite 801  
Toronto  
M5C 2V9

acting for  
Party To(s)

Signed

2021 02 26

Tel

416-869-1234

Fax

416-869-0547

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

Submitted By

GARFINKLE, BIDERMAN LLP

1 Adelaide Street E., Suite 801  
Toronto  
M5C 2V9

2021 03 01

Submitted By

Tel416-869-1234

Fax416-869-0547

Fees/Taxes/Payment

Statutory Registration Fee\$65.30

Total Paid\$65.30

File Number

Party To Client File Number :2677-584

GENERAL ASSIGNMENT OF RENTS

BETWEEN:

**AXESS PICKERING LTD.**

(hereinafter called the "Assignor")

OF THE FIRST PART;

- and -

**C & K MORTGAGE SERVICES INC. AND 975393 ONTARIO INC.**

(hereinafter called the "Assignee")

OF THE SECOND PART.

**WHEREAS** the Assignor is the registered owner of the land and premises situate, lying and being PT LT 20 CON 1 Pickering as in D42810 except PT 1, 40R7449 and 40R12400; S/T D127632, D133802, D50967, City of Pickering, Regional Municipality of Durham, Durham Land Registry Office (No. 40), and municipally known as 1525 Pickering Parkway, Pickering, Ontario, (hereinafter called the "Premises");

**AND WHEREAS** the Assignor may from time to time enter into leases of the Premises in favour of various tenants (the "Leases");

**AND WHEREAS** the Assignor has applied to the Assignee for a loan in the amount of \$8,200,000.00 or such lesser amount as may be advanced by the Assignee upon security of the said Premises (the "Mortgage"), which said loan the Assignee has agreed to make on condition among others that the Assignor should assign to the Assignee, its respective successors and assigns, the benefit of the said Leases and any and all renewals thereof as security for the payment of the monies secured by the said Mortgage and the performance of covenants contained therein.

**NOW THEREFORE THIS INDENTURE WITNESSETH** that in consideration of the Premises and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the Assignor doth hereby assign, transfer and set over unto the Assignee, its successors and assigns, the said Leases and all rents payable thereunder and all benefits and advantages to be derived therefrom to hold and receive the same unto the Assignee, its successors and assigns, until the monies due and accruing due under and by virtue of the said Mortgage have been fully paid and satisfied; such rents benefits and advantages hereby assigned include any payment to which the Assignor may become entitled pursuant to and in accordance with any proposal to surrender a lease or tenancy agreement made by a tenant, under the Bankruptcy and Insolvency Act.

**PROVIDED** that nothing herein contained shall be deemed to have the effect of making the Assignee responsible for the collection of the said rents or any part thereof or the performance of any covenants, terms or conditions either by the Lessor or the lessee, contained in the said Leases and that the Assignee shall not by virtue of these presents be deemed a mortgagee in possession of the said Premises; and provided further that the Assignee shall be liable to account only for such monies as may actually come into its hands by virtue of these presents, less proper collection charges, and that such money when so received by it, shall be applied on account of the said Mortgage and on account of taxes to which these payments are taken as collateral security.

**AND PROVIDED FURTHER** that if the rentals payable under the said Leases shall be overdue, the Assignee may take such action, steps or proceedings in its name or in the name of

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the Assignor as the Assignee shall deem advisable or necessary for the collection of the rentals so overdue.

**AND PROVIDED FURTHER** that the payments of rent provided to be paid in the said Leases, as and when they fall due, are to be made to the Assignor until such time as the said Assignee acting in its sole discretion shall have notified the lessees to pay the said rent to the Assignee; the Assignor however, covenants and agrees with the Assignee not to collect rent from the said lessees other than at the time and in the manner in the said Lease provided.

**AND PROVIDED FURTHER** that the Assignor covenants that it will not reduce the rent, or release or otherwise diminish the obligations of the lessees, and will not terminate or accept a surrender of any lease without the consent of the Assignee.

**AND PROVIDED FURTHER** that the Assignor covenants that it will not consent to an assignment of any lessee's interest which would relieve the lessee from the liability for the payment of rent and performance of the conditions and covenants of the lessee.

**THIS INDENTURE** shall enure to the benefit of and be binding upon each of the parties hereto, their successors and assigns.

**IN WITNESS WHEREOF** the Assignor has executed this Agreement as of the 25 day of February, 2021.

**AXESS PICKERING LTD.**

Per: 

Name: Daniel Robert Hughes

Title: President

I have authority to bind the corporation.

This is Exhibit “F” referred to in the Affidavit of GARY GRUNEIR sworn by GARY GRUNEIR of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on October 1, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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

**DAVID P. PREGER**

## GENERAL SECURITY AGREEMENT

### 1. SECURITY INTEREST

- (a) For value received, Axess Pickering Ltd. (the "Debtor"), hereby grants to C & K Mortgage Services Inc. and 975393 Ontario Inc. (the "Lender"), by way of mortgage, charge, assignment and transfer, a security interest (the "Security Interest") in the undertaking of the Debtor and in all Goods (including all parts, accessories, special tools, additions and accessions thereto), Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles, and Securities now owned or hereafter owned or acquired by or on behalf of the Debtor (including such as may be returned to or repossessed by the Debtor) and in all proceeds and renewals thereof, accretions thereto and substitutions therefor (hereinafter collectively called "Collateral"), including without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of the Debtor:
- i. all inventory of whatever kind and wherever situate ("Inventory");
  - ii. all equipment (other than Inventory) of whatever kind including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures and vehicles;
  - iii. all book accounts and book debts, rents and leases, all Agreements of Purchase and Sale entered into or to be entered into and generally all accounts, debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including letters of credit and advices of credit, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by the Debtor ("Debts");
  - iv. all deeds, documents, writings, papers, books of account and other books relating to or being records of Debts, Chattel Paper or Documents of Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
  - v. all contractual rights and insurance claims and all goodwill, patents, trademarks, copyrights, and other industrial property;
  - vi. all contractual rights for the provision of materials, equipment and services including any applicable working drawings, plans, specifications, development and/or building approvals and permits;
  - vii. all monies other than trust monies lawfully belonging to others, Certificates and Interest Bearing Accounts;
  - viii. all property described in any schedule now or hereafter annexed hereto.
- (b) The Security Interest granted hereby shall not extend or apply to and Collateral shall not include the last day of the term of any lease or agreement therefor but upon the enforcement of the Security Interest the Debtor shall stand possessed of such term.
- (c) The terms "Goods", "Chattel Paper", "Documents of Title", "Equipment", "Consumer Goods", "Instruments", "Intangibles", "Securities", "Proceeds", "Inventory", and "Accession" whenever used herein shall be interpreted pursuant to their respective meanings when used in the Personal Property Security Act of Ontario, as amended from time to time (herein referred to as the "P.P.S.A."). Provided always that the term "Goods" when used herein shall not include "consumer goods" of the Debtor as that term is defined in the P.P.S.A. Any reference herein to "Collateral" shall, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof". The terms "Proceeds" whenever used herein and interpreted as above shall by way of example include trade-ins, equipment, cash, bank accounts, notes, chattel paper, goods, contract rights, accounts and any other personal property or obligation received when such collateral or proceeds are sold, exchanged, collected or otherwise disposed of.

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### 2. INDEBTEDNESS SECURED

The Security Interest granted hereby secures payment and satisfaction of any and all obligations, indebtedness and liability of the Debtor to the Lender arising out of a mortgage of even date herewith

and any ultimate unpaid balance thereof registered against the lands owned by the Debtor municipally known as 1525 Pickering Parkway, Pickering, Ontario (hereinafter called the "Indebtedness").

### 3. REPRESENTATIONS AND WARRANTIES OF DEBTOR

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

- (a) The Collateral is genuine and owned by the Debtor free of all interests, mortgages, liens, claims, charges or other encumbrances (hereinafter collectively called "Encumbrances"), save for those Encumbrances approved in writing by the Lender, prior to their creation or assumption;
- (b) Each Debt, Chattel Paper and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "Account Debtor"), and the amount represented by the Debtor to the Lender from time to time as owing by each Account Debtor or by all Account Debtors except for normal cash discounts where applicable, and no Account Debtor will have any defence, set off, claim or counterclaim against the Debtor which can be asserted against the Lender, whether in any proceeding to enforce Collateral or otherwise; and
- (c) The location specified as to business operations and records is accurate and complete and with respect to Goods constituting Collateral.

### 4. COVENANTS OF THE DEBTOR

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

- (a) To defend the Collateral against the claims and demands of all other parties claiming the same or an interest therein; to keep the Collateral free from all Encumbrances, and not to sell, exchange, transfer, assign, lease, otherwise dispose of Collateral or any interest therein without the prior written consent of the Lender; provided always that, until default, the Debtor may, in the ordinary course of the Debtor's business, sell or lease Inventory and, subject to Clause 6 hereof, use monies available to the Debtor;
- (b) To notify the Lender promptly of:
  - i. any change in the information contained herein or in the Schedules hereto relating to the Debtor, the Debtor's business or Collateral;
  - ii. the details of any significant acquisition of Collateral;
  - iii. the details of any claims or litigation affecting Collateral;
  - iv. any loss or damage to Collateral;
  - v. any default by any Account Debtor in payment or other performance of his obligations with respect to Collateral; and
  - vi. the return to or repossession by the Debtor of Collateral;
- (c) To keep the Collateral in good order, condition and repair and not to use Collateral in violation of the provisions of this Security Agreement or any other agreement relating to Collateral or any policy insuring Collateral or any applicable statute, law, by-law, rule, regulation or ordinance;
- (d) To do, execute, acknowledge and deliver such financing statements and further assignments, transfers, documents, acts, matters and things (including further schedules hereto) as may be reasonably requested by the Lender of or with respect to Collateral in order to give effect to these presents and to pay all costs for searches and filings in connection therewith;
- (e) To pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of the Collateral as and when the same become due and payable;

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- (f) To insure the Collateral for such periods, in such amounts, on such terms and against loss or damage by fire and such other risks as the Lender shall reasonably direct with loss payable to the Lender and the Debtor, as insureds, as their respective interest may appear, and to pay all premiums therefor;
- (g) To prevent Collateral, save Inventory sold or leased as permitted hereby, from being or becoming an Accession to other property not covered by this Security Agreement;
- (h) To carry on and conduct the business of the Debtor in a proper and efficient manner and so as to protect and preserve the Collateral and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for the Debtor's business as well as accurate and complete records concerning Collateral, and mark any and all such records and Collateral at the Lender's request so as to indicate the Security Interest;
- (i) To deliver to the Lender from time to time promptly upon request:
  - i. any Documents of Title, Instruments, Securities and Chattel Paper constituting, representing or relating to Collateral;
  - ii. all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to Collateral for the purpose of inspecting, auditing or copying the same;
  - iii. all financial statements prepared by or for the Debtor regarding the Debtor's business;
  - iv. all policies and certificates of insurance relating to Collateral; and
  - v. such information concerning Collateral, the Debtor and business and affairs as the Lender may reasonably request;
- (j) To have the premises professionally managed at all times.

#### 5. USE AND VERIFICATION OF COLLATERAL

Subject to compliance with the Debtor's covenants herein and Clause 6 hereof, the Debtor may, until default, possess, operate, use, enjoy and deal with Collateral in the ordinary course of the Debtor's business in any manner not inconsistent with the provisions hereof; provided always that the Lender shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner the Lender may consider appropriate and the Debtor agrees to furnish all assistance and information and to perform all such acts as the Lender may reasonably request in connection therewith and for such purpose to grant to the Lender or its agents access to all places where Collateral may be located.

#### 6. COLLECTION OF DEBTS

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

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#### 7. DISPOSITION OF MONIES

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

8. **EVENTS OF DEFAULT**

The happening of any of the following events or conditions shall constitute default hereunder (hereinafter referred to as "default"):

- (a) The nonpayment when due, whether by acceleration or otherwise, of any principal or interest forming part of Indebtedness or the failure of the Debtor to observe or perform any obligation, covenant, term, provision, or condition contained in this Security Agreement or any other document or agreement between the Debtor and the Lender relating to the Indebtedness;
- (b) The bankruptcy or insolvency of the Debtor; the filing against the Debtor of a petition in bankruptcy; the making of an authorized assignment for the benefit of creditors by the Debtor; the appointment of a receiver or trustee for the Debtor or for any assets of the Debtor or the institution by or against the Debtor of any other type of insolvency proceeding under the Bankruptcy Act or otherwise;
- (c) Abandonment of the premises by the Debtor for a period in excess of eight (8) consecutive days and which the Debtor has not rectified within ten (10) days after delivery by the Lender to the Debtor of written notice of any abandonment.

9. **REMEDIES**

- (a) Upon default, the Lender may appoint or reappoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of the Lender or not, to be a receiver or receivers (hereinafter called a "Receiver", which term when used herein shall include a receiver and manager) of Collateral (including any interest, income or profits therefrom) and may remove any Receiver so appointed and appoint another in his stead. Any such Receiver shall, so far as concerns responsibility for his acts, be deemed the agent of the Debtor and not the Lender and the Lender shall not be in any way responsible for any misconduct, negligence, or non-feasance on the part of any such Receiver, his servants, agents or employees. Subject to the provisions of the instruments appointing him, any such Receiver shall have the power to take possession of Collateral, to preserve Collateral or its value, to carry on or concur in carrying on all or any part of the business of the Debtor and to sell, lease or otherwise dispose of or concur in selling, leasing or otherwise disposing of Collateral. To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others, including the Debtor, enter upon, use and occupy all premises owned or occupied by the Debtor wherein Collateral may be situate, maintain Collateral upon such premises, borrow money on a secured or unsecured basis and use Collateral directly in carrying on the Debtor's business or otherwise, as such Receiver shall, in his discretion, determine. Except as may be otherwise directed by the Lender, all monies received from time to time by such Receiver in carrying out his appointment shall be received in trust for and paid over to the Lender. Every such Receiver may, in the discretion of the Lender, be vested with all or any of the rights and powers of the Lender.
- (b) Upon default, the Lender may, either directly or indirectly or through its agents or nominees, exercise any or all of the powers and rights given to a Receiver by virtue of the foregoing sub-clause (a).
- (c) The Lender may take possession of, collect, demand, sue on, enforce, recover and receive Collateral and give valid and binding receipts and discharges therefor and in respect thereof and, upon default, the Lender may sell, lease or otherwise dispose of Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as to the Lender may seem reasonable.
- (d) In addition to those rights granted herein and in any other agreement now or hereafter in effect between the Debtor and the Lender and in addition to any other rights the Lender may have at law or in equity, the Lender shall have, both before and after default, all rights and remedies of a secured party under the P.P.S.A. Provided always, that the Lender shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, lease or otherwise dispose of Collateral or to institute any proceedings for such purposes. Furthermore, the Lender shall have no obligation to take any steps to preserve rights

DN

against prior parties to any Instrument or Chattel Paper whether Collateral or proceeds and whether or not in the Lender's possession and shall not be liable or accountable for failure to do so.

- (e) The Debtor acknowledges that the Lender or any Receiver appointed by it may take possession of Collateral wherever it may be located and by any method permitted by law and the Debtor agrees upon request from the Lender or any such Receiver to assemble and deliver possession of Collateral at such place or places as directed.
- (f) The Debtor agrees to pay all costs, charges and expenses reasonably incurred by the Lender or any Receiver appointed by it, whether directly or for services rendered (including reasonable solicitors and auditors costs and other legal expenses and Receiver remuneration), in operating the Debtor's accounts, in preparing or enforcing this Security Agreement, taking custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting Indebtedness and all such costs, charges and expenses, together with any monies owing as a result of any borrowing by the Lender or any Receiver appointed by it, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of Collateral and shall be secured hereby.
- (g) The Lender will give the Debtor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of Collateral is to be made, as may be required by the P.P.S.A.
- (h) Upon failure of the Debtor to have the Premises professionally managed in accordance with clause 4(j) hereof, the Lender may, but shall not be obligated to appoint such professional manager or managers, as it may deem necessary in its sole discretion, to manage the Premises at the sole expense of the Debtor.

10. **MISCELLANEOUS**

- (a) The Debtor hereby authorizes the Lender to file such financing statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying Collateral or any permitted Encumbrances affecting Collateral) as the Lender may deem appropriate to perfect and continue the Security Interest, to protect and preserve Collateral and to realize upon the Security Interest, and the Debtor hereby irrevocably constitutes and appoints the Lender the true and lawful attorney of the Debtor, with the full power of substitution, to do any of the foregoing in the name of the Debtor whenever and wherever it may be deemed necessary or expedient.
- (b) Upon the Debtor's failure to perform any of its duties hereunder, the Lender may, but shall not be obligated to, perform any or all such duties, and the Debtor shall pay to the Lender, forthwith upon written demand therefor, an amount equal to the expense incurred by the Lender in so doing plus interest thereon from the date such expense is incurred until it is paid at the rate per annum set forth in the said mortgage.
- (c) The Lender may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with the Debtor, sureties and others and with Collateral and other security as the Lender may see fit without prejudice to the liability of the Debtor or the Lender's right to hold and realize the Security Interest. Furthermore, the Lender may demand, collect and sue on Collateral in either the Debtor's or the Lender's name on any and all cheques, commercial paper, and any other Instrument pertaining to or constituting Collateral.
- (d) No delay or omission by the Lender in exercising any right or remedy hereunder or with respect to any Indebtedness shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Furthermore, the Lender may remedy any default by the Debtor hereunder or with respect to any Indebtedness in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by the Debtor. All rights and remedies of the Lender granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.

OK

Page 6

- (e) The Debtor waives protest of any Instrument constituting Collateral at any time held by the Lender on which the Debtor is in any way liable and, subject to Clause 9(g) hereof, notice of any other action taken by the Lender.
- (f) This Security Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
- (g) Save for any schedules which may be added hereto pursuant to the provisions hereof, no modification, variation or amendment of any provision of this Security Agreement shall be made except by a written Agreement, executed by the parties hereto and no waiver of any provision hereof shall be effective unless in writing.
- (h) Subject to any provisions of this Agreement to the contrary, whenever either party hereto is required or entitled to notify or direct the other or to make a demand or request upon the other, such notice, direction, demand or request shall be in writing and shall be sufficiently given only if delivered to the party for whom it is intended at the principal address of such party herein set forth or as changed pursuant hereto or if sent by prepaid registered mail addressed to the party for whom it is intended at the principal address of such party herein set forth or as changed pursuant hereto. Either party may notify the other pursuant hereto of any change in such party's principal address to be used for the purpose hereof.

The address of each party is as follows:

Debtor:

Axess Pickering Ltd.  
c/o 973 Brock Road  
Suite 12  
Pickering, Ontario L1W 3A4

Lender:

C & K Mortgage Services Inc. and 975393 Ontario Inc.  
c/o 1670 Bayview Avenue, Suite 400  
Toronto, Ontario M4G 3C2

- (i) This Security Agreement and the security afforded hereby shall remain in full force and effect until all Indebtedness contracted for or created, shall be paid in full.
- (j) The headings used in this Security Agreement are for convenience only and are not to be considered a part of this Security Agreement and do not in any way limit or amplify the terms and provisions of this Security Agreement.
- (k) When the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with all grammatical changes necessary dependent upon the person referred to being a male, female, firm or corporation.
- (l) In the event any provisions of this Security Agreement, as amended from time to time, shall be deemed invalid or void, in whole or in part, by any Court of competent jurisdiction, the remaining terms and provisions of this Security Agreement shall remain in full force and effect.
- (m) Nothing herein contained shall in any way obligate the Lender to grant, continue, renew, extend time for payment of or accept anything which constitutes or would constitute Indebtedness.
- (n) The Security Interest created hereby is intended to attach when this Security Agreement is signed by the Debtor and delivered to the Lender.

# 11. COPY OF AGREEMENT

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

IN WITNESS WHEREOF the Debtor has executed this Security Agreement under the hand of its

Page 7

authorized signing officers as of this 24 day of February, 2021.

**AXESS PICKERING LTD.**

Per: 

Name: Daniel Robert Hughes

Title: President

I have authority to bind the corporation.

F:\CONVEY\DOCS\2677-584.M\RESCOM GENERAL SECURITY AGREEMENT.DOC

This is Exhibit “G” referred to in the Affidavit of GARY GRUNEIR sworn by GARY GRUNEIR of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on October 1, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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

**DAVID P. PREGER**

Account No. (if applicable) / N° de compte (si pertinent)

Registration Account Code / Code du compte d'enregistrement

**Financing Change Statement/Change Statement**  
**État de modification du financement/État de modification**2021/02/26 057 01682  
1793A20210226A

Registration No. (for office use only) / N° d'enregistrement (usage interne)

YYYY/AAAA MM/MM DD/JJ Time/Heure

Branch/Bureau

Sequence/Séquence

**Ontario**Ministry of  
Consumer and  
Business  
ServicesMinistère des  
Services aux  
Consommateurs  
et aux EntreprisesForm  
Formule **3C**

10553(03/95)

Registered Under (office use only) /  
Enregistré aux termes de (usage interne)**PPSA**31 Reference File Number /  
N° de dossier de référence**770133447**Renewal (B) OR Discharge (C) /  
Renouvellement (B) OU Mainlevée (C)Enter Number of Additional Years if Renewal (see reverse) /  
Indiquer le nombre d'années supplémentaires s'il s'agit d'un  
renouvellement (voir au verso)

First Given Name / Premier prénom

Initial / Initiale

Surname / Nom de famille

32 Individual Debtor (as recorded) /  
Débiteur particulier (tel qu'inscrit)33 Business Debtor (as recorded) /  
Débiteur commercial  
(tel qu'inscrit)**AXESS PICKERING LTD.**Ontario Corporation No. /  
N° matricule de la  
personne morale en  
Ontario

Secured Party/Lien Claimant/Registered Agent /Créancier garanti/Créancier privilégié/Agent d'enregistrement

Address/Adresse

City, etc./Ville, etc.

Prov./Prov. Postal Code/Code postal

**Authorized Signature/Signature autorisée**Name and Signature of Secured Party/Lien Claimant OR Name of Secured  
Party/Lien Claimant AND Name and Signature of Agent of Secured  
Party/Lien Claimant / Nom et signature du créancier garanti/créancier  
privilégié OU Nom du créancier garanti/créancier privilégié ET nom et  
signature de l'agent du créancier garanti/créancier privilégié**GARFINKLE, BIDERMAN LLP (KAG FILE  
#2677-584)  
1 ADELAIDE ST. EAST, SUITE 801  
TORONTO ON M5C2V9**

This form must not be reproduced for registration purposes. / Cette formule ne doit pas être reproduite aux fins d'enregistrement.

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This is not a Certificate issued under the PPSA. It is provided as a courtesy to assist you! / Le présent n'est pas un certificat délivré en vertu de PPSA. Il est délivré à titre gracieux pour vous aider.

**Verification Statement/État de vérification**

Form Type/ Type de formule	Page/ Page	Line/ Ligne	*The expiry date calculated by the system may exceed the date on which the registration ceases to be effective. *La date d'expiration établie en vertu du système peut être postérieure à la date à laquelle l'enregistrement cesse d'être en vigueur.	Page/ Page	OF DE	Total Pages/ Nombre de pages	*Expiry Date/ *Date d'expiration YYYY/AAAA MM/MM DD/JJ
				1		2	2026/02/26
1C	1	00	770133447				
1C	1	01	CAUTION FILING/AVERTIS:	PAGE:	1 OF/DE:	2	MV SCHEDULE
1C	1	01	ATTACHED/LISTE VA:	REG NUM/NO ENREGIST:	20210226	0812 1793	7467
1C	1	01	REG UNDER/T. ENREG:	P	REG PERIOD/PERIODE:	5	
1C	1	03	AXESS PICKERING LTD.				
1C	1	04	973 BROCK ROAD, UNIT 12				
1C	1	04	PICKERING	ON	L1W3A4		
1C	1	08	C & K MORTGAGE SERVICES INC.				
1C	1	09	1670 BAYVIEW AVENUE, SUITE 400				
1C	1	09	TORONTO	ON	M4G3C2		
1C	1	10	CONS GOODS/BIENS CONS:	INVTRY/STOCK:	X	EQUIP/MATER:	X
1C	1	10	ACCTS/COMPT:	X	OTHER/AUTRE:	X	MV INCL/VA INCLUS: X
1C	1	10	AMOUNT/MONTANT:	DATE OF MATURITY/DATE ECHEANCE:			
1C	1	10	NO FIXED MAT DATE/D ECHE PAS DET:				
1C	1	13	GENERAL SECURITY AGREEMENT AND GENERAL ASSIGNMENT OF RENTS AND				
1C	1	14	LEASES AND ASSIGNMENT OF CONSTRUCTION & SERVICING CONTRACTS IN				
1C	1	15	CONNECTION WITH 1525 PICKERING PARKWAY, PICKERING, ONTARIO				
1C	1	16	GARFINKLE, BIDERMAN LLP (KAG FILE #2677-584)				
1C	1	17	1 ADELAIDE ST. EAST, SUITE 801				
1C	1	17	TORONTO	ON	M5C2V9		
***			VERIFY IMMEDIATELY UPON RECEIPT / VERIFIEZ IMMEDIATEMENT VOTRE AVIS	***			

Financing Change Statement / Change Statement  
État de modification du financement / État de modification

2021/02/26 057 01683  
1793A20210226A

Registration No. (for office use only) / N° d'enregistrement (usage interne)  
YYYY/AAAA MM/MM DD/JJ Time/Heure Branch/Bureau Sequence/Séquence

Ontario 

Ministry of Consumer and Business Services  
Ministère des Services aux Consommateurs et aux Entreprises

Form  
Formule 3C

10553(03/95)

Registered Under (office use only) /  
Enregistré aux termes de (usage interne)

31 Reference File Number / N° de dossier de référence: 770133447  
Renewal (B) OR Discharge (C) /  
Renouvellement (B) OU Mainlevée (C): ☐ Enter Number of Additional Years if Renewal (see reverse) /  
Indiquer le nombre d'années supplémentaires s'il s'agit d'un renouvellement (voir au verso): ☐

32 Individual Debtor (as recorded) /  
Débiteur particulier (tel qu'inscrit): \_\_\_\_\_  
First Given Name / Premier prénom: \_\_\_\_\_ Initial / Initiale: \_\_\_\_\_ Surname / Nom de famille: \_\_\_\_\_

33 Business Debtor (as recorded) /  
Débiteur commercial (tel qu'inscrit): AXESS PICKERING LTD.  
Ontario Corporation No. /  
N° matricule de la personne morale en Ontario: \_\_\_\_\_

Secured Party / Lien Claimant / Registering Agent / Créancier garanti / Créancier privilégié / Agent d'enregistrement

Address / Adresse: \_\_\_\_\_ City, etc / Ville, etc: \_\_\_\_\_ Prov. / Prov.: \_\_\_\_\_ Postal Code / Code postal: \_\_\_\_\_

GARFINKLE, BIDERMAN LLP (KAG FILE  
#2677-584)  
1 ADELAIDE ST. EAST, SUITE 801  
TORONTO ON M5C2V9

Authorized Signature / Signature autorisée

Name and Signature of Secured Party / Lien Claimant OR Name of Secured Party / Lien Claimant AND Name and Signature of Agent of Secured Party / Lien Claimant / Nom et signature du créancier garanti / créancier privilégié OU Nom du créancier garanti / créancier privilégié ET nom et signature de l'agent du créancier garanti / créancier privilégié

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Verification Statement / État de vérification

Form Type / Type de formule	Page	Line / Ligne	*The expiry date calculated by the system may exceed the date on which the registration ceases to be effective. *La date d'expiration établie en vertu du système peut être postérieure à la date à laquelle l'enregistrement cesse d'être en vigueur.	Page / Page	OF / DE	Total Pages / Nombre de pages	*Expiry Date / *Date d'expiration YYYY/AAAA MM/MM DD/JJ
	2			2	2	2	2026/02/26

1C 2 00 770133447  
1C 2 01 CAUTION FILING / AVERTIS: PAGE: 2 OF / DE: 2 MV SCHEDULE  
1C 2 01 ATTACHED / LISTE VA: REG NUM / NO ENREGIST: 20210226 0812 1793 7467  
1C 2 01 REG UNDER / T. ENREG: REG PERIOD / PERIODE:  
1C 2 08 975393 ONTARIO INC.  
1C 2 09 C/O 1670 BAYVIEW AVENUE, SUITE 400  
1C 2 09 TORONTO ON M4G3C2

\*\*\* VERIFY IMMEDIATELY UPON RECEIPT / VERIFIEZ IMMEDIATEMENT VOTRE AVIS \*\*\*



This is Exhibit “H” referred to in the Affidavit of GARY GRUNEIR sworn by GARY GRUNEIR of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on October 1, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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

**DAVID P. PREGER**

LAND  
REGISTRY  
OFFICE #40

26330-0016 (LT)

PAGE 1 OF 2  
PREPARED FOR Marclean  
ON 2021/09/29 AT 11:19:00

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

PROPERTY DESCRIPTION: PT LT 20 CON 1 PICKERING AS IN D42810 EXCEPT PT 1, 40R7449 & 40R12400 ; S/T D127632,D133802,D50967 PICKERING

PROPERTY REMARKS:

ESTATE/QUALIFIER:  
FEE SIMPLE  
LT CONVERSION QUALIFIED

RECENTLY:  
FIRST CONVERSION FROM BOOK

PIN CREATION DATE:  
1999/03/22

OWNERS' NAMES  
AXESS PICKERING LTD.

CAPACITY SHARE  
ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
**EFFECTIVE 2000/07/29 THE NOTATION OF THE "BLOCK IMPLEMENTATION DATE" OF 1999/03/22 ON THIS PIN**						
**WAS REPLACED WITH THE "PIN CREATION DATE" OF 1999/03/22**						
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:						
** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *						
** AND ESCHEATS OR FORFEITURE TO THE CROWN.						
** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF						
** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY						
** CONVENTION.						
** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.						
**DATE OF CONVERSION TO LAND TITLES: 1999/03/22 **						
CO94360	1961/05/17	BYLAW				
REMARKS: PLANNING ACT FOR SUBDIVISION CONTROL DELETED UNDER DR116972 *AS TO PIN 26409-0006 *ADDED 2003 01 06 BY DONNA WARREN						C
40R3214	1976/08/27	PLAN REFERENCE				
D50967	1977/07/14	TRANSFER EASEMENT				C
					HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS REPRESENTED BY THE MINISTER OF THE ENVIRONMENT	C
40R6530	1981/07/29	PLAN REFERENCE				
D127631	1981/08/07	AGREEMENT				C
					THE CORP OF THE TOWN OF PICKERING	C
D127632	1981/08/07	TRANSFER EASEMENT				
					THE CORPORATION OF THE TOWN OF PICKERING	C
D133802	1981/12/29	TRANSFER EASEMENT				
					THE REGIONAL MUNICIPALITY OF DURHAM	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.

LAND  
REGISTRY  
OFFICE #40

26330-0016 (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
40R7449	1983/03/08	PLAN REFERENCE				C
40R12401	1989/07/19	PLAN REFERENCE				C
DR46806	2002/01/09	APL (GENERAL)		J. D. S. INVESTMENTS LIMITED	THE CORPORATION OF THE CITY OF PICKERING	C
		REMARKS: D 60560 - AMENDED 2002 01 15 - RUTH GOFF RELEASED AND DISCHARGED AS TO PT 1, 40R12401.				
DR46807	2002/01/09	APL (GENERAL)		CAMPITELLI, FRED	THE CORPORATION OF THE CITY OF PICKERING	C
		REMARKS: D 127631 - AMENDED 2002 01 15 - RUTH GOFF RELEASED AND DISCHARGED AS TO PT 2, 40R7449.				
DR429011	2005/09/19	NOTICE		HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF TRANSPORT		C
		REMARKS: AIRPORT ZONING REGULATIONS				
DR1489185	2016/06/30	APL (GENERAL)		ONTARIO CLEAN WATER AGENCY	THE REGIONAL MUNICIPALITY OF DURHAM	C
		REMARKS: PT 24 PL 40R-3214				
DR1978271	2021/03/01	TRANSFER	\$10,000,000	PINE RIDGE MANAGEMENT INC.	AXESS PICKERING LTD.	C
		REMARKS: PLANNING ACT STATEMENTS.				
DR1978274	2021/03/01	CHARGE	\$8,200,000	AXESS PICKERING LTD.	C & K MORTGAGE SERVICES INC. 975393 ONTARIO INC.	C
DR1978275	2021/03/01	NO ASSGN RENT GEN		AXESS PICKERING LTD.	C & K MORTGAGE SERVICES INC. 975393 ONTARIO INC.	C
		REMARKS: DR1978274				
DR1978279	2021/03/01	CHARGE	\$1,500,000	AXESS PICKERING LTD.	SAGEWISE CAPITAL CORPORATION	C
DR1988782	2021/04/01	NOTICE		PINE RIDGE MANAGEMENT INC.	PINE RIDGE MANAGEMENT INC.	C
		REMARKS: THIS NOTICE IS FOR AN INDETERMINATE PERIOD				
DR2015350	2021/06/15	CHARGE	\$883,630	AXESS PICKERING LTD.	BATISTA, GINA RNV INVESTMENTS, LLC	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.

This is Exhibit "I" referred to in the Affidavit of GARY GRUNEIR sworn by GARY GRUNEIR of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on October 1, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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

**DAVID P. PREGER**

Properties				
PIN	26330 - 0016	LT	Interest/Estate	Fee Simple
Description	PT LT 20 CON 1 PICKERING AS IN D42810 EXCEPT PT 1, 40R7449 & 40R12400 ; S/T D127632,D133802,D50967 PICKERING			
Address	1525 PICKERING PARKWAY PICKERING			

Chargor(s)	
The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.	
Name	AXESS PICKERING LTD.
Address for Service	12-973 Brock Road Pickering. Ontario. L1W 3A4
I, Daniel Robert Hughes, have the authority to bind the corporation.	
This document is not authorized under Power of Attorney by this party.	

Chargee(s)	Capacity	Share
Name	SAGEWISE CAPITAL CORPORATION	
Address for Service	402-4080 Confederation Parkway, Mississauga, Ontario L5B 0G1	

Provisions			
Principal	\$1,500,000.00	Currency	CDN
Calculation Period	Monthly, not in advance		
Balance Due Date	2021/08/25		
Interest Rate	3.5% per month		
Payments			
Interest Adjustment Date	2021 02 25		
Payment Date	25th day of each and every month		
First Payment Date			
Last Payment Date	2021 08 25		
Standard Charge Terms	200033		
Insurance Amount	Full insurable value		
Guarantor	Daniel Robert Hughes and Liberty Hamlet Inc.		

Additional Provisions	
This charge is for a period of six months ONLY.	
If upon maturity and a renewal is requested, \$361,200.00 shall be required to be paid upfront for six months interest.	
If this amount is not paid within two days, the chargee shall register a charge for the sum of \$361,200.00 against this title and the cost of the registration shall be paid by the chargor.	

Signed By				
Olutoyin Bamide Ehinlaiye	300-1183 Finch Ave. West Toronto M3J 2G2	acting for Chargor(s)	Signed	2021 02 25
Tel	647-748-4664			
Fax	647-748-4774			
I have the authority to sign and register the document on behalf of the Chargor(s).				

Submitted By		
EHINLAIYE LAW OFFICE	300-1183 Finch Ave. West Toronto M3J 2G2	2021 03 01
Tel	647-748-4664	
Fax	647-748-4774	

**Fees/Taxes/Payment**

Statutory Registration Fee	\$65.30
Total Paid	\$65.30

This is Exhibit “J” referred to in the Affidavit of GARY GRUNEIR sworn by GARY GRUNEIR of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on October 1, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



---

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

**DAVID P. PREGER**

Properties

PIN

26330 - 0016 LT

Description

PT LT 20 CON 1 PICKERING AS IN D42810 EXCEPT PT 1, 40R7449 & 40R12400 ; S/T  
D127632,D133802,D50967 PICKERING

Address

1525 PICKERING PARKWAY  
PICKERING

Consideration

Consideration

\$0.00

Applicant(s)

The notice is based on or affects a valid and existing estate, right, interest or equity in land

Name

PINE RIDGE MANAGEMENT INC.

Address for Service

26 Way Street, Brooklin, Ontario L1M 1B7

I, Thomas Oldman, have the authority to bind the corporation.

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

Party To(s)	Capacity	Share
<div><div>Name</div><div>PINE RIDGE MANAGEMENT INC.</div></div> <div><div>Address for Service</div><div>26 Way Street, Brooklin, Ontario L1M 1B7</div></div>		
I, Thomas Oldman, President, have the authority to bind the corporation		
This document is not authorized under Power of Attorney by this party.		

Statements

This notice is pursuant to Section 71 of the Land Titles Act.

This notice is for an indeterminate period

Schedule: See Schedules

Signed By

Gerald Byron Brunt

128 Byron St. N.  
Whitby  
L1N 5S4

acting for  
Applicant(s)

Signed

2021 04 01

Tel

905-668-3375

Fax

905-668-7037

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

Submitted By

GERALD B. BRUNT

128 Byron St. N.  
Whitby  
L1N 5S4

2021 04 01

Tel

905-668-3375

Fax

905-668-7037

Fees/Taxes/Payment

Statutory Registration Fee

\$65.30

Total Paid

\$65.30



## FORM 16

## LAND TITLES ACT

Application to register Notice of an  
Unregistered estate, right, interest or equity  
Section 71 of the Act

To: The Land Registrar for the Land Titles Division of Durham

I, Gerald B. Brunt, am the solicitor for Pine Ridge Management Inc.

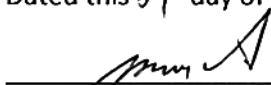
I confirm that the applicant Pine Ridge Management Inc. has an unregistered estate, right, interest or equity in the land described as PIN 26330-0016(LT)

This notice will be effective for an indeterminate time.

The address for service for the applicant is:

26 Way Street, Brooklin, Ontario L1M 1B7

Dated this 29 day of March, 2021

  
\_\_\_\_\_  
Gerald B. Brunt

Solicitor for the applicant

# AGREEMENT

**THIS AGREEMENT** made as of the 26<sup>th</sup> day of February, 2021

**BETWEEN:**

Pine Ridge Management Inc.

(hereinafter called the "Seller")

- and -

Liberty Hamlets Incorporated

(hereinafter called the "Buyer")

- and -

Axess Pickering Ltd.

(hereinafter called the "Assignee")

**WHEREAS** the Seller and the Buyer entered into an Agreement of Purchase and Sale dated January 31, 2019 (the "Purchase Agreement") pursuant to which the Seller agreed to sell and the Buyer agreed to purchase the property known municipally as 1525 Pickering Parkway, Pickering, Ontario and being Part of Lot 20, Concession 1, Pickering, being the lands described in Pin 26330-0016 (hereinafter called the "property");

**AND WHEREAS** the Buyer requested to amend the Purchase Agreement and in accordance with such request the Buyer and Seller agreed the following amended terms be included in the Purchase Agreement;

1. Liberty Hamlets Incorporated will sell, through an Agreement of Purchase and Sale, to Mr. Tom Oldman or his designated beneficiaries five (5) two-bedroom condominium units of approximately 1,000sq.ft. on the 18<sup>th</sup>, 19<sup>th</sup> or 20<sup>th</sup> Floor, in either condominium tower, each with a southern exposure. The Purchase Price for each unit shall be \$2.00, and the Purchase Price shall include one standard parking space and standard locker.
2. Liberty Hamlets Inc. will sell, through an Agreement of Purchase and Sale, to Mr. Tom Oldman or his designated beneficiaries five (5) two-bedroom condominium units of approximately 750sq.ft. on the 18<sup>th</sup>, 19<sup>th</sup> or 20<sup>th</sup> Floor, in either condominium tower, each with a west or southern exposure. The Purchase Price for

10 DH

each unit shall be \$2.00, and the Purchase Price shall include one standard parking space and one standard locker.

AND WHEREAS by an Assignment of Agreement of Purchase and Sale dated September 12, 2019, the "Purchase Agreement" was assigned to Axess Pickering Ltd., the "Assignee";

AND WHEREAS the "Assignee" expressly assumed and covenanted to perform and be bound by all of the "Buyer's" covenants, obligations and liabilities arising or flowing from and under or in any way connected with the "Purchase Agreement";

AND WHEREAS the "Assignee" further requested to amend the Purchase Agreement and in accordance with such request, the Buyer and Assignee agreed to the following further amended terms to be included in the Purchase Agreement;

1. 5 Additional parking spaces will be provided to Tom Oldman or his designated beneficiaries at no additional charge.

AND WHEREAS the "Assignee" further requested to amend the Purchase Agreement and in accordance with such request, the Buyer and Assignee agreed to the following further amended terms to be included in the Purchase Agreement;

1. Unit 2-C on the 18<sup>th</sup> floor of the west tower being a 1017 sq ft, two bedroom unit with one parking space and one locker will be provided to Tom Oldman or his designated beneficiaries at no additional charge.

AND WHEREAS the Seller, the Buyer and the Assignee have agreed to further Amend the Agreement of Purchase and Sale to clarify the residential units that are to be provided to Tom Oldman or his designated beneficiaries in accordance with the previous amendments to the Agreement of Purchase and Sale.

AND WHEREAS the Buyer and the "Assignee" intend to develop a condominium project on the "property";

10. DH

AND WHEREAS the "Buyer" has agreed to execute this Agreement in favour of the Seller and indemnify the Seller;

NOW THIS AGREEMENT WITNESSES that in consideration of the sum of Two (2.00) dollars now paid by each of the Buyer and Seller and Assignee to each other and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged by the Buyer and Seller and Assignee, agree as follows:

- I. I, Axess Pickering Ltd. will sell through an Agreement of Purchase and Sale to Mr. Tom Oldman or his designated beneficiaries the following residential units:

Penthouse PH-4, 3 bedroom 1826 sq.ft. unit at the southwest corner of the west tower, on the 22<sup>nd</sup> floor  
 Penthouse PH-3, 2 bedroom 947 sq.ft. unit at the southeast corner of the west tower, on the 22<sup>nd</sup> floor  
 Penthouse PH-3, 2 bedroom 947 sq.ft. unit at the northwest corner of the east tower, on the 22<sup>nd</sup> floor  
 Unit 2-C being 2 bedroom 1015 sq.ft. unit at the southwest corner of the west tower on the 19<sup>th</sup> floor  
 Unit 2-C being 2 bedroom 1015 sq.ft. unit at the southwest corner of the west tower on the 20<sup>th</sup> floor  
 Unit 2-C being 2 bedroom 1015 sq.ft. unit at the southwest corner of the west tower on the 21<sup>st</sup> floor  
 Unit 1-A being 1 bedroom 745 sq.ft. unit on the west side of the west tower, on the 19<sup>th</sup> floor  
 Unit 1-A being 1 bedroom 745 sq.ft. unit on the west side of the west tower, on the 20<sup>th</sup> floor  
 Unit 1-A being 1 bedroom 745 sq.ft. unit on the west side of the west tower, on the 21<sup>st</sup> floor  
 Unit 2-C being 2 bedroom, 1017 sq. ft. unit on the south west side of the west tower on the 18<sup>th</sup> floor

The Purchase price for each unit shall be \$2.00.

- II. Axess Pickering Ltd. will sell to Tom Oldman or his designated beneficiaries Sixteen (16) parkings spaces with individual property identifiers, at no charge.
- III. Axess Pickering Ltd. will sell to Tom Oldman or his designated beneficiaries Sixteen (16) lockers with individual property identifiers, at no charge.
- IV. The Agreements of Purchase and Sale will be drawn by the Solicitor for Axess Pickering Ltd. at the time when working drawings have been submitted to the City of Pickering.
- V. No party shall assign their rights under this Agreement without first obtaining the consent in writing of the other parties.

(TO) DH


- VI. The Buyer and Seller and Assignee shall co-operate and take action and sign all such documents as may be reasonably required to give full effect to this Agreement.
- VII. Liberty Hamlets Incorporated covenants with the Seller that Axess Pickering Ltd. will observe each and every obligation and liability contained in this Agreement to be performed and observed by the Assignee and if the Assignee shall be in default or fail to perform or observe each and every obligation and liability, then Liberty Hamlets Incorporated shall pay on demand to the Seller such moneys and perform such obligations and liabilities and pay all damages from non-performance. Liberty Hamlets Incorporated shall be jointly and severally liable with Axess Pickering Ltd. for all obligations and liabilities under this Agreement.
- VIII. This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Ontario.
- IX. Time shall be of the essence in this Agreement.
- X. This Agreement may be signed in counterparts and transmitted by facsimile or other form of electronic transmission, each of which shall for all purposes be deemed an original, and all such counterparts shall together constitute one and the same instrument.
- XI. The Buyer and Seller and Assignee agree that the Seller may register this Agreement on title to the "Property" in its sole and unfettered discretion at its own expense and the Buyer and Assignee consent to the Seller registering this Agreement on title to the "Property" by execution of this Agreement.

(T.O.)  
DH

XII. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

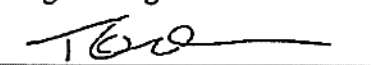
IN WITNESS WHEREOF the parties have signed this Agreement on the date first written above.

Liberty Hamlets Incorporated

Per:   
Name: Dan Hughes  
Title: President


I have authority to bind the Corporation.

Pine Ridge Management Inc.

Per:   
Name: Tom Oldman  
Title: President

I have authority to bind the Corporation.

Axess Pickering Ltd.

Per:   
Name: Dan Hughes  
Title: President

I have authority to bind the Corporation.



This is Exhibit “K” referred to in the Affidavit of GARY GRUNEIR sworn by GARY GRUNEIR of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on October 1, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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

**DAVID P. PREGER**

Properties				
PIN	26330 - 0016	LT	Interest/Estate	Fee Simple
Description	PT LT 20 CON 1 PICKERING AS IN D42810 EXCEPT PT 1, 40R7449 & 40R12400 ; S/T D127632,D133802,D50967 PICKERING			
Address	1525 PICKERING PARKWAY PICKERING			

Chargor(s)	
The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.	
Name	AXESS PICKERING LTD.
Address for Service	973 Brock Rd., Unit 12 Pickering, ON L1W 3A4
I, Daniel Robert Hughes, President, have the authority to bind the corporation.	
This document is not authorized under Power of Attorney by this party.	

Chargee(s)		Capacity	Share
Name	BATISTA, GINA		as to a part of 53.0% interest
Address for Service	7890 Pine Valley Drive Woodbridge, Ontario L4L 2J3		
Name	RNV INVESTMENTS, LLC		as to the remaining 47.0% interest
Address for Service	RNV Investments, LLC 12401 Orange Drive, Ste 222 Davie FL 33330		

Provisions			
Principal	\$883,630.00	Currency	CDN
Calculation Period	Monthly		
Balance Due Date	2021/09/01		
Interest Rate	See Schedule		
Payments			
Interest Adjustment Date	2021 03 01		
Payment Date	1st day of each and every month		
First Payment Date	2021 04 01		
Last Payment Date	2021 09 01		
Standard Charge Terms	200033		
Insurance Amount	Full insurable value		
Guarantor	Liberty Hamlets Incorporated		

Additional Provisions	
See Schedules	

Signed By				
Joseph Nathan Solomon		425 UNIVERSITY AVENUE, SUITE 600 TORONTO M5G1T6	acting for Chargor(s)	Signed 2021 06 14
Tel	416-977-7786			
Fax	416-340-0064			
I have the authority to sign and register the document on behalf of the Chargor(s).				



**Submitted By**

JOSEPH N SOLOMON

425 UNIVERSITY AVENUE, SUITE  
600  
TORONTO  
M5G1T6

2021 06 15

Tel        416-977-7786

Fax        416-340-0064

**Fees/Taxes/Payment**

Statutory Registration Fee

\$65.30

Total Paid

\$65.30

**File Number**

Chargor Client File Number :

21-094

Chargee Client File Number :

21-094

### **SCHEDULE 1**

1. This mortgage is fully open for full or partial payment at any time or times.
2. The principal amount of this Mortgage Charge is \$883,630.00, made up as follows:  
Gina Batista in the amount of \$470,000.00  
RNV Investments, LLC in the amount of \$413,630.00
3. The Borrower has made payments to Gina Batista as follows:  
March 17, 2021 in the amount of \$15,000.00  
March 29, 2021 in the amount of \$21,000.00
4. The principal of the Batista principal, being \$470,000.00 is due on June 30, 2021.
5. The Borrower has made a payment to RNV Investments, LLC in the amount of \$10,000.00 on April 1, 2021.
6. RNV Investments has earned four months of interest at \$2,000.00 per month for the months of March, April, May and June 2021. RNV Investments has also incurred expenses herein, in the amount of \$2,630, which the Borrower agrees to include in this Mortgage Charge.
7. An amount of \$100,630.00 due to RNV Investments, LLC is due on June 30, 2021, and any unpaid principal is subject to a 2% per month interest charge.
8. The balance of the RNV Investments, LLC principal, being \$313,000.00 is due on construction financing.

This is Exhibit “L” referred to in the Affidavit of GARY GRUNEIR sworn by GARY GRUNEIR of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on October 1, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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

**DAVID P. PREGER**

## POSTPONEMENT

**TO:** C & K Mortgage Services Inc. and 975393 Ontario Inc

**RE:** Axxess Pickering Ltd. (the "Purchaser") purchase from Pine Ridge Management Inc. (the "Vendor") of 1525 Pickering Parkway, Pickering, Ontario (the "Property") pursuant to an agreement of purchase and sale dated January 31, 2019 as amended from time to time (the "Purchase Agreement") scheduled to be completed March 1, 2021 (the "Closing Date")

**AND RE:** C & K Mortgage Services Inc. and 975393 Ontario Inc. (the "First Lender") loan to Axxess Pickering Ltd. (the "Borrower") on the security of 1525 Pickering Parkway, Pickering, Ontario, legally described as PIN 26330—0016 in the Land Titles Division of the Land Registry Office for Durham No. 40 (the "Property") secured by way of a First Charge and General Assignment of Rents (the "Mortgage Security");

**Whereas** the Purchaser intends to develop a condominium project on the Property (the "Condominium Project");

**And Whereas** the Vendor and the Purchaser have entered into an Agreement (the "Condominium Sale Agreement") dated February 26, 2021 for the sale of condominium units (as more particularly described in the Condominium Sale Agreement) in the Condominium Project to Mr. Tom Oldman;

---

Now therefore this Agreement witnesseth that:

1. The Vendor hereby postpones any right, title and interest it might have in the Condominium Sale Agreement to the rights, title and interest of the Mortgage Security held by the First Lender.
2. The Vendor acknowledges that in the event the First Lender enforces its Mortgage Security by way of power of sale or the appointment of a receiver or by any legal remedies available to it, the First Lender shall not be bound to recognize the Condominium Sale Agreement or be bound by it (and by extension, any subsequent Agreements of Purchase and Sale which may arise by way of operation of the Condominium Sale Agreement) regardless of whether the First Lender shall have notice of the Condominium Sale Agreement by way of registration of same against title to the Property or by way of actual notice.

Dated as of March 1, 2021.

**Pine Ridge Management Inc.**




---

Name: Tom Oldman  
Title: President

I have authority to bind the Corporation

This is Exhibit “M” referred to in the Affidavit of GARY GRUNEIR sworn by GARY GRUNEIR of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on October 1, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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

**DAVID P. PREGER**

## Enquiry Result

File Currency: 28SEP 2021




All Pages 



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Note: All pages have been returned.

Type of Search	Business Debtor								
Search Conducted On	AXESS PICKERING LTD.								
File Currency	28SEP 2021								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	770133447	1	1	1	2	26FEB 2026			
<b>FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN</b>									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
770133447		001	2		20210226 0812 1793 7467	P PPSA	5		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	AXESS PICKERING LTD.								
	Address				City	Province	Postal Code		
	973 BROCK ROAD, UNIT 12				PICKERING	ON	L1W3A4		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	C & K MORTGAGE SERVICES INC.								
	Address				City	Province	Postal Code		
	1670 BAYVIEW AVENUE, SUITE 400				TORONTO	ON	M4G3C2		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	GENERAL SECURITY AGREEMENT AND GENERAL ASSIGNMENT OF RENTS AND								
	LEASES AND ASSIGNMENT OF CONSTRUCTION & SERVICING CONTRACTS IN								
	CONNECTION WITH 1525 PICKERING PARKWAY, PICKERING, ONTARIO								

Registering Agent	Registering Agent			
	GARFINKLE, BIDERMAN LLP (KAG FILE #2677-584)			
	Address	City	Province	Postal Code
	1 ADELAIDE ST. EAST, SUITE 801	TORONTO	ON	M5C2V9

CONTINUED

Type of Search	Business Debtor							98	
Search Conducted On	AXESS PICKERING LTD.								
File Currency	28SEP 2021								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	770133447	1	1	2	2	26FEB 2026			
<b>FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN</b>									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
770133447		002	2		20210226 0812 1793 7467				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	975393 ONTARIO INC.								
	Address				City	Province	Postal Code		
	C/O 1670 BAYVIEW AVENUE, SUITE 400				TORONTO	ON	M4G3C2		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

LAST PAGE

**Note: All pages have been returned.**


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This is Exhibit “N” referred to in the Affidavit of GARY GRUNEIR sworn by GARY GRUNEIR of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on October 1, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



---

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

**DAVID P. PREGER**

**From:** Blair R. Gagnon  
**To:** [Gary Gruneir](mailto:gary.gruneir@libertyhamlets.ca); [blairrgagnon@libertyhamlets.ca](mailto:blairrgagnon@libertyhamlets.ca)  
**Cc:** ["Kimberly Anne Gabriel"](#)  
**Subject:** RE: 1525 Pickering Parkway  
**Date:** Monday, August 30, 2021 4:25:22 PM  
**Attachments:** [image001.png](#)

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Thanks Gary,

The terms are acceptable and we thank you and your group for providing this additional time.

Caterina, our lawyer on the original paperwork, will handle this matter on our behalf this time as well.

Blair

---

**From:** Gary Gruneir <[ggruneir@rescomcapital.com](mailto:ggruneir@rescomcapital.com)>  
**Sent:** August 30, 2021 2:07 PM  
**To:** [blairrgagnon@libertyhamlets.ca](mailto:blairrgagnon@libertyhamlets.ca)  
**Cc:** Kimberly Anne Gabriel <[kgabriel@garfinkle.com](mailto:kgabriel@garfinkle.com)>  
**Subject:** 1525 Pickering Parkway

This is a follow up to our telephone conversation this morning. My investors are prepared to enter into a Forbearance Agreement with you for a two month period. The terms are as follows:

1. Payment for the two months extension is to be paid on the execution of the forbearance agreement, which is to be completed by September 4<sup>th</sup>, 2021.
2. The payment will be \$200,000 which calculated at \$100,000 per month. \$82,000 per month is interest and \$18,000 per month is forbearance and extension fees.
3. You will be responsible for all legal fees with respect to the preparation of the forbearance agreement. (Not to exceed \$5,000)
4. My office will issue a demand for re-payment on September 1<sup>st</sup>. (The forbearance agreement will make reference to this)
5. You will consent to the appointment of a receiver, if the loan is not repaid by November 1, 2021.

I need to know if you will be using the same lawyer who acted for you on the original closing.

Time is of the essence.



**Gary Gruneir | Principal Broker**  
 C&K Mortgage Services Inc. operating as Rescom Capital  
**Brokerage Licence:** 10822  
**Broker Licence:** M08006592  
**Administrator Licence:** 11253

O: 416.485.2636 C: 416.575.6986  
 1670 Bayview Avenue, Suite 400

Toronto, Ontario M4G 3C2  
[www.rescomcapital.com](http://www.rescomcapital.com)

This is Exhibit "O" referred to in the Affidavit of GARY GRUNEIR sworn by GARY GRUNEIR of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on October 1, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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

**DAVID P. PREGER**

**FORBEARANCE AGREEMENT****BETWEEN:****C & K Mortgage Services Inc. and 975393 ONTARIO INC.**(hereinafter collectively called the “**Lender**”)

- AND -

**Axess Pickering Ltd.**(hereinafter called the “**Borrower**”)

- AND -

**Liberty Hamlets Incorporated and Daniel Robert Hughes**(hereinafter collectively called the “**Guarantor**”)

**WHEREAS** the Lender has made a mortgage loan to the Borrower (“**Mortgage Loan**”) which mortgage was registered on the 1<sup>st</sup> day of March, 2021 as Instrument No. DR1978274 (“**Mortgage**”);

**AND WHEREAS** the Mortgage matures on September 1, 2021;

**AND WHEREAS** the Borrower and the Guarantor have advised the Lender that the Mortgage will not be repaid on September 1, 2021 and will therefore be in default of September 2, 2021;

**AND WHEREAS** the Borrower and Guarantor have requested that the Lender forbear on any enforcement proceedings in consideration of the covenants herein contained.

**AND WHEREAS** the Lender has agreed to forbear from enforcement proceedings in accordance with the provisions herein contained.

**NOW THEREFORE**, in consideration of Two Dollars (\$2.00) paid by the Borrower and Guarantor to the Lender, and the covenants herein contained, the sufficiency of which is hereby acknowledged, the parties thereto agree as follows:

1. The above recitals are true and correct in substance and in fact.
2. The Borrower and Guarantor acknowledge that all security relating to the Loan and Mortgage given in favour of the Lender are validly and properly given and retained by the Lender and are not subject to any rights of set-off or defence in law or equity and may be relied upon by the Lender during the term of this Forbearance Agreement.

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3. The amount owing on the Mortgage on account of principal, interest and costs (as of the 2nd day of September, 2021) is \$8,202,695.89. together with any additional legal fees and costs which may be incurred by the Lender with regard thereto.
4. The Borrower and the Guarantor herein agree with the Lender as follows:
  - (a) To deliver the sum of \$200,000.00 to the Lender on or before September 3, 2021 to be allocated as follows:
    - (i) \$82,000.00 shall be paid on account of one's months interest for the two month term of this Forbearance (\$164,000.00);
    - (ii) \$18,000.00 by shall be paid for one month's forbearance and extension fees for each of the two month's term of this Forbearance (\$36,000.00).
  - (b) To deliver the sum of \$2,500.00 as a retainer for the legal fees to be rendered in connection with this Forbearance Agreement to the solicitors for the Lender.
5. Provided all payments are made as set out above, the Parties agree that the Lender will forbear enforcing the Mortgage for a term of two months ending November 1, 2021. Notwithstanding this provision, the Lender shall issue a demand for payment at maturity as well as a Bankruptcy and Insolvency Notice on or after September 1, 2021 but shall take no further steps to enforce same until the term of the forbearance ends.
6. The Borrower hereby consents to the appointment of a Receiver in the event the Mortgage is not repaid on November 1, 2021 the form attached as Schedule A to this Agreement.
7. The Borrower and Guarantor acknowledge that neither the entering into of this Forbearance Agreement or any payments made on account of the Mortgage will not invalidate any Demands or Notices under the *Bankruptcy and Insolvency Act* initiated by the Lender.
8. Notwithstanding the terms of this Forbearance Agreement, the Lender shall be entitled to exercise any legal entitlement which it may have pursuant to any security upon any of the following events:
  - (i) any of the above payments, terms and conditions are not made or honoured; or
  - (ii) the Borrower or Guarantor files a Notice of Intention to make a proposal pursuant to the provisions of the *Bankruptcy and Insolvency Act* or has filed an Application pursuant to the *Companies Creditors Arrangement Act*; or any other insolvency proceeding is commenced by creditors;
9. Notwithstanding the terms of this Forbearance Agreement, no agreement, or covenant as between the Lender and Borrower or Guarantor shall be deemed to be waived, altered or amended by virtue of this Forbearance Agreement, except to the extent as expressly set forth herein and for the said term of this Forbearance Agreement. For greater certainty, there is no waiver on the part of the Lender of any default of financial covenant given by

D1

the Borrower or Guarantor prior to this Forbearance Agreement, or of any demand for payment or any other enforcement proceedings which have been commenced.

10. No failure on the part of the Lender to insist upon strict adherence to the terms of this Forbearance Agreement shall in any way constitute a waiver of any rights arising pursuant to this Forbearance Agreement, the right to insist on future adherence to such terms or rights pursuant to this or any other agreements existing as between the parties, except as expressly provided herein.
11. The Guarantor hereby agrees to the provisions set out herein and covenants with the Lender to make all payments required herein and acknowledges that his covenant in and in respect of the Loan remains in full force and effect, notwithstanding this Forbearance Agreement, and reaffirms the same as of the date hereof.

DATED this 2nd day of September, 2021.

C & K MORTGAGE SERVICES INC.

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

Name: Gary Gruneir

Title: President

I have authority to bind the Corporation

975393 ONTARIO INC.

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

Name: Grant Anthony

Title: President

I have authority to bind the Corporation

AXESS PICKERING LTD

Per: 

Name: Daniel Robert Hughes

Title: President

I have authority to bind the Corporation

LIBERTY HAMLETS INCORPORATED


Per: 

Name: Daniel Robert Hughes

Title: President

I have authority to bind the Corporation

  
Gruneir

  
Gruneir



Schedule A

Court File No.

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

B E T W E E N:

C &amp; K Mortgage Services Inc. and 975393 Ontario Inc.

Applicant

and

Axess Pickering Ltd.

Respondents

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

**CONSENT**

The undersigned, Axess Pickering Ltd., hereby consents to the appointment of \_\_\_\_\_ as receiver and manager, without security, of the properties located at 1525 Pickering Parkway, Pickering, Ontario, owned by Axess Pickering Ltd. pursuant to the provisions of subsection 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C. 43, as amended, and the terms of an order substantially in the form filed in the above proceeding.

DATED at Toronto this \_\_\_\_ day of September, 2021.

**Axess Pickering Ltd.**

Per:

\_\_\_\_\_  
 Daniel Robert Hughes

Title: Senior Vice-President

I have authority to bind the Corporation

This is Exhibit “P” referred to in the Affidavit of GARY GRUNEIR sworn by GARY GRUNEIR of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on October 1, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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

**DAVID P. PREGER**

**From:** Kimberly Anne Gabriel  
**To:** [Caterina Licata](#)  
**Cc:** [alexh](#)  
**Subject:** RE: RE; Axxess Pickering Forebearance Agreement  
**Date:** Friday, September 3, 2021 1:52:58 PM

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That was not a negotiable term. The Agreement states that payments had to be made today. I will advise my client.

Kimberly A. Gabriel  
 Administrative Partner  
 T: 416-869-1234 ext. 233




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**From:** Caterina Licata <caterina@licatalawoffice.com>  
**Sent:** September 3, 2021 1:48 PM  
**To:** Kimberly Anne Gabriel <kgabriel@GARFINKLE.com>  
**Cc:** alexh <alexh@licatalawoffice.com>  
**Subject:** Re: RE; Axxess Pickering Forebearance Agreement

Good afternoon Kimberly,

Our clients are making arrangements with your client directly. This will not be done today.

Caterina Licata

Quoting Kimberly Anne Gabriel <[kgabriel@garfinkle.com](mailto:kgabriel@garfinkle.com)>:

Caterina, your courier just delivered signed copies of the Forbearance Agreement, thank you. I will deliver a copy of same after my client has signed. **Has your client given the money to you to send or wire how is that being handled?** I need to know. The timing is awkward with this being the Friday of a long weekend—no one is going to be sitting in their office at 4:55. If you don't have the money, **please ask your client what the schedule is for them sending it.** I am in the middle of preparing our demands and BIA Notice (just advising you, the Agreement contemplates that I will be doing this). It goes without saying but I say it anyway—the signed Agreement will not stop any enforcement unless the money is received today.



Kimberly A. Gabriel

Administrative Partner

Garfinkle Biderman LLP

Suite 801, 1 Adelaide Street East

Toronto, Ontario M5C 2V9

416-869-1234

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Caterina Licata  
Caterina Licata Law Office  
Barrister & Solicitor  
900-45 Sheppard Avenue East  
Toronto, ON M2N 5W9

Tel: 6473488330  
Fax: 6473611010

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Our communications to you may contain confidential information or information protected under solicitor-client privilege. Please advise if you wish us to use a mode of communication other than regular, unsecured e-mail in our communications with you.

This is Exhibit “Q” referred to in the Affidavit of GARY GRUNEIR sworn by GARY GRUNEIR of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on October 1, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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

**DAVID P. PREGER**

Kimberly Anne Gabriel  
 Direct Line: (416) 869-7603  
 e-mail: [kgabriel@garfinkle.com](mailto:kgabriel@garfinkle.com)

Sandy Ready  
 Direct Line: (416) 869-7650  
 e-mail: [sready@garfinkle.com](mailto:sready@garfinkle.com)

September 3, 2021

**By Registered and Ordinary Mail**

Axess Pickering Ltd.  
 973 Brock Road, Unit 12  
 Pickering, Ontario  
 L3W 3A4

Attention: Mr. Daniel Robert Hughes

Dear Sirs:

Re: C & K Mortgage Services Inc. and 975393 Ontario Inc. Mortgage loan to Axess  
 Pickering Ltd.; 1525 Pickering Parkway, Pickering, Ontario  
 Our File Number 2677-584

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We are the Solicitors for C & K Mortgage Services Inc. and 975393 Ontario Inc..

The above-noted Mortgage Loan has now Matured and as a result, the subject loan is now in default.

Accordingly, please accept this letter as demand for payment of the full amount outstanding as follows:

Principal Balance Outstanding	\$8,200,000.00
3 Months Interest	246,000.00
Interest to September 3	5,391.78
Statement Fee	250.00
Wire Fee	15.00
<b>Total</b>	<b><u>\$8,451,656.78</u></b>

In addition, you will also be required to pay interest from September 3, 2021, to the date of payment at the rate of \$2,695.89 per day, together with our firm's legal fees.

This letter shall serve as demand upon you of the said loan for payment of the full amount outstanding within ten (10) days of the date of this letter.

September 3, 2021

Page 2

With this demand letter we are also enclosing our clients Notice of Intention to Enforce Security under the Bankruptcy and Insolvency Act.

Please contact our office and advise as to the date you intend to make payment and we shall provide you with a figure as of that date.

Yours very truly,

**Garfinkle, Biderman LLP**

  
Kimberly Anne Gabriel



Kimberly Anne Gabriel  
Direct Line: (416) 869-7603  
e-mail: [kgabriel@garfinkle.com](mailto:kgabriel@garfinkle.com)

Sandy Ready  
Direct Line: (416) 869-7650  
e-mail: [sready@garfinkle.com](mailto:sready@garfinkle.com)

September 3, 2021

**By Registered and Ordinary Mail**

Liberty Hamlets Incorporated  
973 Brock Road, Unit 12  
Pickering, Ontario  
L3W 3A4

Attention: Mr. Daniel Robert Hughes

Daniel Robert Hughes  
10 Noake Crescent  
Ajax, Ontario  
L1T 3L7

Dear Sirs:

Re: C & K Mortgage Services Inc. and 975393 Ontario Inc. Mortgage loan to Axess  
Pickering Ltd.; 1525 Pickering Parkway, Pickering, Ontario  
Guarantors: Liberty Hamlets Incorporated and Daniel Robert Hughes  
Our File Number 2677-584

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We are the Solicitors for C & K Mortgage Services Inc. and 975393 Ontario Inc..

I enclose herein a copy of our demand letter of today's date to Axess Pickering Ltd.

Take notice that Axess Pickering Ltd. for whom you became surety under Guarantee dated February 24<sup>th</sup>, 2021, is indebted to our client in the amount of \$8,451,656.78 as of September 3, 2021.

This letter shall serve as a demand upon you as Guarantors of the said loan for payment of the full amount outstanding within ten (10) days of the date of this letter.

Yours very truly,

**Garfinkle, Biderman LLP**

  
Kimberly Anne Gabriel

**NOTICE OF INTENTION TO ENFORCE SECURITY**  
**(Bankruptcy and Insolvency Act, Subsection 244(1))**

By Registered and Ordinary Post

TO:           Axess Pickering Ltd.  
               973 Brock Road, Unit 12  
               Pickering, ON L1W 3A4  
               ***an insolvent company/person***

**TAKE NOTICE that:**

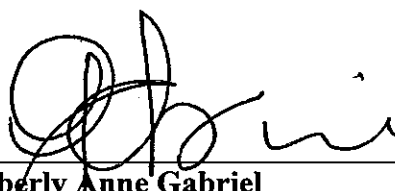
1. C & K Mortgage Services Inc. and 975393 Ontario Limited, (collectively) a secured creditor, intends to enforce its security on the property of the insolvent company/person described below:
  - (a) all of the undertaking, property and assets, including, without limiting the generality of the foregoing, all of the intangibles, proceeds, books and records, equipment, inventory and real estate.
  - (b) **PIN No. 26330—0016 in the Land Registry Office for Durham (No. 40) : PART OF LOT 20, Concession 1 Pickering as in D42810 except Part 1, 40R-7449 and 40R-12400; s/t D127632, D133802 and D50967 Pickering and known municipally as 1525 Pickering Parkway, Pickering Ontario**

The security that is to be enforced is in the form of:

- a. a General Security Agreement dated February 24, 2021 and registered pursuant to *The Personal Property Security Act (Ontario)* on February 26, 2021 pursuant to Financing Statement No. 20210226 0812 1793 7467 being File Reference Number 770133447;
  - b. a Charge securing the principal sum of \$8,200,000.00, which Mortgage was registered on the 1<sup>st</sup> day of March, 2021 in the Land Registry Office for the Land Titles Division of Durham (No. 40) as Instrument No. DR1978274.
2. The total amount of indebtedness secured by the security is \$8,451,656.78 as of September 3, 2021 together with additional costs of the secured creditor, and with additional interest from September 3, 2021 at \$2,695.89 per diem.
  3. The secured party will not have the right to enforce the security until after the expiry of the ten (10) day period following the sending of this notice, unless the insolvent company/person consents to an earlier enforcement.

DATED at Toronto this 3<sup>rd</sup> day of September, 2021.

**C & K Mortgage Services Inc. and 975393  
 Ontario Inc.** by their solicitors, Garfinkle  
 Biderman LLP

Per:   
 \_\_\_\_\_  
**Kimberly Anne Gabriel**  
 Dynamic Funds Tower  
 801-1 Adelaide Street East  
 Toronto, Ontario M5C 2V9  
 Tel: (416) 869-1234  
 Fax: (416) 869-0547

**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.

<b>CANADA POST POSTES CANADA</b>		<b>REGISTERED DOMESTIC</b> CUSTOMER RECEIPT	<b>RECOMMANDÉ RÉGIME INTÉRIEUR</b> REÇU DU CLIENT		
To <b>Destinataire</b> Name <b>Nom</b> Daniel R. Hughes 10 Noake Crescent Address <b>Adresse</b> Ajax, Ontario L1T 3L7 City / Prov. / Postal Code <b>Ville / Prov. / Code postal</b>		FOR DELIVERY CONFIRMATION <b>CONFIRMATION DE LA LIVRAISON</b> www.canadapost.ca or/ou www.postescanada.ca 1 888 550-6333			
Declared Value <b>Valeur déclarée</b> \$ 10.65		CPC Tracking Number <b>Numéro de repérage de la SCP</b> RN 274 256 984 CA			
33-086-584 (14-06)					

<b>CANADA POST POSTES CANADA</b>		<b>REGISTERED DOMESTIC</b> CUSTOMER RECEIPT	<b>RECOMMANDÉ RÉGIME INTÉRIEUR</b> REÇU DU CLIENT		
To <b>Destinataire</b> Name <b>Nom</b> Liberty Hamlets Incorporated 973 Brock Road, Unit 12 Address <b>Adresse</b> Pickering, Ontario L3W 3A4 City / Prov. / Postal Code <b>Ville / Prov. / Code postal</b>		FOR DELIVERY CONFIRMATION <b>CONFIRMATION DE LA LIVRAISON</b> www.canadapost.ca or/ou www.postescanada.ca 1 888 550-6333			
Declared Value <b>Valeur déclarée</b> \$ 10.65		CPC Tracking Number <b>Numéro de repérage de la SCP</b> RN 274 256 998 CA			
33-086-584 (14-06)					

<b>CANADA POST POSTES CANADA</b>		<b>REGISTERED DOMESTIC</b> CUSTOMER RECEIPT	<b>RECOMMANDÉ RÉGIME INTÉRIEUR</b> REÇU DU CLIENT		
To <b>Destinataire</b> Name <b>Nom</b> Access Pickering Ltd. 973 Brock Road, Unit 12 Address <b>Adresse</b> Pickering, Ontario L3W 3A4 City / Prov. / Postal Code <b>Ville / Prov. / Code postal</b>		FOR DELIVERY CONFIRMATION <b>CONFIRMATION DE LA LIVRAISON</b> www.canadapost.ca or/ou www.postescanada.ca 1 888 550-6333			
Declared Value <b>Valeur déclarée</b> \$ 10.65		CPC Tracking Number <b>Numéro de repérage de la SCP</b> RN 274 257 004 CA			
33-086-584 (14-06)					

**C & K MORTGAGE SERVICES INC et al.**  
Applicants

-and-

**AXESS PICKERING LTD.**  
Respondent

Court File No. CV-21-669408-00CL

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

**AFFIDAVIT OF GARY GRUNEIR**

**DICKINSON WRIGHT LLP**

Barristers & Solicitors  
199 Bay Street  
Suite 2200, P.O. Box 447  
Commerce Court Postal Station  
Toronto, Ontario, M5L 1G4

**DAVID P. PREGER (36870L)**

Email: dpreger@dickinsonwright.com  
Tel: (416) 646-4606

**DAVID SEIFER (77474F)**

Email: dseifer@dickinsonwright.com  
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Fax: (844) 670-6009

Lawyers for the Applicants

