

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

BETWEEN:

BANK OF MONTREAL

Applicant

- and -

LAKE TRADING NEWCASTLE INC.

Respondent

APPLICATION UNDER 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

**APPLICATION RECORD
(RETURNABLE APRIL 21, 2022)**

April 7, 2022

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**Lawyers for the Applicant,
Bank of Montreal**

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Electronically issued : 06-Apr-2022
Délivré par voie électronique
Toronto

Court File No.:

**ONTARIO
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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

- In person
- By telephone conference
- By video conference

at the following location

<https://us06web.zoom.us/j/85976129263?pwd=V1FTYmY5TXRtanVaMkRQbW4vMEZQQT09>

(See Appendix "A" for further particulars including dial-in number and passcode if connecting by telephone)

on Thursday, April 21, 2022 at 11:30 a.m.

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: April 6, 2022

Issued by _____
Local registrar

Address of court office 330 University Avenue
Toronto, ON M5G 1R8

TO: Lake Trading Newcastle Inc.
33 Poplar Plains Road
Brampton, ON L7A 1Z5

AND TO: THE SERVICE LIST

APPLICATION

1. The Applicant makes application for an Order substantially in the form attached as appendix “B”, including,
 - (a) if necessary, abridging the time for and validating service of this application and dispensing with further service of same;
 - (b) appointing MNP Ltd. (“**MNP**”) as receiver and manager (the “**Receiver**”), without security, of all assets, undertakings and properties of the Respondent, Lake Trading Newcastle Inc. (“**LT Newcastle**”) acquired for, or used in relation to a business carried on by LT Newcastle pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3, as amended (the “**BIA**”) and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. c-43, as amended (the “**CJA**”);
 - (c) costs on a solicitor and client basis, plus H.S.T., in accordance with the security granted by LT Newcastle to the Applicant; and
 - (d) such further and other relief as counsel may advise and this Honourable Court may permit.

2. The grounds for the application are:
 - (a) at the same time as this application, an application is also being brought by the Applicant for the appointment of a receiver and manager in respect of Lake Trading Goderich Inc. (“**LT Goderich**” and together with LT Newcastle, the “**Companies**”);
 - (b) LT Newcastle and LT Goderich are related companies with their registered head office in Mississauga, Ontario;
 - (c) LT Newcastle owns and operates the gas station located at 216 King Avenue East, Newcastle, Ontario. LT Goderich owns and operates the gas station located at 79 Victoria Street North, Goderich;

- (d) the principal of the Companies lives abroad in Tanzania. Sreekumar Vakeel, is the Canadian resident director of the Companies and manages the day to day operations of the gas stations. Mr. Vakeel resides in Brampton, Ontario.
- (e) as of April 4, 2022, LT Newcastle is indebted to the Applicant in the sum of \$859,643.41, plus accruing interest and costs, under credit facilities extended by the Applicant plus the sum of \$660,103.92 pursuant to a guarantee for the liabilities of LT Goderich;
- (f) the Applicant holds security over all of the assets, undertakings and properties of the Companies;
- (g) the Companies' credit facilities with the Applicant are managed by the Applicant's special accounts management unit ("**SAMU**") office located in the City of Toronto;
- (h) responsibility for the oversight and management of the Companies' credit facilities was transferred to the SAMU in the fall of 2020 as a result of the Companies poor financial performance, the Companies having further encumbered the gas station properties with a second mortgage without the Applicant's prior approval, and the Companies failure to provide required financial reporting and communicate with the Applicant in a timely manner;
- (i) in December 2020, a judgment in the amount of \$860,187.50 (the "**Judgment**") was obtained against the Companies by the second mortgagee of the gas stations;
- (j) the entry of the Judgment was a default under the terms of the Applicant's security;

- (k) on January 14, 2021, the Applicant demanded payment of the credit facilities and gave notice to the Companies under s. 244 of the *BIA* of the Applicant's intention to enforce its security;
- (l) following the making of the demand, the Applicant and the Companies entered into Forbearance Agreements under the terms of which the Applicant agreed to forbear from the enforcement of its security until the earlier of April 30, 2021 and the occurrence of a forbearance termination event;
- (m) in the Forbearance Agreements, the Companies (i) acknowledged their indebtedness to the Applicant and the validity and enforceability of the security held by the Applicant, and (ii) agreed to diligently pursue the sale or refinancing of the gas stations and repay the credit facilities by April 30, 2021;
- (n) prior to April 30, 2021, the Companies were able to satisfy the Judgment but were unable to repay the credit facilities by April 30, 2021 as required by the Forbearance Agreements;
- (o) the Bank and the Companies agreed to extend the forbearance period until the earlier of (i) the occurrence of a forbearance termination event, and (ii) the Bank giving not less than 60 days written notice that it would no longer forbear from the enforcement of its security;
- (p) in the Forbearance Agreements, the Companies covenanted that they would carry on the operation of the gas stations in a commercially reasonable and prudent manner (the "**Going Concern Covenant**");
- (q) The Going Concern Covenant was important to the Applicant as the continued operation of the gas stations would help preserve the value of the gas stations and aid the Companies in their refinancing and sale efforts;

- (r) on March 30, 2022, Mr. Vakeel advised the Applicant that the LT Goderich gas station had been closed and not operating since mid-February, 2022 and that the LT Newcastle gas station had closed and ceased operating the prior week.
- (s) at no time prior to March 30, 2022 had the Applicant been advised of the closures or the Companies plan to close the gas stations;
- (t) the breach of the Going Concern Covenant is a default under the Applicant's security and a forbearance termination event under the Forbearance Agreements;
- (u) the Forbearance Agreements provide that upon the happening of a forbearance termination event, the forbearance period shall be at an end and the Applicant shall be entitled to immediately enforce its security;
- (v) in the Forbearance Agreements the Companies consented to the enforcement by the Applicant of its security and the appointment of a receiver and manager upon the happening of a forbearance termination event;
- (w) the shutdown to the gas stations without warning has caused the Applicant to lose confidence in the Companies' ability and willingness to sell or refinance the gas stations and fully repay their credit facilities in a timely manner;
- (x) the security held by the Applicant over the assets, undertakings and properties of the Companies is enforceable;
- (y) the security held by the Applicant provides for the appointment of a receiver and manager on default;
- (z) the appointment of the Receiver is just and convenient;

- (aa) MNP is a licensed trustee in bankruptcy and has consented to being appointed as Receiver by the Court;
- (bb) Rules 1.04, 2.03, 3.02, 16.08 and 38 of the *Rules of Civil Procedure*;
- (cc) Section 243 of the *BIA* and Section 101 of the *CJA*;
- (dd) Rules 6, 11 and 13 of the *Bankruptcy and Insolvency General Rules*; and
- (ee) such further and other grounds as counsel may advise and this Honourable Court may permit.

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

- (a) the affidavit of Eugene Chow sworn April 6, 2022 and the exhibits thereto;
- (b) the Consent of MNP to act as receiver, if so appointed; and
- (c) such further and other evidence as counsel may advise and this Honourable Court may permit.

April 6, 2022

MILLER THOMSON LLP
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255 Queens Avenue, Suite 2010
London, ON Canada N6A 5R8

Tony Van Klink LSO#: 29008M
tvanklink@millerthomson.com
Tel: 519.931.3509
Fax: 519.858.8511

**Lawyers for the Applicant,
Bank of Montreal**

APPENDIX "A"

(Conference Details)

Join Zoom Meeting

<https://us06web.zoom.us/j/85976129263?pwd=V1FTYmY5TXRtanVaMkRQbW4vMEZQQT09>

Dial by your location

	<u>+1 778 907 2071</u>
	<u>+1 204 272 7920</u>
Canada	<u>+1 438 809 7799</u>
	<u>+1 587 328 1099</u>
	<u>+1 647 374 4685</u>
	<u>+1 647 558 0588</u>

Find your local number: <https://zoom.us/u/abDk2vJXin>

SERVICE LIST

TO: **MINISTRY OF FINANCE LEGAL SERVICES BRANCH**
Michael Starr Building
33 King Street West, 6th Floor
P.O. Box 627, Station A
Oshawa, ON L1H 8H5

Email: insolvency.unit@ontario.ca

AND TO: **CANADA REVENUE AGENCY**
c/o DEPARTMENT OF JUSTICE (CRA)
The Exchange Tower, Box 36
130 King Street West, Suite 3400
Toronto, ON M5X 1K6

RAKHEE BHANDARI
Tel: 416-952-8563
Email: rakhee.bhandari@justice.gc.ca

AND TO: **MNP LTD.**
111 Richmond Street West, Suite 300
Toronto, ON M5H 2G4

DEBORAH HORNBOSTEL, CPA, CA, CIRP, LIT, CFE
Tel: 416-515-3885
Email: Deborah.hornbostel@mnp.ca

Proposed Court-Appointed Receiver

AND TO: **2035881 ONTARIO INC.**
2 Lansing Square, 11th Floor
Toronto, ON M2J 4P8

APPENDIX "B"

Court File No.

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

THE HONOURABLE) THURSDAY, THE 21st
JUSTICE) DAY OF APRIL, 2022

BANK OF MONTREAL

Applicant

- and -

LAKE TRADING NEWCASTLE INC.

Respondent

APPLICATION UNDER Section 243(1) of the *Bankruptcy and Insolvency Act*,
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R.S.O. 1990, c. c-43, as amended

**ORDER
(appointing Receiver)**

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. c-43, as amended (the "CJA") appointing MNP Ltd. as receiver and manager (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of Lake Trading Newcastle Inc. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day via judicial videoconference at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Eugene Chow sworn April 6, 2022 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant and such other counsel that were present as listed on the participant information sheet, no one

appearing for any other party on the service list although duly served as appears from the affidavit of service, filed, and on reading the consent of MNP Ltd. to act as the Receiver.

SERVICE

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

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the *BIA* and section 101 of the *CJA*, MNP Ltd. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor, including the real property described on Schedule A, acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "Property").

RECEIVER'S POWERS

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

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

inventories and the placement of such insurance coverage as may be necessary or desirable;

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

hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$50,000, provided that the aggregate consideration for all such transactions does not exceed \$100,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act* or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required.

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property, including the real property described on schedule "A";
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants legal counsel and shareholders, and

all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

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

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

information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

7. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days' notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

10. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay

and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

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

RECEIVER TO HOLD FUNDS

13. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of

this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

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

PIPEDA

15. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

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

LIMITATION ON THE RECEIVER'S LIABILITY

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

RECEIVER'S ACCOUNTS

18. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and

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

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

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

FUNDING OF THE RECEIVERSHIP

21. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$125,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges

thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

23. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

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

SERVICE AND NOTICE

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

26. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices

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

GENERAL

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

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

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

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

31. THIS COURT ORDERS that the Applicant shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the

Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

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

Justice, Ontario Superior Court of Justice

Schedule "A"

REAL PROPERTY

PT LT 27 CON 2 CLARKE (NEWCASTLE) AS IN N122327; MUNICIPALITY OF CLARINGTON (PIN 26655-0066(LT)) and municipally known as 216 King Avenue East, Newcastle, Ontario

Schedule "B"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that MNP Ltd., the receiver (the "Receiver") of all assets, undertakings and properties of Lake Trading Newcastle Inc. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor (the "Property") appointed by Order of the Ontario Superior Court of Justice (the "Court") dated the 21st day of April, 2022 (the "Order") made in an action 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 \$125,000 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 last day of each month after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime rate of Bank of Montreal from time to time.

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

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

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued

by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

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

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

DATED the _____ day of _____, 20____.

MNP Ltd., solely in its capacity as Receiver
of the Property, and not in its personal
capacity

Per: _____

Name:

Title:

28
BANK OF MONTREAL and LAKE TRADING NEWCASTLE INC.
Applicant Respondent

Court File No.:

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

Proceeding commenced at TORONTO

NOTICE OF APPLICATION

MILLER THOMSON LLP

One London Place
255 Queens Avenue, Suite 2010
London, ON Canada N6A 5R8

Tony Van Klink LSO#: 29008M

Tel: 519.931.3509

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Email: tvanklink@millerthomson.com

**Lawyers for the Applicant,
Bank of Montreal**

TAB 2

Revised: January 21, 2014
~~s.243(1) BIA (National Receiver) and s. 101 CJA (Ontario) Receiver~~

Court File No. — CV-22-00679501-00CL

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

THE HONOURABLE) ~~WEEKDAY~~ THURSDAY, THE #21st
JUSTICE)
DAY OF ~~MONTH~~ APRIL, ~~20YR~~ 2022

~~PLAINTIFF~~¹

~~Plaintiff~~

BANK OF MONTREAL

Applicant

- and -

~~DEFENDANT~~

~~Defendant~~

LAKE TRADING NEWCASTLE INC.

Respondent

APPLICATION UNDER 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

**ORDER
(appointing Receiver)**

THIS ~~MOTION~~APPLICATION made by the ~~Plaintiff~~Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "*BIA*") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. ~~C.c~~43, as amended (the "CJA") appointing ~~[RECEIVER'S NAME]~~MNP Ltd. as receiver ~~[and manager]~~ (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of ~~[DEBTOR'S NAME]~~Lake Trading Newcastle Inc. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day via judicial videoconference at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of ~~[NAME]~~Eugene Chow sworn ~~[DATE]~~April 6, 2022 and the Exhibits thereto and on hearing the submissions of counsel for ~~[NAMES]~~the Applicant and such other counsel that were present as listed on the participant information sheet, no one appearing for ~~[NAME]~~any other party on the service list although duly served as appears from the affidavit of service ~~of [NAME] sworn [DATE]~~filed, and on reading the consent of ~~[RECEIVER'S NAME]~~MNP Ltd. to act as the Receiver.

SERVICE

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

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the *BIA* and section 101 of the *CJA*, ~~[RECEIVER'S NAME]~~MNP Ltd. is hereby appointed Receiver, without

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security, of all of the assets, undertakings and properties of the Debtor, including the real property described on Schedule A, acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "Property").

RECEIVER'S POWERS

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

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;

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- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings.⁴ The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
- (i) without the approval of this Court in respect of any transaction not exceeding \$~~_____~~50,000, provided that the aggregate consideration for all such transactions does not exceed \$~~_____~~100,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, ~~†~~ or section 31 of the Ontario *Mortgages Act*, as the case may be, ~~‡~~ shall not be required, ~~and in each case the Ontario *Bulk Sales Act* shall not apply.~~

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

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- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property, [including the real property described on schedule "A"](#);
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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

the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

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

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

7. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days' notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

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

regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

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

RECEIVER TO HOLD FUNDS

13. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall

be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

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

PIPEDA

15. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is [61449992.1](#) in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed. ~~DOCSTOR: 17717429~~

LIMITATION ON ENVIRONMENTAL LIABILITIES

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

LIMITATION ON THE RECEIVER'S LIABILITY

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

RECEIVER'S ACCOUNTS

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18. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a

charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.⁶

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

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

FUNDING OF THE RECEIVERSHIP

21. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$ ~~_____~~ 125,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby

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charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

23. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as ~~Schedule~~schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

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

SERVICE AND NOTICE

25. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>)

shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure.

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Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on

transmission. ~~This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL '<@>':~~

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

GENERAL

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

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

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

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

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

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

Justice, Ontario Superior Court of Justice

61449992.1

DOCSTOR: 17717429

DOCSTOR: 17717428

~~SCHEDULE "A"~~ Schedule "A"

DOCSTOR: 17717429

REAL PROPERTY

PT LT 27 CON 2 CLARKE (NEWCASTLE) AS IN N122327; MUNICIPALITY OF CLARINGTON (PIN 26655-0066(LT)) and municipally known as 216 King Avenue East, Newcastle, Ontario

6149902 #1771742-v8-Model_Receivership_Order_(T_Reyes).doc

Schedule "B"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that ~~[RECEIVER'S NAME]~~ MNP Ltd., the receiver (the "Receiver") of ~~the all~~ assets, undertakings and properties ~~[DEBTOR'S NAME]~~ of Lake Trading Newcastle Inc. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, ~~including all proceeds thereof (collectively,~~ (the "Property") appointed by Order of the Ontario Superior Court of Justice (~~Commercial List~~) (the "Court") dated the 21st day of April, ~~20~~ 2022 (the "Order") made in an action having Court file number ~~CL~~ _____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ 125,000 which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded ~~[daily]~~ monthly not in advance on the last day of each month ~~] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ Montreal from time to time.~~

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

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

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

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

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

DATED the ____ day of _____, 20__.

~~[RECEIVER'S NAME]~~ MNP Ltd., solely in its capacity as Receiver of the Property, and not in its personal capacity

Per: _____

Name:

Title:

BANK OF MONTREAL

and

Applicant

LAKE TRADING NEWCASTLE INC.

Respondent

Court File No.: CV-22-00679501-00CL

[Double Click on mouse to Add space for Third Party](#) 

[Double Click on mouse to Add more space to parties line](#) 

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at TORONTO

NOTICE OF APPLICATION

MILLER THOMSON LLP

One London Place

255 Queens Avenue, Suite 2010

London, ON Canada N6A 5R8

Tony Van Klink LSO#: 29008M

Tel: 519.931.3509

Fax: 519.858.8511

Email: tvanklink@millerthomson.com

Lawyers for the Applicant,
Bank of Montreal

Document comparison by Workshare Compare on Thursday, April 7, 2022 9:35:36 AM

Input:	
Document 1 ID	iManage://MTDMSWSSC.MILLERTHOMSON.CORP/Legal/60002236/1
Description	#60002236v1<Legal> - MODEL RECEIVERSHIP ORDER
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Description	#61449992v1<Legal> - Draft Receivership Order - Bank of Montreal - 21-April 2022 (Lake Trading Newcastle)
Rendering set	Standard

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Total changes	181

TAB 3

Court File No.:

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN :

BANK OF MONTREAL

Applicant

- and -

LAKE TRADING NEWCASTLE INC.

Respondent

APPLICATION UNDER 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

Court File No.:

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN :

BANK OF MONTREAL

Applicant

- and -

LAKE TRADING GODERICH INC.

Respondent

APPLICATION UNDER 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

**AFFIDAVIT OF EUGENE CHOW
(Sworn April 6,2022)**

I, Eugene Chow, of the City of Toronto, Province of Ontario, MAKE OATH AND
SAY:

INTRODUCTION

1. I am a senior account manager with the Special Accounts Management Unit (“**SAMU**”) of the applicant, Bank of Montreal (the “**Bank**”). The facts set forth in this affidavit are within my knowledge or determined from the face of documents attached as exhibits or held in the Bank’s records and from information and advice provided to me from others. When matters deposed to herein are based upon information and advice from others, I have identified the source of my information and do verily believe same to be true.

BACKGROUND

2. The Bank is the banker to two related Ontario companies, Lake Trading Newcastle Inc. (“**LT Newcastle**”) and Lake Trading Goderich Inc. (“**LT Goderich**” and together with LT Newcastle, the “**Companies**”) which own and operate gas stations located in Newcastle and Goderich, respectively.

3. LT Newcastle was formed on July 3, 2014. LT Goderich was formed on April 1, 2015. The registered head office for both companies is located in Mississauga, Ontario. A true copy of the corporation profile report for LT Newcastle is attached as **Exhibit A** to this affidavit. A true copy of a corporation profile report for LT Goderich is attached as **Exhibit B** to this affidavit.

4. LT Newcastle owns the Pioneer branded gas station and convenience store located at 216 King Avenue, Newcastle, Ontario (the “**Newcastle Station**”). LT

Goderich owns the Pioneer branded gas station and convenience store located at 79 Victoria Street, Goderich, Ontario (the “**Goderich Station**”).

5. The principal of the Companies is Ally Edha Awadh. Mr. Awadh resides in Tanzania. Sreekumar Vakeel (“**Sreekumar**”) is the Canadian resident director for the Companies and manages the day to day operations of the Newcastle Station and the Goderich Station.

6. The Bank has made credit facilities available to each of the Companies. LT Newcastle has guaranteed payment of the LT Goderich credit facilities. Approximately \$859,000 is outstanding on the LT Newcastle credit facilities and approximately \$660,000 is outstanding on the LT Goderich credit facilities.

7. The Bank holds security over all of the properties and assets of the Companies, including the Newcastle Station and the Goderich Station. In January 2021, the Bank demanded payment of the credit facilities and gave notice to the Companies under s. 244 of the *Bankruptcy and Insolvency Act* of the Bank’s intention to enforce its security.

8. Since demanding payment, the Bank and the Companies have been operating under forbearance agreements to give the Companies time to refinance or sell their gas stations and repay the credit facilities in an orderly fashion.

9. Under the terms of the forbearance arrangement, the Companies are required to continue to operate the gas stations in a commercially reasonable manner. A failure to do so is a forbearance termination event.

10. On March 30, 2022, the Bank learned from Sreekumar that the Goderich Station had been closed and not operating since mid-February, 2022 and the Newcastle Station had closed and ceased operating the previous week. The closure of both stations was described as “temporary” but the Bank was not told when the stations would reopen and resume operating. The closure of the stations came as a surprise to the Bank given the terms of the forbearance agreements and because the Bank had no forewarning of the closures.

11. On April 1, 2022, the Bank notified the Companies that the forbearance arrangement was at an end and that the Bank would be proceeding with the enforcement of its security.

12. In the Forbearance Agreements, the Companies consented to the appointment of a receiver and manager by the court upon the happening of a forbearance termination event.

13. The Bank is concerned that with the stations no longer operating, the value of the businesses and the Bank’s collateral will be impaired. The Bank seeks the appointment of a receiver and manager by the court to protect and preserve the assets of the Companies and to facilitate the realization of those assets.

14. This affidavit is sworn in support of the Bank’s application for an order appointing MNP Ltd. (“**MNP**”) as receiver and manager by the court of the assets, undertakings and properties of the Companies. MNP has consented to act as receiver and manager if so appointed.

THE CREDIT FACILITIES

15. The Bank became the banker to LT Newcastle in or about July 2014 and to LT Goderich in or about April 2015.

The LT Newcastle Credit Facilities

16. The Bank is currently making the following credit facilities available to LT Newcastle (the “**LT Newcastle Credit Facilities**”):

- (a) a \$75,000 operating loan (the “**LT Newcastle Operating Loan**”);
- (b) a non-revolving demand loan¹ with a present principal balance of \$673,899.76 (the “**LT Newcastle Demand Loan**”);
- (c) a \$50,000 letter of credit in favour of the fuel supplier (the “**LT Newcastle L/C**”);
- (d) a \$15,000 MasterCard facility (the “**LT Newcastle MasterCard Facility**”);
and
- (e) a \$60,000 loan under the Canada Emergency Business Account program (the “**LT Newcastle CEBA Loan**”).

17. Attached as **Exhibits C, D, E, F and G** to this affidavit are true copies of the following documents signed by LT Newcastle with respect to the LT Newcastle Credit Facilities:

¹ This loan was originally advanced as a term loan to finance the purchase of the Newcastle Station. The term loan matured on August 31, 202 and at maturity was converted to a non-revolving demand loan.

- (a) Commitment Letter dated July 7, 2014 (Exhibit C);
- (b) Operating Loan Agreement dated July 22, 2014 for the LT Newcastle Operating Loan (Exhibit D);
- (c) Promissory note in the amount of \$942,556.22 for the LT Newcastle Demand Loan (Exhibit E);
- (d) Standby Letter of Credit/Demand Guarantee Indemnity Agreement dated September 5, 2014 for the LT Newcastle L/C (Exhibit F); and
- (e) Corporate MasterCard Account Agreement (Commercial) dated July 9, 2015 for the LT Newcastle MasterCard Facility (Exhibit G).

18. By their terms, the LT Newcastle Operating Loan and LT Newcastle Demand Loan are payable on demand.

19. The amount outstanding on the LT Newcastle Credit Facilities as at April 4, 2022 totaled \$859,643.41, broken down as follows:

Credit Facility	Principal	Interest	Total
Operating Loan	\$ 74,999.71	\$ 64.50	\$ 75,064.21
Demand Loan	\$673,899.76	\$679.44	\$674,579.20
L/C	\$ 50,000.00	N/A	\$ 50,000.00
MasterCard Facility	\$ NIL	\$ NIL	\$ NIL
CEBA Loan	\$ 60,000.00	N/A	\$ 60,000.00
		TOTAL	\$859,643.41

The LT Goderich Credit Facilities

20. The Bank is currently making the following credit facilities available to LT Goderich (the “**LT Goderich Credit Facilities**” and together with the LT Newcastle Credit Facilities, the “**Credit Facilities**”):

- (a) a \$75,000 operating loan (the “**LT Goderich Operating Loan**”);
- (b) a non-revolving demand loan² with a principal balance of \$524,869.61 (the “**LT Goderich Demand Loan**”); and
- (c) a \$60,000 loan under the Canada Emergency Business Account program (the “**LT Goderich CEBA Loan**”).

21. Attached as **Exhibits H** and **I** to this affidavit are true copies of the following documents signed by LT Goderich with respect to the LT Goderich Credit Facilities:

- (a) Operating Loan Agreement dated June 8, 2015 for the LT Goderich Operating Loan (Exhibit H); and
- (b) Promissory note in the amount of \$725,825.40 for the LT Goderich Demand Loan (Exhibit I);

22. By their terms, the LT Goderich Operating Loan and LT Goderich Demand Loan are payable on demand.

23. The amount outstanding on the LT Goderich Credit Facilities as at April 4, 2022 totaled \$660,103.92, broken down as follows:

² This loan was originally advanced as a term loan to finance the purchase of the Goderich Station. The term loan matured on June 30, 2020 and at maturity was converted to a non-revolving demand loan.

Credit Facility	Principal	Interest	Total
Operating Loan	\$ 74,639.70	\$ 64.72	\$ 74,704.42
Demand Loan	\$524,869.61	\$529.19	\$525,398.80
CEBA Loan	\$ 60,000.00	\$ NIL	\$ 60,000.00
		TOTAL	\$660,103.92

24. LT Newcastle has guaranteed to the Bank payment of the LT Goderich Operating Loan and LT Goderich Demand Loan. Attached as **Exhibit J** to this affidavit is a true copy of a Guarantee dated June 8, 2015 signed by LT Newcastle in favour of the Bank for the liabilities of LT Goderich in the principal amount of \$1,084,000.

THE SECURITY

LT Newcastle Security

25. As security for its obligations to the Bank, LT Newcastle has provided the Bank with the following security:

- (a) a General Security Agreement dated July 22, 2014 (the “**LT Newcastle GSA**”), a true copy of which is attached as **Exhibit K** to this affidavit;
- (b) a Charge/Mortgage registered against title to the Newcastle Station as instrument number DR1297507 (the “**LT Newcastle Mortgage**”), a true copy of which is attached as **Exhibit L** to this affidavit; and
- (c) an Assignment of Rents registered against title to the Newcastle Station as instrument number DR1297522 (the “**LT Newcastle Assignment of Rents**”), a true copy of which is attached as **Exhibit M** to this affidavit.

26. By virtue of the above security documents, the Bank holds security over all of the assets, properties and undertakings of LT Newcastle, including the Newcastle Station.

27. Financing statements have been registered in favour of the Bank, as secured party, under the *Personal Property Security Act* (“**PPSA**”) with respect to the LT Newcastle GSA and LT Newcastle Assignment of Rents. A search of registrations against “Lake Trading Newcastle Inc.” under the *PPSA* as of April 3, 2022 is attached as **Exhibit N** to this affidavit. The only registrations disclosed by that search are two registrations in favour of the Bank.

28. It is my belief and understanding that, subject to any government priority claims, the Bank has a first ranking security interest over the personal property of LT Newcastle.

29. A true copy of the parcel register for the Newcastle Station is attached as **Exhibit O** to this affidavit. The parcel register does not disclose any charges registered prior to the LT Newcastle Mortgage.

30. It is my belief and understanding that, subject to unpaid realty taxes and other government priority claims, the Bank has a first ranking security over the Newcastle Station.

LT Goderich Security

31. As security for its obligations to the Bank, LT Goderich has provided the Bank with the following security:

- (a) a General Security Agreement dated June 8, 2015 (the “**LT Goderich GSA**”), a true copy of which is attached as **Exhibit P** to this affidavit;
- (b) a Charge/Mortgage registered against title to the Goderich Station as instrument number HC108368 (the “**LT Goderich Mortgage**”), a true copy of which is attached as **Exhibit Q** to this affidavit; and
- (c) an Assignment of Rents registered against title to the Goderich Station as instrument number HC108369 (the “**LT Goderich Assignment of Rents**”), a true copy of which is attached as **Exhibit R** to this affidavit.

32. By virtue of the above security documents, the Bank holds security over all of the assets, properties and undertakings of LT Goderich, including the Goderich Station.

33. Financing statements have been registered in favour of the Bank, as secured party, under the *Personal Property Security Act* (“**PPSA**”) with respect to the LT Goderich GSA and LT Goderich Assignment of Rents. A search of registrations against “Lake Trading Goderich Inc.” under the *PPSA* as of April 3, 2022 is attached as **Exhibit S** to this affidavit. The only registrations disclosed by that search are two registrations in favour of the Bank and a subsequent registration in favour of Pioneer Energy LP, the fuel supplier.

34. It is my belief and understanding that, subject to any government priority claims, the Bank has a first ranking security interest over the personal property of LT Goderich.

35. A true copy of the parcel register for the Goderich Station is attached as **Exhibit T** to this affidavit. The parcel register does not disclose any charges registered prior to the LT Goderich Mortgage.

36. It is my belief and understanding that, subject to unpaid realty taxes and other government priority claims, the Bank has a first ranking security over the Goderich Station.

THE EVENTS OF DEFAULT AND THE TRANSFER TO THE SAMU

37. The SAMU is responsible for the management and administration of credit facilities and accounts having a higher than acceptable level of risk. Responsibility for the oversight and administration of the Companies accounts and the Credit Facilities was transferred to the SAMU in the fall of 2020 as a result of (i) the Companies poor financial performance, (ii) the Companies failing to provide required financial reporting and communicate with the Bank on a timely basis, and (iii) the Companies having further encumbered the Newcastle Station and Goderich Station with a second mortgage without the Bank's prior approval.

THE BANK DEMANDS PAYMENT

38. Following the transfer to the SAMU, in December 2020, the second mortgagee on the Newcastle Station and the Goderich Station obtained a judgment against the Companies in the amount of \$860,187.50 (the "**Judgment**"), a true copy of which is attached as **Exhibit U** to this affidavit. Under paragraph 9 of the LT Newcastle GSA and LT Goderich GSA and section I of the standard charge terms included in the LT

Newcastle Mortgage and LT Goderich Mortgage, the entry of the Judgment was a default under the LT Newcastle GSA, LT Goderich GSA, LT Newcastle Mortgage and LT Goderich Mortgage.

39. On January 14, 2021 the Bank demanded payment of the Credit Facilities other than the LT Newcastle CEBA Loan and LT Goderich CEBA Loan, and gave notice to the Companies under s. 244 of the *BIA* (the “**s. 244 Notice**”) of the Bank’s intention to enforce its security. A true copy of the demand for payment and s. 244 notice issued to LT Newcastle is attached as **Exhibit V** to this affidavit. A true copy of the demand for payment and s. 244 notice issued to LT Goderich is attached as **Exhibit W** to this affidavit

THE FORBEARANCE AGREEMENTS

40. In January 2021, the Bank entered into forbearance agreements (the “**Forbearance Agreements**”) with the Companies and the guarantors of the Companies liabilities to the Bank. A true copy of the Forbearance Agreement for LT Newcastle is attached as **Exhibit X** to this affidavit. A true copy of the Forbearance Agreement for LT Goderich is attached as **Exhibit Y** to this affidavit.

41. In the Forbearance Agreements,

- (a) the Bank agreed to forbear from the enforcement of its security until the earlier of April 30, 2021 and the occurrence of a forbearance termination event, and

- (b) the Companies (i) acknowledged their indebtedness to the Bank and the validity and enforceability of the security held by the Bank, and (ii) agreed to diligently pursue the sale and/or refinancing of the Newcastle Station and Goderich Station and repay the Credit Facilities, in full, by the end of the forbearance period (April 30, 2021 unless ended earlier by a forbearance termination event).

42. The Credit Facilities were not repaid in full by April 30, 2021 as required by the Forbearance Agreements.

43. Prior to the expiry of the forbearance period, in early March 2021 the Judgment was satisfied. Attached as **Exhibit Z** to this affidavit is a true copy of a Satisfaction Piece with respect to the Judgment.

44. By Forbearance Extension Agreements made as of May 1, 2021, the Bank and the Companies agreed to extend the forbearance period until the earlier of (i) the occurrence of a forbearance termination event, and (ii) the Bank giving not less than 60 days written notice that it would no longer forbear from the enforcement of its security. A true copy of the Forbearance Extension Agreement for LT Newcastle is attached as **Exhibit AA** to this affidavit. A true copy of the Forbearance Extension Agreement for LT Goderich is attached as **Exhibit BB** to this affidavit.

THE FORBEARANCE TERMINATION EVENT

45. In the Forbearance Agreements, the Companies covenanted that during the forbearance period they would, among other things, carry on the operation of their gas

station businesses in a commercially reasonable and prudent manner (the “**Going Concern Covenant**”). The Going Concern Covenant was important to the Bank as the continued operation of the Newcastle Station and Goderich Station would help preserve the value of those businesses and assist the Companies in their refinancing and sale efforts.

46. The Forbearance Agreements provide that the following shall be forbearance termination events (“**Forbearance Termination Events**”):

- (a) a default in the performance of any obligation or covenant in the Forbearance Agreement or any other agreement between the Companies and the Bank, other than the continuation of any defaults existing at the date of the Forbearance Agreement of which the Bank had knowledge;
- (b) a default under the loan documents or the security, other than the continuation of any defaults existing at the date of the Forbearance Agreement of which the Bank had knowledge; and
- (c) a material adverse change in the Companies’ businesses or their assets, liabilities or condition (financial or otherwise) has occurred.

47. On March 30, 2022, I spoke with Sreekumar by telephone. During the call Sreekumar advised me that the Goderich Station had been closed and not operating since mid-February and that the Newcastle Station had closed and ceased operating the prior week. Sreekumar described the closures as “temporary” but did not advise if or when the Goderich Station or Newcastle Station would reopen.

48. Prior to the telephone call with Sreekumar, I was unaware that the gas stations had been shut down and were no longer operating. The closure of the stations came as a surprise to me given the terms of the Forbearance Agreement and because the Bank had not been told in advance of the Companies plan to close the stations.

49. The closing and cessation of operation of the Newcastle Station and the Goderich Station is a breach of the Going Concern Covenant and is a default under the LT Newcastle GSA, LT Goderich GSA, LT Newcastle Mortgage and LT Goderich Mortgage and is a Forbearance Termination Event under the Forbearance Agreements.

50. The Forbearance Agreements provide that upon the happening of a Forbearance Termination Event, the forbearance period shall be at an end and the Bank shall be entitled to immediately enforce its security. In the Forbearance Agreements, the Companies consented to the making of a receivership order upon the conclusion of the forbearance period. Sections 13.1 to 13.3 of the Forbearance Agreements read as follows:

13.1 Upon the conclusion of the Forbearance Period, the Bank shall be under no obligation to continue to forbear from any Enforcement Action. Upon the conclusion of the Forbearance Period, the Bank shall be entitled, in its sole discretion, to immediately and without further notice exercise its rights and remedies against the Borrower, the Guarantors and under the Security for repayment of the Credit Facilities, including any Enforcement Action. The Borrower and the Guarantors agree that they will not oppose any Enforcement Action by the Bank, including, without limitation, any application (a "**Receivership Application**") by the Bank to the Ontario Superior Court of Justice for the appointment of a receiver or receiver and manager in respect of the Business or the Borrower's property and assets, including the Property. The Borrower and the Guarantors irrevocably consent to an order appointing a receiver and manager upon the conclusion of the

Forbearance Period in the form of the model receivership order established by the Commercial Court users committee.

- 13.2 The Borrower and the Guarantors irrevocably waive any requirement for service of the Receivership Application.
- 13.3 In the event of the taking of any Enforcement Action by the Bank following the conclusion of the Forbearance Period, the Borrower and the Guarantors agree to co-operate with and fully assist the Bank, or any receiver or receiver and manager appointed at the instance of the Bank, in the enforcement of the Security and the realization of the assets subject to the Security.

51. By letter dated April 1, 2022 from the Bank's counsel, Miller Thomson LLP, the Companies were notified that a Forbearance Termination event had occurred and of the Bank's intention to enforce its security. Copies of the letters are attached as **Exhibit CC** to this my affidavit.

THE BANK SEEKS TO ENFORCE ITS SECURITY AND APPOINT A RECEIVER

52. Under the terms Forbearance Agreements the Companies are required to make payments on the Credit Facilities on the last day of each month. During the Forbearance Period, the payments have been frequently late, but have been made. As at the date of this affidavit, the monthly payments required to be made on the Credit Facilities have been made. Despite same, the Bank is concerned that the shutting down of the Newcastle Station and Goderich Station will impair the value of the gas stations and the Bank's collateral.

53. The shutdown of the gas stations without warning has caused the Bank to lose confidence in the Companies' ability and willingness to sell or refinance the gas stations and fully repay the Credit Facilities in a timely manner.

54. The security held by the Bank grants to the Bank the right to appoint a receiver on default.

55. The Bank seeks the appointment of MNP as receiver and manager to secure, protect and facilitate the realization of the assets, undertakings and properties of the Companies, including the Newcastle Station and Goderich Station.

56. As receiver, MNP will be able to assess the best course of action for the Newcastle Station and Goderich Station going forward, including the continued operation of the stations during a sale process. The Receiver will also be able to investigate and report to the Court regarding any potential environmental or other concerns with the Newcastle Station and the Goderich Station and, if the stations are to be operated during a sale process, ensure that such is done safely and in accordance with applicable laws and regulations.

57. A receiver appointed by the Court will also be able to deal with any rights of the gas supplier, either through a disclaimer or assignment of any rights that may exist, to facilitate a sale of the Newcastle Station and Goderich Station.

58. A receivership conducted under the court's supervision will facilitate the realization of the security held by the Bank and will ensure that the assets of the Companies are realized upon and administered in accordance with the rights of the Bank and other parties.

59. The Bank requests the assistance of this Honourable Court and proposes that MNP be appointed as receiver by the court.

60. MNP is a licensed trustee in bankruptcy and is prepared to act as receiver if so appointed by the court.

SWORN BEFORE ME via video-conference with the deponent in the City of Toronto, Ontario, and the Commissioner in the Municipality of Thames Centre, Ontario this 6th day of April, 2022. This affidavit was commissioned remotely and the declaration was administered in accordance with Ontario *Regulation 431/20*.

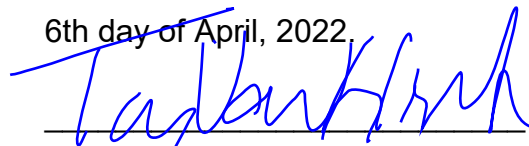
A Commissioner for taking affidavits in and for the Province of Ontario.

(Tony Van Klink)

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Eugene Chow

Attached are Exhibits A to CC to the
Affidavit of Eugene Chow sworn the
6th day of April, 2022.



A Commissioner, Etc.

EXHIBIT “A”

Ministry of Government and
Consumer Services

Profile Report

LAKE TRADING NEWCASTLE INC. as of April 04, 2022

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	LAKE TRADING NEWCASTLE INC.
Ontario Corporation Number (OCN)	2425171
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	July 03, 2014
Registered or Head Office Address	216 King Avenue East, Newcastle, Ontario, Canada, L1B 1H5

Certified a true copy of the record of the Ministry of Government and Consumer Services.

A handwritten signature in black ink, appearing to read "Barbara Duckitt".

Director/Registrar

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

Active Director(s)

Minimum Number of Directors 1
Maximum Number of Directors 10

Name Ally Edha AWADH
Address for Service [Not Provided], C/o Lake Oil Ltd., Plot No. 49 Block B
Mikocheni Light Area, Dar Es Salaam, [Not Provided],
Tanzania, United Republic Of, [Not Provided]
Resident Canadian No
Date Began July 03, 2014

Name Ally Edha AWADH
Address for Service 2045 Lake Shore Blvd W, 4305, Toronto, Ontario, Canada,
M8V 2Z6
Resident Canadian No
Date Began July 03, 2014

Name Ally Edha AWADH
Address for Service 2045 Lake Shore Blvd W, 430, Toronto, Ontario, Canada,
M8V 2Z6
Resident Canadian No
Date Began July 03, 2014

Name Parvinder SINGH
Address for Service 10 Derby Road, Brampton, Ontario, Canada, M8V 2Z6
Resident Canadian Yes
Date Began July 29, 2021

Name Parvinder SINGH
Address for Service 10 Derby Road, Brampton, Ontario, Canada, L6Y 4N2
Resident Canadian Yes
Date Began July 29, 2021

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Barbara Duckitt

Director/Registrar

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Name Sreekumar VAKEEL
Address for Service 33 Poplar Plains Road, Brampton, Ontario, Canada, L7A 1Z5
Resident Canadian Yes
Date Began October 01, 2021

Name Sumaia Salem YESLAM
Address for Service [Not Provided], C/o Lake Oil Ltd., Plot No. 49 Block B
Mikocheni Light Are, Dar Es Salaam, [Not Provided],
Tanzania, United Republic Of, [Not Provided]
Resident Canadian No
Date Began July 03, 2014

Name Sumaia Salem YESLAM
Address for Service 2045 Lake Shore Blvd W, 4305, Toronto, Ontario, Canada,
M8V 2Z6
Resident Canadian No
Date Began July 03, 2014

Name Sumaia Salem YESLAM
Address for Service 2045 Lake Shore Blvd W, 430, Toronto, Ontario, Canada,
M8V 2Z6
Resident Canadian No
Date Began July 03, 2014

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Active Officer(s)

Name Ally Edha AWADH
Position President
Address for Service 2045 Lake Shore Blvd W, 4305, Toronto, Ontario, Canada, M8V 2Z6
Date Began July 21, 2021

Name Ally Edha AWADH
Position Secretary
Address for Service 2045 Lake Shore Blvd W, 4305, Toronto, Ontario, Canada, M8V 2Z6
Date Began July 21, 2021

Name Ally Edha AWADH
Position President
Address for Service 2045 Lake Shore Blvd W, 430, Toronto, Ontario, Canada, M8V 2Z6
Date Began July 21, 2021

Name Ally Edha AWADH
Position Secretary
Address for Service 2045 Lake Shore Blvd W, 430, Toronto, Ontario, Canada, M8V 2Z6
Date Began July 21, 2021

Name Parvinder SINGH
Position General Manager
Address for Service 10 Derby Road, Brampton, Ontario, Canada, M8V 2Z6
Date Began July 29, 2021

Name Parvinder SINGH
Position General Manager
Address for Service 10 Derby Road, Brampton, Ontario, Canada, L6Y 4N2
Date Began July 29, 2021

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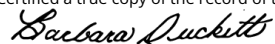
Corporate Name History**Name**

LAKE TRADING NEWCASTLE INC.

Effective Date

July 03, 2014

Certified a true copy of the record of the Ministry of Government and Consumer Services.



Director/Registrar

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Active Business Names

Name	FRIENDLY CONVENIENCE STORE
Business Identification Number (BIN)	300377710
Registration Date	April 14, 2020
Expiry Date	April 13, 2025

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Expired or Cancelled Business Names

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

Certified a true copy of the record of the Ministry of Government and Consumer Services.

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Director/Registrar

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Document List

Filing Name	Effective Date
CIA - Notice of Change PAF: Sreekumar VAKEEL	November 03, 2021
CIA - Notice of Change PAF: ALLY EDHA AWADH - DIRECTOR	August 06, 2021
Annual Return - 2020 PAF: SREEKUMAR VAKEEL - DIRECTOR	May 09, 2021
Annual Return - 2019 PAF: SREEKUMAR VAKEEL - DIRECTOR	November 22, 2020
Annual Return - 2018 PAF: SREEKUMAR VAKEEL - DIRECTOR	June 18, 2019
Annual Return - 2017 PAF: SREEKUMAR VAKEEL - DIRECTOR	June 21, 2018
Annual Return - 2016 PAF: SREEKUMAR VAKEEL - DIRECTOR	July 09, 2017
Annual Return - 2015 PAF: SREEKUMAR VAKEEL - DIRECTOR	April 30, 2016
CIA - Notice of Change PAF: SREEKUMAR VAKEEL - DIRECTOR	July 13, 2015
Annual Return - 2014 PAF: SREEKUMAR VAKEEL - DIRECTOR	May 30, 2015
CIA - Notice of Change PAF: RANJEET WALIA - OTHER	July 22, 2014
BCA - Articles of Incorporation	July 03, 2014

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

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EXHIBIT “B”

Ministry of Government and
Consumer Services

Profile Report

LAKE TRADING GODERICH INC. as of April 04, 2022

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	LAKE TRADING GODERICH INC.
Ontario Corporation Number (OCN)	2460471
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	April 01, 2015
Registered or Head Office Address	79 Victoria Street North, Goderich, Ontario, Canada, N7A 2R9

Certified a true copy of the record of the Ministry of Government and Consumer Services.

A handwritten signature in cursive script that reads "Barbara Duckitt".

Director/Registrar

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Active Director(s)

Minimum Number of Directors 1
Maximum Number of Directors 10

Name Allyedha AWADH
Address for Service [Not Provided], Plot # 49 Block # B, Mickocheni Light Industrial Area, Dares Salaam, [Not Provided], Tanzania, United Republic Of, [Not Provided]
Resident Canadian No
Date Began April 01, 2015

Name Allyedha AWADH
Address for Service 2045 Lakeshore Blvd W, 4305, Toronto, Ontario, Canada, M8V 2Z6
Resident Canadian No
Date Began April 01, 2015

Name Allyedha AWADH
Address for Service 2045 Lakeshore Blvd W, 430, Toronto, Ontario, Canada, M8V 2Z6
Resident Canadian No
Date Began April 01, 2015

Name Parvinder SINGH
Address for Service 10 Derby Road, Brampton, Ontario, Canada, L6Y 4N2
Resident Canadian Yes
Date Began July 29, 2021

Name Sreekumar VAKEEL
Address for Service 33 Poplar Plains Road, Brampton, Ontario, Canada, L7A 1Z5
Resident Canadian Yes
Date Began October 01, 2021

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Name	Sumaia Salem YESLAM
Address for Service	[Not Provided], Plot # 49 Block # B, Mickocheni Light Industrial Area, Dares Salaam, [Not Provided], Tanzania, United Republic Of, [Not Provided]
Resident Canadian	No
Date Began	April 01, 2015
Name	Sumaia Salem YESLAM
Address for Service	2045 Lakeshore Blvd W, 4305, Toronto, Ontario, Canada, M8V 2Z6
Resident Canadian	No
Date Began	April 01, 2015
Name	Sumaia Salem YESLAM
Address for Service	2045 Lakeshore Blvd W, 430, Toronto, Ontario, Canada, M8V 2Z6
Resident Canadian	No
Date Began	April 01, 2021

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Barbara Duckitt

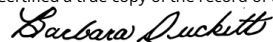
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Active Officer(s)

Name	Allyedha AWADH
Position	President
Address for Service	2045 Lakeshore Blvd W, 4305, Toronto, Ontario, Canada, M8V 2Z6
Date Began	July 21, 2021
Name	Allyedha AWADH
Position	Secretary
Address for Service	2045 Lakeshore Blvd W, 4305, Toronto, Ontario, Canada, M8V 2Z6
Date Began	July 21, 2021
Name	Allyedha AWADH
Position	President
Address for Service	2045 Lakeshore Blvd W, 430, Toronto, Ontario, Canada, M8V 2Z6
Date Began	July 21, 2021
Name	Allyedha AWADH
Position	Secretary
Address for Service	2045 Lakeshore Blvd W, 430, Toronto, Ontario, Canada, M8V 2Z6
Date Began	July 21, 2021
Name	Parvinder SINGH
Position	General Manager
Address for Service	10 Derby Road, Brampton, Ontario, Canada, L6Y 4N2
Date Began	July 29, 2021

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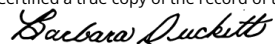
Corporate Name History**Name**

LAKE TRADING GODERICH INC.

Effective Date

April 01, 2015

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Active Business Names

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

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Expired or Cancelled Business Names**Name**BUSINESS & OPERATING NAME: LAKE TRADING GODERICH
INC TRADE NAME : PIONEER SNACK EXPRESS**Business Identification Number (BIN)**

291289270

Status

Inactive - Expired

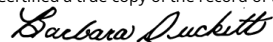
Registration Date

December 05, 2019

Expired Date

December 04, 2024

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Document List

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CIA - Notice of Change PAF: Sreekumar VAKEEL	November 03, 2021
CIA - Notice of Change PAF: ALLY EDHA AWADH - DIRECTOR	August 06, 2021
Annual Return - 2020 PAF: SREEKUMAR VAKEEL - DIRECTOR	May 09, 2021
Annual Return - 2019 PAF: SREEKUMAR VAKEEL - DIRECTOR	November 22, 2020
CB - Memo to File (461m)	February 05, 2020
Annual Return - 2018 PAF: SREEKUMAR VAKEEL - DIRECTOR	June 23, 2019
Annual Return - 2017 PAF: SREEKUMAR VAKEEL - DIRECTOR	June 21, 2018
Annual Return - 2016 PAF: SREEKUMAR VAKEEL - DIRECTOR	July 09, 2017
Annual Return - 2015 PAF: SREEKUMAR VAKEEL - DIRECTOR	April 30, 2016
BCA - Articles of Incorporation	April 01, 2015

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EXHIBIT “C”

BMO  Bank of Montreal

July 7, 2014
Mr. Ally Edha Awadh
c/o Lake Holdings Inc.
Suite 903, 45 St. Clair Avenue West,
Toronto, Ontario
4V 1K9

Dear Ally Edha Awadh,

We are pleased to advise that we have authorized the following credit facilities for you, as outlined in the attachment upon completion of share purchase of the subject company.

In accepting this commitment you acknowledge that, if in the opinion of the Bank, a material adverse change in risk occurs, including without limiting the generality of the foregoing, any material adverse change in the financial condition of the Borrower, any obligation to advance some or all of the above facilities may be withdrawn or cancelled.

On this understanding, we request your acceptance of the following by signing and returning the enclosed copy of the letter by July 10, 2014. At that point accounts will be opened and security documentation will be prepared.

We wish to thank you for approaching Bank of Montreal for your company's requirements and we look forward to an ongoing mutually beneficial relationship.

Yours truly,
BMO Bank of Montreal

M. Wolfer

Mike Wolfer
Business Development Manager
905-878-1247

Joe Zhou

Joe Zhou
Account Manager
905 878 0212

COMMITMENT LETTER

<u>Borrower</u>	Lake Trading Newcastle Inc.
<u>Lender</u>	BMO Bank of Montreal (the "Bank")
<u>Guarantors</u>	Ally Edha Awadh, Sumaia Salem Yeslam and Lake Oil Ltd
<u>Credit Facility # 1</u>	Fixed Rate Term Loan
<u>Amount:</u>	\$1,982,500
<u>Loan Purpose:</u>	To assist with purchase of ESSO Gas Station located at 216 King Avenue, Newcastle, Ontario p/p \$3,200,000 having appraised value on going concern basis \$3,050,000 maximum financing 65% loan to value based on the lesser of purchase price or AACI appraisal report.
<u>Repayment:</u>	Repayable over 15 years with maximum 75% of the remaining life expectancy of the property.
<u>Interest Rate:</u>	<u>Fixed Rate Term Loan</u> To be determined based on applicable rates at time the funds are booked. For your Information as of July 41,2014 the following are current rates which would apply to a Fixed Rate. (Rates are subject to change at time of draw) 2 Years 4.06% mthly payment appx \$14,727.71
<u>Amortization:</u>	Up to 15 years
<u>Term:</u>	1-5 years
<u>Repayment:</u>	Loan advances made under this option will be amortized over a maximum of 15 years with blended payments of principal and interest monthly.
<u>Refundable Rate Reservation Fee:</u>	The Borrower can reserve an interest rate up to 45 days prior to draw down upon payment of a 1% refundable rate reservation fee. In the event financing is not offered by the Bank, or if the loan is advanced at the reserved rate, then the 1% reservation fee is refunded in full. If the loan is not advanced at the reserved rate the fee is considered earned by the Bank.
<u>Prepayment Privilege</u>	Borrower is not permitted to prepay the loan.
<u>Credit Facility #2</u>	Firstbank Overdraft Lending
<u>Purpose</u>	For general working capital purposes. Limit maximum 75% of the total size of the fuel tanks in litres at Newcastle site. (130,000 litres maximum \$97,500)
<u>Amount</u>	\$75,000
<u>Repayment</u>	To fluctuate from cash flow.

<u>Interest Rate</u>	Prime plus 2.225%. Prime Rate means the floating annual rate of interest established from time to time by the Bank of Montreal as the reference rate it will use to determine rates of interest on Canadian dollar loans to customers in Canada.
<u>Monthly Fees</u>	\$75.00
<u>Credit Facility #3</u>	Letter of Credit
<u>Purpose</u>	To cover any outstanding remittances that may be due by the Dealer to the Marketer –Parkland Fuels for gasoline products supplied. One year with auto renewal.
<u>Amount</u>	\$50,000.
<u>Repayment</u>	N/A. Any drawings by the beneficiary (the Distributor) would be a result of non-payment for inventory cash sales by the Retail Dealer.
<u>Fees</u>	Prevailing matrix fee structure.

GENERAL TERMS AND CONDITIONS

- Conditions Precedent:**
1. Compliance with all covenants in this agreement.
 2. Execution and delivery of acceptable credit and security documentation which embodies the terms and conditions contained herein, with satisfactory legal opinions including Satisfactory completion of the Bank's standard environmental questionnaire.
 3. Payment of all fees and expenses payable to the Bank including the payment of Lender's counsel
 4. Satisfactory due diligence including financial, operational review, market report, IT report, legal report, etc. of the Borrower by the Bank.
 5. Satisfactory PPSA and Credit Bureau on the Borrower.
 6. Provision of satisfactory KYC information as per discussions held on this date. To be provided prior to advance of any funding.

Covenant

Borrower is to maintain a debt service coverage ratio of no less than 1.25 to 1 to be tested on an annual basis on financial statements of the borrower with funds injected as needed. To ensure this covenant is met to be signed by both the borrower & the guarantors. Debt servicing is defined:

Net income plus total interest expense plus depreciation & amortization expense, divided by all anticipated principal & interest repayment required under obligations for borrowed funds, plus all capital lease payments, dividends, repayment of shareholder loans & any advances to related parties.

Fees:

The borrower will be responsible for payment of the following fees:

1. Legal fees for preparing and registering security documentation. The bank will cover legal fees for government guaranteed loan;
2. Application fee of \$7,600 to offset the Bank's cost for further evaluating your financing requirements was received and is earned with the provision of this financing commitment.
3. Commitment fee \$3,400 is due and payable on acceptance of a financing commitment.
4. The Bank will be entitled to receive its standard charges for additional services which may be provided to the borrower from time to time & may be entitled to additional compensation in those instances when the borrower is operating outside the terms and conditions contemplated herein.

Reporting:

1. Financial statements of Borrower, prepared in accordance with generally accepted accounting principles and bearing accountant's comments, to be submitted within 120 days following year end.
2. Updated Personal Net Worth Statements of all shareholders, annually.
3. Annual confirmation property taxes are up to date for subject property.
4. Annual confirmation renewal of fire insurance as requested showing BMO Bank of Montreal as loss payee & standard mortgage clause.
5. Other documentation or confirmation as considered reasonable requested by the bank & it's solicitors from time to time.

Security:

1. Firstbank life insurance to be offered to owners with first bank life insurance or assignment key person life insurance \$1,000,000 on Sreekumar Vakeel.
 2. General Security Agreement, solicitor prepared where appropriate, to be registered under appropriate provincial legislation, representing a first fixed and floating charge over all company assets with satisfactory letter of opinion from the bank's solicitor to confirm the bank has good & valid first charge.
 3. Joint & several personal guarantees signed by Ally Edha Awadh & Sumaia Salem in the amount of \$2,107,500.
 4. Personal guarantee signed by Sreekumar Vakeel in the amount of \$2,107,500 under independent legal advice..
 5. Debt servicing deficiency agreement signed by the guarantors agreeing to inject funds to ensure debt service covenant is met.
 6. Assignment & pledge over a BMO Bank of Montreal GIC, short term GIC or term deposit in the amount of \$1,200,000.
 7. Fixed rate term loan agreement in the amount of \$1,982,500.
 8. 1st collateral all indebtedness mortgage in the amount of \$2,107,500 over 216 King Avenue East, Newcastle, Ontario to secure all present and future advances, including clauses for the following:
No secondary financing without Bank's prior written consent
-

Provision of Reporting Requirements

Acceleration clause with respect to maintenance of Debt Service Coverage of 1.25x

Standard receiver/manager clause

Standard due on sale clause including any change in ownership

9. Assignment of rents & leases to be registered on title PPSA & land titles-BMO Bank of Montreal solicitor prepared.
 10. Solicitor's letter of opinion to confirm the bank has good & valid first charge over the property,taxes are up to date & property meets municipal zoning & by laws.Title insurance from Bank approved firm in lieu of SLO for property with all other matters SLO needed.
 11. AACI Appraisal & transmittal letter from Ridley & Associates appraised value Jan 23,2014 for \$3,050,000 (on file)
 12. Up to date Phase II Environmental Assessment dated November 21,2012 from A & A Environmental Consultants Inc on file & reliance letter to be provided.
 13. Environmental Checklist and Indemnity signed by the borrower & guarantors to be satisfactory to bank
 14. Pollution liability insurance in the amount of \$2,000,000 with loss payable to the bank.
 15. Assignment full covering Fire & All Perils insurance to cover total advances \$2,107,500.
 16. Copies of executed Wholesaler's Supply Agreement and lease agreement
 17. Subrogation of all shareholder loans to be treated as equity.
 18. Appropriate acknowledgment and indemnity documentation Form 778 re: Letter of Credit \$50,000.
 19. Executed commitment letter.
 20. Satisfactory credit reports (on file)
 21. Purchase and sale agreement dated May 22,2014 on file with final waiver to be provided.
 22. Confirmation of down payment in the amount of \$1,217,500.
 23. PPSA & Property searches (on file)
 24. Accountant prepared opening balance sheet for company as at closing.
 25. Bankers report on Lake Oil ltd from Commercial Bank of Africa Tanzania Limited.
 26. Bankers report on Lake Oil ltd from Bank of Africa Tanzania Limited-final report to be provided.
 27. Articles of Incorporation on file with current account authorities.
 28. Firstbank operating agreement \$75,000.
 29. Other documentation may be required depending on the circumstances
-


and nature of security to be obtained.

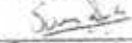
Confidentiality:	The Company agrees, that without the prior written consent of Bank, it shall not provide this Financing Proposal to parties other than its employees and professional advisors, nor shall the Company discuss the terms and structure of this offering with any other party that has been invited to propose an investment in the Company.
Representations and Warranties:	Those usual and customary for transactions of this type including, but not limited to: (a) confirmation of corporate status and authority, (b) no unreported existing security interests, and (c) compliance with all laws including environmental laws and regulations and other environmental matters The Borrower acknowledges that, the Facilities contained herein, are for use by the Borrower and will be used for the Borrower's business purposes only.
Material Adverse Change:	Nothing shall have occurred which would have a material adverse effect upon the business, operations or properties of the Borrower, the rights and remedies of the Bank, or the ability of the Borrower to perform its obligations to the Bank.
General Indemnities:	Customary for credit facilities of this nature. The Borrowers will indemnify the Bank against all losses, liabilities, claims, damages or expenses, including without limitation legal or other expenses, incurred in connection with the entry into and performance of the Credit Facilities or the use of the Credit Facility proceeds, or the consummation of any transaction (including the Transaction) contemplated by the Credit Agreement, including the reasonable fees and disbursements of Bank's counsel.
Expenses:	All reasonable out-of-pocket costs and expenses incurred by the Bank including fees and disbursements of legal counsel will be for the account of the Borrower after acceptance of a committed offer, whether or not the transaction contemplated herein is completed.
Authorization and Consent:	The Borrower authorizes and consents to reproduction, disclosure and use by the Arranger of information about the Borrower (including, without limitation, the Borrower's name and any identifying logos) and the Transaction to enable the Arranger to publish promotional "tombstones" and other forms of notices of the financings in any manner and in any media including, without limitation, brochures.
Absence of Enforceable Agreement:	Except for the terms and provisions of this Section and the Sections above headed Fees, Expenses, and those provisions related to confidentiality, this document is not an enforceable agreement between us, but is merely a statement of intent which sets forth the general basis upon which we intend to proceed. Except for this Section and the Sections above headed Fees, Expenses, and those provisions related to confidentiality, no contract will arise as to the subject matter hereof unless and until a formal Offer to Finance is negotiated, approved, executed and delivered by the parties.
Governing Law:	Province of Ontario and or any other relevant province.
Bank's Legal Counsel:	To be determined


Please proceed with a formal application for financing based upon the proposal outlined in the attached letter dated July 7, 2014 to acknowledge that the letter is for discussion purposes only and is not considered to be an offer of financing or a commitment by the Bank of Montreal.

ACCEPTANCE

Dated this 07 day of July, 2014

Per: 
Name: MLL EDHA AWADH
Title: CHAIRMAN & MANAGING DIRECTOR

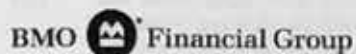
Per: 
Name: SUMAYA SALEH YUSUF
Title: DIRECTOR

Per: 
Name: SREEKUMAR VAKTEL
Title: ~~MANAGING~~ DIRECTOR

"We have the authority to bind the Corporation"

EXHIBIT “D”

3



Operating Loan Agreement with Availment in Canadian Dollars

To: Bank of Montreal

Date: July 22, 2014

The undersigned hereby requests Bank of Montreal (the "Bank") to provide a credit facility to the undersigned, subject to the following terms and conditions:

1. DEFINED TERMS

In this Agreement:

- 1.01 "Account" shall mean the Canadian Dollar Account No. 2987-1997-546 at the Bank.
- 1.02 "Facility Fee" shall mean a fixed monthly fee of \$ 75.00.
- 1.03 "Loan" shall mean the credit facility (if any) provided pursuant to this Agreement and the amount of the Loan shall mean at any time the aggregate of all amounts debited to the Account (including without limitation cheques, transfers, withdrawals, interest, costs, charges and fees) less the aggregate of all amounts credited to the Account for which the Bank has given value.
- 1.04 "Loan Limit" shall mean SEVENTY FIVE THOUSAND Dollars (\$ 75,000.00) or such lesser amount as may be determined by the Bank from time to time including, without limitation, pursuant to a calculation under the Lending Margin Calculation, if any, set out in the Addendum hereto.
- 1.05 "Loan Rate" shall mean a rate equal to the Bank's Prime Rate plus TWO AND 225/1000 per cent (2.225%) per annum.
- 1.06 "Prime Rate" shall mean the floating annual rate of interest established from time to time by the Bank as the reference rate it will use to determine the rate of interest payable to the Bank by borrowers from the Bank in Canadian dollars in Canada and designated by the Bank as its Prime Rate. The Prime Rate on the date hereof is three per cent (3.00%) per annum.
- 1.07 "Overdraft Rate" shall mean the annual rate of interest established from time to time by the Bank as the interest rate it will use to calculate the interest payable on overdrawn accounts and designated by the Bank as the "Overdraft Rate". The Overdraft Rate on the date hereof is TWENTY-ONE per cent (21.00%) per annum.

2. ACCOUNT

- 2.01 Cheques drawn and debits of other kinds made on the Account (including, without limitation, transfers and withdrawals) shall be drawn in Canadian dollars.
- 2.02 The undersigned shall not at any time permit the Loan to exceed the Loan Limit and shall use the Account for business purposes only.
- 2.03 The Bank is authorized to debit the Account for all fees and interest required hereunder and for all costs, charges and expenses referred to in paragraph 6.01 and in any other agreement(s) the undersigned has entered into with the Bank.

3. FEES AND INTEREST

- 3.01 The undersigned shall pay the Facility Fee to the Bank, on the last day of each month in addition to all other fees applicable to the Account. Notwithstanding paragraph 1.02, the amount of the Facility Fee may be revised by the Bank from time to time and the revised fee will be effective once the Bank advises the undersigned by notice as herein provided. The Facility Fee shall be payable for the credit facility provided hereunder and for other standard reporting services provided by the Bank in connection with the Account.
- 3.02 The undersigned shall, both before and after demand or judgment, pay interest at the Loan Rate on the daily closing balance of the Loan up to the Loan Limit, such interest to be calculated and payable monthly on the last day of each month.

- 3.03 The undersigned shall, both before and after demand or judgment, pay interest at the Overdraft Rate on the amount of any daily closing balance of the Loan in excess of the Loan Limit, such interest to be calculated and payable monthly on the last day of each month.
- 3.04 Nothing herein shall oblige the Bank to permit the Loan to exceed the Loan Limit. In the event the Loan exceeds the Loan Limit, (i) the Bank may at any time terminate the Loan hereunder and immediately demand payment of the Loan by notice as herein provided and (ii) for each occurrence the undersigned will be charged a fee of 1% per annum calculated on the amount of excess over the Loan Limit or \$100, whichever is greater, and a \$5 overdraft handling charge per item that creates or increases the excess.

4. DEMAND AND TERMINATION

- 4.01 The undersigned shall pay the Loan to the Bank ON DEMAND, regardless of any covenants, conditions, obligations or events of default set out herein including, without limitation, any provisions set out in the Addendum hereto. The Bank may at any time terminate the Loan provided hereunder and demand payment of the Loan by notice as herein provided.
- 4.02 THE BANK MAY REFUSE TO HONOUR ANY CHEQUE OR PERMIT ANY TRANSFER OR WITHDRAWAL FROM THE ACCOUNT UPON (A) ANY DEFAULT BY THE UNDERSIGNED IN THE PERFORMANCE OF ANY OBLIGATION OF THE UNDERSIGNED TO THE BANK WHETHER CONTAINED HEREIN OR IN ANY OTHER AGREEMENT BETWEEN THE UNDERSIGNED AND THE BANK, (B) THE DEATH OF ANY GUARANTOR OF ANY INDEBTEDNESS OF THE UNDERSIGNED OR RECEIPT BY THE BANK OF NOTICE OF TERMINATION OF ANY GUARANTEE OF ANY INDEBTEDNESS OF THE UNDERSIGNED, (C) THE LOAN EXCEEDING THE LOAN LIMIT, OR (D) ANY DEMAND BEING MADE FOR PAYMENT OF THE LOAN, WHETHER OR NOT ANY TIME PERIOD HAS LAPSED AFTER THE TIME OF THE DEMAND.

5. DOCUMENTATION

- 5.01 The undersigned shall deliver to the Bank from time to time, promptly on request, in form and substance satisfactory to the Bank:
- (a) any security required by the Bank; and
 - (b) all other documents and information required by the Bank.
- 5.02 Any security document delivered hereunder shall be held as additional security for the indebtedness of the undersigned for the Loan, and not in substitution or in satisfaction thereof.

6. COSTS

- 6.01 The undersigned shall pay all reasonable costs, charges and expenses incurred by the Bank in the preparation or enforcement of this Agreement or any security required in connection with the Loan.

7. NOTICES

- 7.01 The Bank shall not be required to notify the undersigned of changes to the Prime Rate or the Overdraft Rate or in the Bank's calculations of the Lending Margin Calculation, if any.
- 7.02 Any request for any document or information, notice of termination, demand for payment or other notice to be sent in connection with this Agreement or either of the Accounts may be delivered, or mailed by prepaid ordinary mail or transmitted by facsimile if to the undersigned (or any one of them, if more than one) at the last known address or facsimile number for the undersigned (or any one of them, if more than one) in the Bank's records or if to the Bank at the Branch where the Account is maintained. The undersigned or the Bank, as applicable, shall be deemed to have received such request or notice on the date of delivery, if delivered, on the first business day following the date of transmission if transmitted by facsimile, and four (4) days after mailing, if mailed.

8. AMENDED AND RESTATED AGREEMENT

- 8.01 This Agreement hereby amends and restates the _____
(Insert name of agreement)

Agreement dated the _____ day of _____, as heretofore amended and supplemented from time to time (the "Existing Agreement"), between the undersigned and the Bank with effect as and from the date hereof (the "Effective Date"), the whole without any novation whatsoever.

- 8.02 The parties hereby expressly agree that as and from the Effective Date all of the undersigned's obligations, indebtedness and liabilities to the Bank under or pursuant to the Existing Agreement including, without limitation, the outstanding principal amount of the loan thereunder, all interest accrued thereon, all interest on overdue interest and all other amounts owing by the undersigned to the Bank under or pursuant to the Existing Agreement shall be governed by the terms hereof.
- 8.03 The undersigned hereby ratifies, confirms, acknowledges and agrees that it is and continues to be bound by all of the obligations, indebtedness and liabilities of and grants of security made by it under each of the security documents under, pursuant to or in connection with the Existing Agreement, including without limitation any agreement or instrument creating or granting a hypothec, security under the Bank Act (Canada), mortgage, pledge, fixed or floating charge, assignment by way of security or any other security interest securing payment or performance of an obligation under or pursuant to the Existing Agreement (herein, collectively, the "Security Documents") and each certificate or other document delivered pursuant to or in connection with the Existing Agreement or the Security Document (the Security Documents and such certificates or other documents are herein, collectively, the "Loan Documents"), and the undersigned acknowledges that the Bank is relying expressly upon the Loan Documents and such ratifications, confirmations, acknowledgements and agreements by the undersigned herein in entering into this Agreement and providing any accommodations hereunder, notwithstanding the amendment and restatement set forth herein.
- 8.04 As and from the Effective Date, all references to the Existing Agreement in any of the Loan Documents shall be construed as being a reference to the Existing Agreement as amended and restated by this Agreement.
- 8.05 This Article 8 is made under express reserve of all the terms and conditions of this Agreement and the Loan Documents and all rights in favour of the Bank hereunder and thereunder and without novation of any kind or derogation from the rank and priority of the Security Documents. Without derogating from or restricting in any way the Security Documents, all obligations under or pursuant to the Existing Agreement and hereunder shall continue to be secured by the Security Documents. All of the provisions of this Article 8 are without novation.

9. GENERAL

- 9.01 The provisions of the Addendum, if any, shall be incorporated into this Agreement and form part hereof.
- 9.02 The Bank's statements of the Account at any time shall constitute prima facie evidence of the Loan.
- 9.03 The undersigned will immediately notify the Bank if any guarantor of the indebtedness of the undersigned to the Bank dies.
- 9.04 This Agreement shall be binding upon the undersigned and the respective executors, administrators, successors and assigns of the undersigned, but the undersigned shall not assign any of the rights or obligations of the undersigned hereunder without the prior written consent of the Bank.
- 9.05 The failure of either the undersigned or the Bank to require performance by the other of any provision hereof shall in no way affect the right thereafter to enforce such provision; nor shall the waiver by either party of any breach of any covenant, condition or proviso of this Agreement or any other agreement between the Bank and the undersigned be taken or held to be a waiver of any further breach of the same covenant, condition or proviso.
- 9.06 Subject to Article 8 above (if applicable) this Agreement shall be in addition to and not in substitution for any other agreement between the undersigned and the Bank.
- 9.07 The undersigned agrees that the balance shown in any statement of the Account provided to the undersigned shall be deemed to be a correct and accurate statement of the Loan as at the date of the statement.
- 9.08 All payments relating to the Loan made by the undersigned pursuant to this Agreement shall be paid in Canadian dollars.

Any obligation of the undersigned under this Agreement to make payments in U.S. dollars shall not be discharged or satisfied by any tender or recovery pursuant to any judgment expressed in or converted into Canadian dollars except to the extent that such tender or recovery shall result in the effective receipt by the Bank of the full equivalent amount of U.S. dollars so payable hereunder. Accordingly, the obligation of the undersigned shall be enforceable as an alternative or additional cause of action for the purpose of recovery in

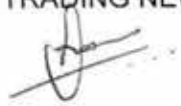
Canadian dollars of the amount (if any) by which such payment of a U.S. dollar obligation hereunder in a currency other than U.S. dollars shall fall short of the full amount of U.S. dollars so payable hereunder and shall not be affected by any judgment being obtained for any other sums due hereunder.

- 9.09 If any other provision of this Agreement would oblige the undersigned to pay or entitle the Bank to receive any amount that is prohibited by law, then, notwithstanding such provision, such amount shall be deemed to have been adjusted with retroactive effect to the maximum permitted amount by law. Notwithstanding the foregoing, if the Bank receives an amount in excess of the maximum permitted, then the undersigned shall be entitled, on providing written notice to the Bank, to obtain reimbursement of such excess. Pending reimbursement, such excess shall be deemed to be payable by the Bank. The Bank and the undersigned disavow any intent to receive or pay any amount in excess of that is permitted by law.
- 9.10 Time shall be of the essence of this Agreement.
- 9.11 If more than one party signs this Agreement, the obligations of the undersigned are joint and several.
- 9.12 It is the express wish of the parties that this Agreement and any related documents be drawn up and executed in English. Les parties conviennent que la présente convention et tous les documents s'y rattachant soient rédigés et signés en anglais.

By executing this Agreement below the undersigned hereby agrees to the foregoing terms and conditions.

DATED as of the date set forth above.

LAKE TRADING NEWCASTLE INC.

Per: 
Sreekumar Vakeel, President
I have authority to bind the Corporation

**ADDENDUM TO
OPERATING LOAN AGREEMENT**


Lending Margin Calculation and/or Additional Provisions

The Bank may in its discretion reduce the Loan Limit by the amount of any other indebtedness or liability of the undersigned (or any one of them, if more than one) to the Bank including, without limitation, the amount of any bankers acceptances or letters of credit.

Without limiting the foregoing, the following Lending Margin Calculation is applicable to the attached Loan Agreement. The calculation and the amount of the Lending Margin Calculation is in the sole and complete discretion of the Bank, and in cases of dispute, the Lending Margin Calculation calculated by the Bank shall prevail.

The Lending Margin Calculation (if applicable) shall be an amount equal to:

EXHIBIT “E”

BMO  **Bank of Montreal**

Date

\$942,556.22

MILTON MALL MILTON ONTARIO
55 ONTARIO ST S
MILTON, ONT. L9T2M3
Branch

On demand I promise to pay to the order of Bank of Montreal the sum of Nine hundred forty two thousand five hundred fifty six 22/100 Dollars and to pay interest Monthly at a rate of 3.500 per cent per annum above the Bank of Montreal's prime interest rate per annum in effect from time to time, up to and after maturity, compounded monthly from the due date of such interest until actual payment at the above mentioned branch of the Bank of Montreal. At the date of this note such prime interest rate per annum is 2.450 per cent. Value received.

FOR INTERNAL BANK USE ONLY

Credit Deposit Account No.	Loan Account No.	Initials
2987-1997-546	_____	

LAKE TRADING NEWCASTLE INC.

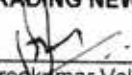
By: 
Name: Sreekumar Vakeel
Title: Authorized Signatory

EXHIBIT “F”



Bank of Montreal

**Irrevocable
Standby Letter of Credit No.: BMT04479130S**

Date Issued: September 11, 2014
Date of Expiry: September 9, 2015

Beneficiary:
Global Fuels Inc.
1463 Ontario Street, Unit C
Burlington, ON L7S 1G6

Applicant:
Lake Trading Newcastle Inc.
216 King Avenue East
Newcastle, ON L1B 1H5

Amount: Fifty Thousand and 00/100's Canadian Dollars (CAD50,000.00)

At the request of the Applicant, we, the Bank of Montreal, Trade Finance Operations, hereby establish in your favour this Irrevocable Standby Letter of Credit (the "Letter of Credit") for the above amount in support of the Applicant's payment of your invoice(s)

Drawing against this Letter of Credit must be way of a sight draft on Bank of Montreal, Trade Finance Operations, 234 Simcoe Street, 3rd Floor, Toronto, Ontario M5T 1T4 and be accompanied by your signed statement that you have invoiced the Applicant, that said invoice(s) is past due and has not been paid up to the time of your drawing, the original Letter of Credit for our endorsement of any payment thereon, must accompany your signed statement. Upon receipt by Bank of Montreal, Trade Finance Operations, of the said sight draft and the original of this Letter of Credit on or before the expiry date, Bank of Montreal, Trade Finance Operations, will pay to you the amount stated in the said sight draft to be payable to you without enquiring whether you have a right as between yourself and our the Applicant, provided that such amount, together with other amounts paid to you under this Letter of Credit, if any, does not exceed in the aggregate of the amount of this Letter of Credit.

Partial drawings are permitted

The amount of this Letter of Credit may only be reduced by drawings endorsed hereon or as advised by notice in writing given to us by you.

COPY

BMO



Bank of Montreal

This Letter of Credit will expire on the above mentioned expiry date at our counters at Bank of Montreal, Trade Finance Operations, 234 Simcoe Street, 3rd Floor, Toronto, Ontario M5T 1T4.

It is a condition of this Letter of Credit that it shall be deemed to be automatically extended without amendment, for one (1) year from the present or any future expiration date hereof, unless at least thirty (30) days prior to any such date, we shall notify you in writing by registered mail or courier that we elect not to consider this Letter of Credit renewed for any such additional period. Upon receipt by you of such notice, you may draw hereunder by means of your sight draft accompanied by your above written certificate.

This Letter of Credit is issued subject to the Uniform Customs and Practice for Documentary Credits (2007 Revision), International Chamber of Commerce, Publication No. 600 and engages us in accordance with the terms thereof.

The number and date of this Letter of Credit and the name of our bank must be quoted on all drafts required.

Bank of Montreal

Signing Officer

Authorised Signing Officer

COPY

STANDBY LETTER OF CREDIT / DEMAND GUARANTEE INDEMNITY AGREEMENT

TO: BANK OF MONTREAL

In consideration of the issuance by Bank of Montreal (hereinafter called the "Bank") of a Standby Letter of Credit / Demand Guarantee / counter guarantee or other instrument (Credit) substantially according to the application appearing on the reverse side hereof the applicant (hereinafter called the "Applicant") agrees as follows:

- (a) The Applicant shall pay to the Bank on demand in Canadian currency all amounts drawn in Canadian currency under the Credit at any time(s) together with any and all charges and expenses which the Bank may pay or incur relative to the Credit, including correspondent bank's charges, and such commissions which the Bank determines to be proper.
 - (b) The Applicant shall pay to the Bank on demand in Canadian currency, the Canadian dollar equivalent (at the Bank's prevailing selling rate for the currency in which such amount is payable) of all amounts drawn in other than Canadian currency under the Credit at any time(s) together with any and all charges and expenses which the Bank may pay or incur relative to the Credit, including correspondent bank charges, and such commission which the Bank determines to be proper. At the Bank's option, such payment may be made to the Bank in the currency of the Credit.
 - (c) The Applicant shall pay to the Bank interest on any and all amounts remaining unpaid hereunder at any time(s) at such lawful rates as the Bank may in its discretion determine.
2. Charges shall be made by the Bank at its prevailing tariff for commission under the Credit on such part of the Credit as may be used and a minimum commission shall be levied on the unused portion. In any event a minimum commission plus correspondents' charges and all out-of-pocket expenses incurred by the Bank thereunder shall be paid by the Applicant whether the Credit is used or not.
 3. The Bank may charge to any account of the Applicant any and all amounts payable to the Bank by the Applicant pursuant to the Credit.
 4. The Applicant shall reimburse the Bank upon demand for all costs incurred and reasonably allocated by the Bank if any change or proposed change in law or any governmental rule, regulation, policy, guideline or directive (whether or not having the force of law) or the interpretation thereof reduces the return to the Bank or affects the amount of capital required to be maintained by the Bank in respect of this Agreement. The Bank will promptly notify the Applicant of any event of which it has knowledge and which will entitle the Bank to compensation pursuant to this section. A certificate of the Bank claiming compensation under this section and setting forth the additional amount or amounts to be paid to it hereunder shall be conclusive in the absence of manifest error.
 5. The Bank and its agents assume no liability or responsibility for the form, sufficiency, accuracy, genuineness, falsification or legal effect of any document(s) required pursuant to the Credit, or for the general and/or particular conditions stipulated in the document(s) or superimposed thereon; nor do they assume any liability or responsibility for the description, quality, delivery, value or existence of the services represented by any document(s), or for the good faith or acts and/or omissions, solvency, performance or standing of the beneficiary or any other person whomsoever; and the Applicant hereby assumes and undertakes all such risk, including acts of the users of the Credit and the Applicant further agrees that the Bank may hold the delivery of documents conforming to the Credit as sufficient evidence of the good faith of the beneficiary and of the services described therein, without assuming any responsibility in regard to the services.
 6. This Agreement is irrevocable with respect to the Credit and is to continue in force and to be applicable to all transactions relating to the Credit notwithstanding any change in the composition of the Applicant, the parties to or parties contemplated in this Agreement including, without limitation, any change arising from the accession of one or more new partners, or from the death or succession of any partner or partners or amalgamation of one or more corporations, and it shall cover any and all amounts that the Bank may ultimately be required to pay under the Credit by reason of having issued same. The Applicant acknowledges that the Bank's obligations to pay and/or fulfil any other obligation under the Credit is not subject to claims or defence by the Applicant resulting from its relationship with other parties.
 7. The Applicant agrees that if it suspends payment or becomes bankrupt or insolvent, or if proceedings are taken against it for the appointment of a receiver, liquidator or other similar official, or if an assignment for the benefit of creditors is made, or if proceedings seeking its liquidation or winding-up, or seeking re-organization, relief from creditors or other similar proceedings are commenced, or if any amount owing by the Applicant is unpaid when due, or if any other obligation under the Credit, or any other credit issued on account of the Applicant, is not fulfilled, or if any other indebtedness or liability of the Applicant is overdue and unpaid, then all obligations, acceptances, indebtedness and liabilities whatsoever of the Applicant, including, without limitation, those arising under this Credit, shall, at the option of the Bank then or thereafter exercised without notice, mature and become due and payable.
 8. The Applicant hereby indemnifies and agrees to hold the Bank harmless from and against all charges, complaints, costs, damages, demands, expenses, liabilities, losses and other consequences which the Bank may, directly or indirectly, incur, sustain or suffer, other than pursuant to its own gross negligence or wilful misconduct, as a result of issuing the Credit or any other credit or enforcing or protecting the provisions hereof, including, without limitation (i) charges by other banks, legal expenses (on a solicitor and client basis) and other professional expenses reasonably incurred by the Bank and whether incurred in defending any action brought against the Bank to compel payment under the Credit or any other credit or to restrain the Bank from making payment thereunder, or in any proceedings brought by the Bank respecting the Credit or against the Applicant, any guarantor of the Applicant's liabilities to the Bank hereunder or with respect to the Applicant's or any guarantor's property charged or pledged to the Bank for the purpose of protecting, taking possession thereof, holding or realizing thereon, or otherwise in connection herewith, (ii) the affect of an indefinite, unlimited or non-existent expiry date in the Credit; and (iii) the affect of any foreign laws, rules, regulations or policies on the Credit (and/or counter-guarantee, if any) or on the Bank's obligations pursuant to the Credit (and/or any counter-guarantee), including, without limitation, the non-applicability of the UCP Rules, as defined below.
 9. (a) The Applicant agrees to pay to the Bank immediately on demand by the Bank the Canadian dollar equivalent (at the Bank's prevailing selling rate for the currency in which the Bank's contingent liability is recorded) of the amount equal to the Bank's contingent liability (i) in respect of any Credit outstanding at the time any credit facility pursuant to which any such Credit was issued is terminated; and (ii) in respect of any Credit which has become the subject matter of any legal proceeding, order or judgment, injunction or other such determination, whether interim, temporary or permanent, which might have the effect of restricting payment by the Bank under such Credit or extending the Bank's liability under the Credit beyond the expiration date of such Credit; (iii) in respect of any Credit with an indefinite, unlimited or non-existent expiry date; and (iv) in respect of any Credit (and/or counter-guarantee, if any) which is or becomes affected by, or the Bank's obligations pursuant to the Credit (and/or counter-guarantee, if any) is or becomes affected by, any foreign law, rule, regulation or policy, including, without limitation, the non-applicability of the UCP Rules, as defined below.
 - (b) The Bank agrees to pay to the Applicant the amount by which the amount received by the Bank pursuant to section 9(a) exceeds the Canadian dollar equivalent (at the Bank's prevailing selling rate for the currency in which the Bank's contingent liability was recorded) of the aggregate of all amounts paid by the Bank under or in connection with such Credit when, in the Bank's reasonable opinion, the Bank is no longer exposed to any liability respecting such Credit.
 10. The Applicant indemnifies and agrees to hold the Bank harmless from all losses, consequences or damages arising out of any transmission, including delay and/or loss in transit of any message(s), letter(s) or document(s) or for delay, mutilation or from insufficient or incorrect particulars being transmitted or other error(s) arising in the transmission or delivery of any telecommunication, including transmission by cable, telegraph, wireless or otherwise. The Bank assumes no liability or responsibility for errors in translation and/or interpretation of technical terms, and reserves the right to transmit Credit terms without translating them.
 11. In case the expiry date of the Credit is extended and/or the amount thereof is increased, and/or any of the terms and conditions are altered at the Applicant's request or with the Applicant's consent, all the terms of this Agreement shall remain in full force and effect, without releasing any party thereto.
 12. The rights and powers conferred hereby are in addition to and without prejudice to any other rights which the Bank may now have or hereafter acquires from the Applicant or others. The Applicant further agrees to furnish any security or any additional security which may from time to time be required by the Bank.
- Where there is more than one Applicant each Applicant agrees to be jointly and severally, and, if this Agreement is governed by Quebec law, solidarily, which the Applicants acknowledge means both individually and together, liable and responsible for all the obligations of the Applicant hereto.

- 14. This Agreement will be governed and construed in accordance with the laws of the province where the Credit is issued and the laws of Canada applicable herein. Should any provision of this Agreement be illegal or not enforceable under such law, it shall be considered severable and the Agreement and its conditions shall remain in full force and effect as if the said provision had never been included.
- 15. This Agreement shall enure to the benefit of the Bank and its successors and assigns, and shall be binding upon the Applicant and the Applicant's heirs, executors, liquidators, administrators, successors and assigns. This Agreement shall not be assigned by the Applicant without the prior written consent of the Bank, which consent shall not be unreasonably withheld.
- 16. Except as otherwise expressly stated, the above-mentioned Credit is subject to the current Uniform Customs and Practice for Documentary Credits or the current International Standby Practices or the current Uniform Rules for Demand Guarantees, issued by the International Chamber of Commerce, as specified in the applicable Credit, as such rules may be amended from time to time (the "ICC Rules"). If the provisions of this Agreement conflict with the ICC Rules, the provisions of this Agreement shall prevail. This Agreement shall not be construed as limiting any rights of the Bank which may be set out in separate documentation, between the Bank and the Applicant, including any credit facility.

LAKE TRADING NEWCASTLE INC
 Name of Company

Applicant's Signature

Applicant's Signature

SLEEKUMAR VAKEL
 Applicant's Name

Applicant's Name

Date 05/09/2014

Date

EXHIBIT “G”

Corporate MasterCard® Account Agreement (Commercial)

1 CUSTOMER ACCOUNT AND CARDS

This Agreement governs the Corporate MasterCard Account established between the undersigned (the "Customer") and Bank of Montreal (the "Bank").

- 1.1 The Bank will establish a Corporate MasterCard account for the Customer (the "Customer Account"). The Bank shall lend money to the Customer up to a pre-established limit (the "Customer Credit Limit") as set out in Schedule 1 by way of charges to the Customer Account in accordance with this Agreement. The Bank reserves the right, in its sole discretion, to modify the Customer Credit Limit.
- 1.2 The Customer may request the Bank to issue Corporate MasterCard cards or card numbers ("Cards") on the Customer Account to employees designated by the Customer. Requests to issue Cards may be made in the form of Schedule 2 or through the website established by the Bank through which the Customer may access statements, reports and other program-related services (the "Program Website").
- 1.3 Upon receipt by the Bank of a Request in respect of an employee, the Bank will issue a Card on the Customer Account to the employee, embossed with the name of the employee (the "Cardholder") and the Customer's name and/or identifier. The Bank may issue renewal, replacement or temporary replacement Cards for any Card from time to time.

In addition, at the Customer's request, the Bank may issue each Cardholder a personal identification number (a "PIN") enabling the Cardholder to use the Card at Automated Teller Machines ("ATM") accessible with the Card to obtain cash advances and effect transactions on the Customer Account. The Customer shall instruct each Cardholder not to disclose the Cardholder's PIN to any other person. Transaction records issued by an ATM are solely for the Customer's convenience and, in the event of any dispute as to the accuracy of such records, the Bank's internal records shall be conclusive.

At the Customer's request, the Bank may issue MasterCard cheques ("Cheques") to a Cardholder.

- 1.4 The Customer shall establish and set out in each Request a credit limit for the Card (the "Card Limit") to be issued to the employee designated in the Request, subject to limitations which may be set by the Bank.

2 CHARGES

- 2.1 Subject to the provisions hereof, the Cardholder may use the Card or a Cheque to charge to the Customer Account (a) the price of goods or services obtained from a merchant or supplier honouring the Card, by means of payment or settlement by the Bank to the merchant or supplier (a "Purchase"), (b) the price of goods or services obtained from a merchant or supplier paid by means of a Cheque, or (c) at the Customer's request, cash advances obtained through use of the Card or a Cheque either directly from the Bank, including through use of ATMs, or through other financial institution honouring the Card or accepting the Cheque or through purchases of money orders, traveller cheques, or similar items ("Cash Advance"). Any such use of a Card or Cheque which results in a charge to the Customer Account, whether or not the Card was presented to a merchant or supplier (such as mail or telephone order purchases) or the Cardholder's signature was obtained or by use of a PIN, is herein called a "Transaction".
- 2.2 The Bank will maintain a sub-account of the Customer Account for each Card (a "Card Account"). The Bank shall record all Transactions with respect to each Card, as well as all interest, fees, service charges, credit and adjustments relating to

such Card or its use on the Card Account maintained for such Card. All Transactions, interest, fees and service charges posted to the Customer Account, including by recording them on individual Card Accounts, shall constitute a charge to the Customer Account (a "Charge").

- 2.3 The Customer shall pay the annual Card fee for each Card and the service charges set forth below. For each Cash Advance, the Bank adds an additional service charge as set forth below. This fee will be added to the Cash Advance balance. The amount of the Cash Advance may also include a surcharge that the ATM owner imposes.

Annual Card Fee / Grace days	CAD/USD	
7 Days	\$20	
14 Days	\$25	
21 Days	\$30	
Optional features (per card fee):		
BMO Business Travel Protection	\$19	
AIR MILES SM Reward Option	\$20	
Currency/Card Rate	CAD	USD
	18.4% p.a.	17.5% p.a.
Foreign Exchange & Refund Mark-up		
Program Website	CAD/USD	
	2.5%	
	Free	
Replacement Statement	\$3.00	
Monthly Paper Statement Fee (per statement)	\$3.00	
Replacement Sales slip	\$3.00	
ATM Cash Advance Fee:		
BMO Instabank Machine	\$1.50	
Interac SM Network (Canada)	\$2.75	
Cirrus SM Network (US)	\$3.50	
Cirrus Network (WW)	\$4.50	
Over The Counter Cash Advance Fee:		
BMO Branch	\$3.00	
MasterCard FI (Canada)	\$4.00	
MasterCard FI (US)	\$5.00	
MasterCard FI (Worldwide)	\$6.00	
Dishonoured MasterCard Account Payment		
	CAD	USD
	\$29.00	\$29.00
Dishonoured MasterCard Cheque		
	CAD/USD	
	\$25.00	

- 2.4 Upon receipt of a credit note issued by a merchant or supplier for goods or services charged to the Customer Account, the Bank shall post the credit to the Customer Account. If the Bank does not receive the credit note prior to the time the related charge is included in a monthly Customer Account Statement (as defined in section 3.1(b)), the Customer shall pay the amount of the related charge.
- 2.5 If Schedule 1 indicates that any of the Cards will be U.S. dollar Cards (a) Transactions made using any such Card will be charged to the Card Account in U.S. dollars, and (b) the Card Limit for any such Card will be denominated in U.S. dollars.
- 2.6 Any Transaction made in a currency other than the currency of the Card will be charged to the Card Account in the currency of the Card, after being converted using a MasterCard conversion rate in effect on the day the Transaction is posted to the Card Account. The MasterCard conversion rate is the rate that the Bank pays to MasterCard International Inc. plus a markup percentage that the Bank discloses to the Customer from time to time. This rate may not be the same as the rate that existed on the date the transaction was made.

However, if a foreign currency Transaction is refunded to a Card Account, the MasterCard conversion rate used to convert the refund to the currency of the card is the rate that the Bank pays to MasterCard International Inc. minus the markup percentage that the Bank discloses to the Customer from time to time. This rate may not be the same as the rate that existed on the date the Transaction was refunded. For these reasons, the amount that is credited to a Card Account for a refund of a foreign currency Transaction will, in most cases, be less than the amount that was originally charged to the Card for that Transaction.

3 STATEMENTS, PAYMENTS AND INTEREST

3.1 The Bank will prepare monthly, as of the same date in each month (the "Monthly Billing Date") the following:

(a) A Card Account statement (a "Card Account Statement") for each Card Account in which there is an outstanding balance as of the Monthly Billing Date or in which a Charge has been posted during the period commencing the day after the immediately preceding Monthly Billing Date and ending on the current Monthly Billing Date (the "Billing Period"). Each Card Account Statement will set out the details of each Charge to that particular Card Account; and

(b) A Customer invoice (a "Customer Account Statement") that is delivered to the Customer and with respect to which each of the following applies:

i) The Customer Account Statement sets out the aggregate outstanding balance of the Customer Account, which is equal to the sum of all amounts owing in respect of each Card Account Statement.

ii) The Customer may elect to have one or more Customer Account Statements in respect of its organization. If more than one Customer Account Statement is issued, the aggregate amount owing by the Customer to the Bank is the sum of all Customer Account Statements issued.

iii) The Customer Account Statement will not set out the details of each Charge under the Customer Account; however, the Customer may review the details of all Charges by reviewing electronic copies of all Card Account Statements.

3.2 The Customer may select either the central billing option (in which case the Customer has elected to directly pay the Bank the balance of the Customer Account Statement) or the Individual Billing Option (in which case the Customer has elected that each Cardholder will pay the Bank the balance of their Card Account Statement on behalf of the Customer). Regardless of the option selected, the Customer remains liable for all obligations set out in this section 3 including payment of the aggregate outstanding balance of the Customer Account on a monthly basis.

3.3 With respect to the delivery of monthly statements:

(a) The Bank will deliver all Card Account Statements and all Customer Account Statements by posting such statements on the Program Website. If the Customer has requested Paper Statements, the Bank will also mail each Cardholder a paper copy of their Card Account Statement at a cost of \$3 per statement per month.

(b) Each Program Administrator (as defined in section 6.2) will have access to the Program Website if an email address is provided on the Schedule 1 form. Through the Program Website, each Program Administrator will have access to each Customer Account Statement and a

transaction report detailing the transactions for each Card Account.

(c) Each Program Administrator will have the ability to allow a Cardholder access to the Program Website for the purpose of viewing the Card Account Statement corresponding to that Cardholder's Card Account.

3.4 Each month, the Customer shall pay in full the aggregate outstanding balance shown on each Customer Account Statement on or before the Payment Due Date in respect of such Customer Account Statement, which Payment Due Date shall be the number of days after the Monthly Billing Date set out in Schedule 1. Any amount not so paid on or before the applicable Payment Due Date shall be considered past due and such non-payment shall constitute a default by the Customer.

3.5 Interest shall be charged on the amount of all Purchases, fees and service charges from the date posted to the Customer Account, and from the date of the advance for Cash Advances. Interest shall be charged at the annual rate(s) defined in Section 2.3 (the "Card Rate"). Interest is calculated on a daily basis by multiplying each daily interest-bearing balance of Charges in each Card Account by a daily rate of interest. The daily rate of interest is equal to the applicable Card Rate divided by the actual number of days in the year (365 or 366, as the case may be).

3.6 The Bank will waive the interest charges on Purchases, fees and service charges if the Bank receives payment in full at its MasterCard Payment Centre of the aggregate outstanding balance of the Customer Account on or before the Payment Due Date each month. The Bank will not waive interest charges on Cash Advances.

3.7 If the Bank receives any payment in an amount less than the outstanding balance of the Customer Account shown on a Customer Account Statement, the Bank may apply such partial payment to the Card Accounts as the Bank elects. In respect of any Card Account, any payment will be applied towards Charges which have been included in a Card Account Statement in the following order: a) interest, b) fees and service charges, c) Cash Advances, d) interest-bearing Purchases, e) non-interest-bearing Purchases; the remainder, if any, will then be applied towards Charges which have not yet been included in a Card Account Statement in the same order as shown above.

3.8 The Customer shall pay all Charges included in a Customer Account Statement notwithstanding that the Customer or a Cardholder disputes with the Bank any Charge or other particular.

3.9 The Customer shall promptly examine each monthly Customer Account Statement, and shall ensure each Cardholder promptly examines each monthly Card Account Statement, upon receiving it. If the Customer does not notify the Bank of an error or omission with regard to any Charge to the Customer Account included in or itemized on such monthly statements within thirty (30) days after the Monthly Billing Date in respect of such statement, the Customer agrees that such Customer Account Statement and related Card Account Statements shall be deemed conclusively to be correct.

4 CUSTOMER LIABILITY

4.1 The Customer shall be liable to the Bank for, and agrees to pay the Bank, all Charges to the Customer Account, even if the aggregate of all outstanding Charges is in excess of the Customer Credit Limit or in excess of any Card Limit, and even if as between the Customer and a Cardholder any Charge resulted from improper use of a Card by the Cardholder.

4.2 In the event a Card is lost or stolen, the Customer's liability shall be limited to \$50 per Card for all Transactions not incurred by the Cardholder if the Customer or the Cardholder immediately notifies the Bank of the loss, theft or disclosure by

calling the published number for reporting lost or stolen Cards. However, in the event a Cardholder's PIN is disclosed to any unauthorized person, whether by a Cardholder's failure to maintain confidentiality of the PIN, failure to keep the PIN and the Card separate or otherwise, the Customer shall be liable for all Transactions through use of the PIN whether or not incurred by the Cardholder.

- 4.3 If the Customer has requested Cheques for any Cardholder, the Customer shall ensure that blank Cheques are kept securely and shall take all reasonable steps, including procedures and controls, to detect and prevent thefts or losses due to Cheque fraud or forgery. The Customer shall immediately notify the Bank of any losses, theft or unauthorized use of Cheques by calling the published number for reporting lost or stolen Bank MasterCard cards.
- 4.4 Notwithstanding section 3.8, the Customer shall be liable for any Cheque bearing a forged or unauthorized signature unless (a) the forged or unauthorized signature was made by a person who was at no time a Cardholder or an agent or employee of the Customer and (b) the Customer had complied with section 4.3.
- 4.5 Notwithstanding section 4.1, the Bank's BMO MasterCard Liability Waiver Program (the "Program") may waive the Customer's liability for wrongful charges made by Cardholders. This waiver is subject to certain conditions, limitations and exclusions as set out in Schedule 4 which the Customer acknowledges having received from the Bank. Program terms are subject to change and the Program may be terminated as set out in section 11.
- 4.6 The Customer shall pay, on a solicitor and client basis, any legal fees and costs incurred by the Bank in an action to recover any money payable by the Customer pursuant to this Agreement.

5 CERTAIN RIGHTS AND RESPONSIBILITIES OF THE BANK

- 5.1 The Bank shall have sole discretion over the management, operation, content and features of its Corporate MasterCard program and the Cards. Subject to the terms of this Agreement, the Bank may modify any aspect of its Corporate MasterCard program.
- 5.2 Subject to payment of additional fees which may apply, the Bank shall provide the Customer with such other management information as the Bank makes available under its Corporate MasterCard program and the Customer requests from time to time.

6 CERTAIN RIGHTS AND RESPONSIBILITIES OF THE CUSTOMER

- 6.1 The Customer shall, and shall require its Cardholders to, abide by all written security instructions and directions (and telephone instructions in case of emergency) provided by the Bank from time to time.
- 6.2 The Customer hereby designates the person whose name, title, address and signature appear on Schedule 1 as its "Program Administrator". The Program Administrator shall, on behalf of the Customer, make requests to the Bank in connection with the operation and administration of the Customer Account ("Requests"). Requests to issue a Card, change the Customer Credit Limit, change the organization set-up or hierarchy set-up, change the Customer's business name or terminate this Agreement, and any other Requests specified by the Bank from time to time, shall be signed by the Program Administrator. Other types of Requests may be signed by the Program Administrator or, if indicated in Schedule 1, may be made by telephone using the password shown in Schedule 1, in which case the Bank may rely on any such telephone Requests and shall have no duty to confirm them. The Customer shall protect each password from fraudulent use and shall immediately

notify the Bank of any unauthorized disclosure of any password.

- 6.3 The Bank may deal with the Program Administrator in respect of all matters relating to the day-to-day operation and administration of the program under this Agreement, including requests for information the Bank may reasonably require for its management and operation of the program under this Agreement. All Cards and other correspondence which the Bank sends to the Customer under this Agreement in connection with the day-to-day operation and administration of the program shall be sent to the attention of the Program Administrator. The Bank shall be entitled to rely without enquiry on any request or notice from the Program Administrator and on any instructions, authorization or information received from such person. The Customer may change the person designated as Program Administrator by written notice to the Bank and any such change shall be effective upon receipt by the Bank of such notice.
- 6.4 The Customer shall be solely responsible for establishing and monitoring internal procedures or guidelines for its employees in respect of Cards and any Cheques. The Bank shall have no obligation to enquire or verify whether any use of a Card or Cheque, or any Charge to the Customer Account, is in accordance with such procedures or guidelines.
- 6.5 The Bank may allow the Program Administrator to submit Requests through the Internet, in which case the Bank will provide sign-in instructions, a user ID and password to the Program Administrator. If the Customer appoints other Program Administrators from time to time, an existing Program Administrator may establish a user ID and password for the new Program Administrators. Program Administrators may change their passwords at any time, and will do so when required by the Bank. The Customer shall protect each user ID and password from fraudulent use and shall immediately notify the Bank of any unauthorized disclosure of any user ID or password. Until such notification, the Bank may rely on any Request received using any user ID and password, and shall have no duty to confirm such Requests.
- 6.6 If Schedule 1 indicates that the Customer may submit Requests by email, the Bank may rely on any e-mail Request purporting to have been sent by a Program Administrator and shall have no duty to confirm such a Request.

7 CARDS AND CANCELLATION OF CARDS

- 7.1 All Cards remain at all times the property of the Bank and cannot be transferred. All Cards and Cheques shall be surrendered to the Bank upon demand. Notwithstanding any other provision in this Agreement, the Bank may cancel or suspend the right to use any Card or Cheque if the Bank detects unusual or suspicious activity.
- 7.2 The Customer may request the Bank to cancel any Card at any time. The Customer shall continue to be liable for all Charges to the Customer Account through use of any such Card made prior to the time the Bank receives the request.
- 7.3 The Customer is responsible for any pre-authorized payments charged to a Card Account, even after the Card Account is cancelled, unless the Customer previously advised the merchant in writing to stop debiting the Card Account. The Customer must provide the Bank with a copy of the written request received by the merchant if the Bank requests it.

8 TERM AND TERMINATION OF AGREEMENT

- 8.1 The term of this Agreement shall commence as of the date of this Agreement and shall continue until terminated by either party in accordance with the provisions hereof.

8.2 This Agreement may be terminated by either party upon 30 days prior notice in writing.

8.3 The Customer or the Bank may immediately terminate this Agreement without notice, in the event of the bankruptcy or insolvency of the other party or if the other party fails to make any payment when due under this Agreement or if the other party is in default in the performance of any of its other obligations.

8.4 Upon termination of this Agreement:

a) all outstanding Cards shall be cancelled and all rights or benefits of the Customer or any Cardholder with respect to the Cards shall be revoked or withdrawn; and

b) the Customer shall continue to be liable for, and to pay, the aggregate of all Charges on the Customer Account whether or not then posted to the Customer Account, including without limitation Charges not yet incurred, accrued fees and interest accrued or to accrue, and all such Charges shall immediately be due and payable by the Customer; and

c) all Cards and Cheques shall be immediately returned to the Bank.

9 DISCLAIMERS

9.1 The Bank's Corporate MasterCard program including, without limitation, the management information provided to the Customer is provided to the Customer without representation or warranty as to accuracy of information provided.

The Customer also acknowledges that some benefits or enhancements may be supplied by firms independent of the Bank and the Bank is not responsible or liable for anything in connection with those benefits or enhancements.

9.2 The Bank is not liable for any claim made or loss or damages suffered by the Customer arising directly or indirectly from the Customer's use of the Bank's Corporate MasterCard program under this Agreement, except for damages which the Customer suffers as a result of the Bank's gross negligence or wilful misconduct related to the terms of this Agreement. In no event is the Bank liable for any special, indirect or consequential damages, including but not limited to, lost profits and lost revenues.

9.3 The Bank always attempts to ensure that its Corporate MasterCard program will be operational, and to respect any available Card Limit or any available transaction limit per Card or per day or any other available limit requested by the Customer. However, the Bank cannot warrant that the Corporate MasterCard program will be uninterrupted or error-free or that such limits will always be respected in each case, due to limitations of the Bank's authorization systems, systems management and ordinary stand-in processes, and of the MasterCard system including merchant set-up features. The Customer therefore waives any and all claims that it may have against the Bank arising out of the use and performance of the Bank's Corporate MasterCard program under this Agreement, except for claims for damages referred to in section 9.2.

9.4 The Bank is not responsible for any defects in or poor quality of the merchandise or services obtained by means of any Card or Cheque. Any claim or dispute between the Customer and a merchant or supplier, including with respect to the merchant's or supplier's right to compensation, will be the object of a direct settlement among the Customer and the merchant or supplier and any such dispute shall not affect the Customer's obligation to pay all Charges to the Customer Account in full to the Bank in accordance with the terms of this Agreement.

10 NOTICES

10.1 All notices and other correspondence in connection with the day-to-day operation and administration of the Bank's Corporate MasterCard program under this Agreement shall be sent by the Bank to the Program Administrator at the address specified in Schedule 1.

10.2 Notices from the Customer to the Bank shall, except as set out in section 6.4, be sent to the Bank at the following addresses:

BMO Financial Group
Client Services Department
PO Box 3200 RPO Streetsville
Mississauga, ON L5M 0S2

Phone No: 1-800-844-6445
Fax No: 1-888-224-5393
E-mail: ebclientservices@bmo.com

Lost or Stolen Cards:
Canada & U.S. 1-800-361-3361
Outside Canada & U.S. 416-232-8020 (call collect)

11 AMENDMENT

11.1 The Bank may amend this Agreement at any time by giving written notice to the Customer not less than thirty (30) days prior to the effective date of the amendment. The Bank may immediately modify the Customer Credit Limit or any Card Limit upon written notice to the Customer. Any amendment or modification is effective as at a date stipulated in the notice.

12 CARDS WITHOUT AN EMPLOYEE'S NAME

12.1 If the Customer requests that the Bank issue a Card that will not bear an employee's name (a "**Department Card**"), such as a Card assigned to a department of the Customer or a Card assigned to a vehicle instead of an individual employee, the following additional provisions shall apply: (a) notwithstanding section 1.3, the Card shall be setup with the Customer name and certain other identification as the Bank or the Customer may require, and any person using the Card from time to time shall be the "Cardholder" of the Card; (b) notwithstanding section 4.2, the Customer acknowledges that the Card will not have a Cardholder's signature, and agrees to be liable for all Purchases made with the Card (but in the case of a Card assigned to a vehicle, only from merchants providing fuel and maintenance services), whether or not the Purchases were made by a duly authorized employee; (c) notwithstanding section 3.1, the Bank will provide Card Account Statements for the Card to the Customer; (d) the Customer acknowledges that such Cards entail the risk of merchant rejection as well as a greater risk of unauthorized use because the absence of an individual Cardholder name and specimen signature preclude customary verification that the user of the Card is an authorized Cardholder. The Customer shall not dispute or contest with or through the Bank whether the use of any such Card or related account was authorized; (e) notwithstanding sections 1.3 and 2.1, the Bank will not issue a PIN in connection with the Card and the Cardholder cannot obtain Cash Advances; and (f) notwithstanding anything to the contrary in section 3, the Bank will provide Card Account Statements for the Card to the Customer.

13 GENERAL

13.1 The Customer shall provide the Bank with such information with respect to the Customer and each Cardholder as the Bank may from time to time reasonably request.

13.2 No term or provision of this Agreement is deemed waived and no breach excused, unless the waiver or consent is in writing and signed by the party claimed to have waived or consented.

Any consent by any party to, or waiver of, a breach by the other, whether express or implied, does not constitute a consent to, waiver of, or excuse for, any other different or subsequent breach.

- 13.3 This Agreement constitutes the entire agreement between the parties with respect to the subject matter and supersedes all previous negotiations, proposals, commitments, writings and understandings of any nature whatsoever, whether oral or written, unless they have been expressly incorporated by additional reference in this Agreement.
- 13.4 This Agreement may not be transferred or assigned by the Customer, voluntarily or involuntarily, or otherwise, without the prior written consent of the Bank, which may be arbitrarily withheld. The amalgamation, merger or consolidation of the Customer shall be deemed to be an assignment of this Agreement. If transferred or assigned without the Bank's prior written consent, this Agreement will be deemed to be terminated, unless the Bank agrees in writing otherwise.
- 13.5 Any terms of this Agreement which by their nature continue after the Agreement terminates, will remain in effect and will apply to each party's successors and permitted assigns.

- 13.6 References to this Agreement include all Schedules attached hereto.
- 13.7 The headings in this Agreement are for ease of reference only and are not to be used in interpreting this Agreement.
- 13.8 If any provision of this Agreement is held to be unenforceable, invalid or void, all other provisions will nevertheless continue in full force and effect.
- 13.9 This Agreement shall be binding upon and enure to the benefit of each party and its respective successors and permitted assigns.
- 13.10 This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.
- 13.11 **Applicable in the Province of Quebec only:** It is the express wish of the parties that this Agreement and any related documents (other than agreements or documents which any Cardholder may have requested in French) be drawn up in English. Il est la volonté expresse des parties que la présente convention et tous documents y afférents soient rédigés en anglais.

IN WITNESS WHEREOF the parties have executed this Agreement as of this 9th day of July, 2015.

LAKE TRADING NEWCASTLE INC.
(Customer)

BANK OF MONTREAL

Address: 216 KING AVENUE EAST

City	Province	Postal Code
<u>NEWCASTLE E</u>	<u>ON</u>	<u>L1B1H5</u>

Address: 50 BAY STREET SOUTH K

City	Province	Postal Code
<u>HAMILTON</u>	<u>ON</u>	<u>L8P4V9</u>

By: X 
(Authorized Officer's Signature)


By: X 
(Authorized Officer's Signature)

Name: SREEKUMAR VAKEEL

Name: MAURO BRUNETTI
~~MICHAEL PERONE~~

Title: DIRECTOR

Title: COMMERCIAL ACCOUNT MANAGER

By: X 
(Authorized Officer's Signature)

Name: _____

Title: _____

® Registered trade-mark of Bank of Montreal. All services provided by Bank of Montreal.
 ®* Bank of Montreal is a licensed user of the registered trade-mark and design of MasterCard International Inc.
 ®† Trade-mark of AIR MILES International Trading B.V. Used under license by LoyaltyOne, Inc. and Bank of Montreal.

EXHIBIT “H”



Operating Loan Agreement with Availment in Canadian Dollars

To: Bank of Montreal

Date: June 31, 2015

The undersigned hereby requests Bank of Montreal (the "Bank") to provide a credit facility to the undersigned, subject to the following terms and conditions:

1. DEFINED TERMS

In this Agreement:

- 1.01 "Account" shall mean the Canadian Dollar Account No. 2987-1997-191 at the Bank.
- 1.02 "Facility Fee" shall mean a fixed monthly fee of \$ 75.00.
- 1.03 "Loan" shall mean the credit facility (if any) provided pursuant to this Agreement and the amount of the Loan shall mean at any time the aggregate of all amounts debited to the Account (including without limitation cheques, transfers, withdrawals, interest, costs, charges and fees) less the aggregate of all amounts credited to the Account for which the Bank has given value.
- 1.04 "Loan Limit" shall mean SEVENTY FIVE THOUSAND--XX/100 Dollars (\$ 75,000.00) or such lesser amount as may be determined by the Bank from time to time including, without limitation, pursuant to a calculation under the Lending Margin Calculation, if any, set out in the Addendum hereto.
- 1.05 "Loan Rate" shall mean a rate equal to the Bank's Prime Rate plus TWO AND ONE QUARTER per cent (2.25%) per annum.
- 1.06 "Prime Rate" shall mean the floating annual rate of interest established from time to time by the Bank as the reference rate it will use to determine the rate of interest payable to the Bank by borrowers from the Bank in Canadian dollars in Canada and designated by the Bank as its Prime Rate. The Prime Rate on the date hereof is *two percent eight five* per cent (2.85%) per annum.
- 1.07 "Overdraft Rate" shall mean the annual rate of interest established from time to time by the Bank as the interest rate it will use to calculate the interest payable on overdrawn accounts and designated by the Bank as the "Overdraft Rate". The Overdraft Rate on the date hereof is TWENTY-ONE per cent (21.00%) per annum.

2. ACCOUNT

- 2.01 Cheques drawn and debits of other kinds made on the Account (including, without limitation, transfers and withdrawals) shall be drawn in Canadian dollars.
- 2.02 The undersigned shall not at any time permit the Loan to exceed the Loan Limit and shall use the Account for business purposes only.
- 2.03 The Bank is authorized to debit the Account for all fees and interest required hereunder and for all costs, charges and expenses referred to in paragraph 6.01 and in any other agreement(s) the undersigned has entered into with the Bank.

3. FEES AND INTEREST

- 3.01 The undersigned shall pay the Facility Fee to the Bank, on the last day of each month in addition to all other fees applicable to the Account. Notwithstanding paragraph 1.02, the amount of the Facility Fee may be revised by the Bank from time to time and the revised fee will be effective once the Bank advises the undersigned by notice as herein provided. The Facility Fee shall be payable for the credit facility provided hereunder and for other standard reporting services provided by the Bank in connection with the Account.
- 3.02 The undersigned shall, both before and after demand or judgment, pay interest at the Loan Rate on the daily closing balance of the Loan up to the Loan Limit, such interest to be calculated and payable monthly on the last day of each month.

3.03 The undersigned shall, both before and after demand or judgment, pay interest at the Overdraft Rate on the amount of any daily closing balance of the Loan in excess of the Loan Limit, such interest to be calculated and payable monthly on the last day of each month.

3.04 Nothing herein shall oblige the Bank to permit the Loan to exceed the Loan Limit. In the event the Loan exceeds the Loan Limit, (i) the Bank may at any time terminate the Loan hereunder and immediately demand payment of the Loan by notice as herein provided and (ii) for each occurrence the undersigned will be charged a fee of 1% per annum calculated on the amount of excess over the Loan Limit or \$100, whichever is greater, and a \$5 overdraft handling charge per item that creates or increases the excess.

4. DEMAND AND TERMINATION

4.01 The undersigned shall pay the Loan to the Bank ON DEMAND, regardless of any covenants, conditions, obligations or events of default set out herein including, without limitation, any provisions set out in the Addendum hereto. The Bank may at any time terminate the Loan provided hereunder and demand payment of the Loan by notice as herein provided.

4.02 THE BANK MAY REFUSE TO HONOUR ANY CHEQUE OR PERMIT ANY TRANSFER OR WITHDRAWAL FROM THE ACCOUNT UPON (A) ANY DEFAULT BY THE UNDERSIGNED IN THE PERFORMANCE OF ANY OBLIGATION OF THE UNDERSIGNED TO THE BANK WHETHER CONTAINED HEREIN OR IN ANY OTHER AGREEMENT BETWEEN THE UNDERSIGNED AND THE BANK, (B) THE DEATH OF ANY GUARANTOR OF ANY INDEBTEDNESS OF THE UNDERSIGNED OR RECEIPT BY THE BANK OF NOTICE OF TERMINATION OF ANY GUARANTEE OF ANY INDEBTEDNESS OF THE UNDERSIGNED, (C) THE LOAN EXCEEDING THE LOAN LIMIT, OR (D) ANY DEMAND BEING MADE FOR PAYMENT OF THE LOAN, WHETHER OR NOT ANY TIME PERIOD HAS LAPSED AFTER THE TIME OF THE DEMAND.

5. DOCUMENTATION

5.01 The undersigned shall deliver to the Bank from time to time, promptly on request, in form and substance satisfactory to the Bank:

- (a) any security required by the Bank; and
- (b) all other documents and information required by the Bank.

5.02 Any security document delivered hereunder shall be held as additional security for the indebtedness of the undersigned for the Loan, and not in substitution or in satisfaction thereof.

6. COSTS

6.01 The undersigned shall pay all reasonable costs, charges and expenses incurred by the Bank in the preparation or enforcement of this Agreement or any security required in connection with the Loan.

7. NOTICES

7.01 The Bank shall not be required to notify the undersigned of changes to the Prime Rate or the Overdraft Rate or in the Bank's calculations of the Lending Margin Calculation, if any.

7.02 Any request for any document or information, notice of termination, demand for payment or other notice to be sent in connection with this Agreement or either of the Accounts may be delivered, or mailed by prepaid ordinary mail or transmitted by facsimile if to the undersigned (or any one of them, if more than one) at the last known address or facsimile number for the undersigned (or any one of them, if more than one) in the Bank's records or if to the Bank at the Branch where the Account is maintained. The undersigned or the Bank, as applicable, shall be deemed to have received such request or notice on the date of delivery, if delivered, on the first business day following the date of transmission if transmitted by facsimile, and four (4) days after mailing, if mailed.

~~8. AMENDED AND RESTATED AGREEMENT~~

~~8.01 This Agreement hereby amends and restates the~~

(Insert name of agreement)



Agreement dated the _____ day of _____, as heretofore amended and supplemented from time to time (the "Existing Agreement"), between the undersigned and the Bank with effect as and from the date hereof (the "Effective Date"), the whole without any novation whatsoever.

- 8.02 The parties hereby expressly agree that as and from the Effective Date all of the undersigned's obligations, indebtedness and liabilities to the Bank under or pursuant to the Existing Agreement including, without limitation, the outstanding principal amount of the loan thereunder, all interest accrued thereon, all interest on overdue interest and all other amounts owing by the undersigned to the Bank under or pursuant to the Existing Agreement shall be governed by the terms hereof.
- 8.03 The undersigned hereby ratifies, confirms, acknowledges and agrees that it is and continues to be bound by all of the obligations, indebtedness and liabilities of and grants of security made by it under each of the security documents under, pursuant to or in connection with the Existing Agreement, including without limitation any agreement or instrument creating or granting a hypothec, security under the *Bank Act* (Canada), mortgage, pledge, fixed or floating charge, assignment by way of security or any other security interest securing payment or performance of an obligation under or pursuant to the Existing Agreement (herein, collectively, the "Security Documents") and each certificate or other document delivered pursuant to or in connection with the Existing Agreement or the Security Document (the Security Documents and such certificates or other documents are herein, collectively, the "Loan Documents"), and the undersigned acknowledges that the Bank is relying expressly upon the Loan Documents and such ratifications, confirmations, acknowledgements and agreements by the undersigned herein in entering into this Agreement and providing any accommodations hereunder, notwithstanding the amendment and restatement set forth herein.
- 8.04 As and from the Effective Date, all references to the Existing Agreement in any of the Loan Documents shall be construed as being a reference to the Existing Agreement as amended and restated by this Agreement.
- 8.05 This Article 8 is made under express reserve of all the terms and conditions of this Agreement and the Loan Documents and all rights in favour of the Bank hereunder and thereunder and without novation of any kind or derogation from the rank and priority of the Security Documents. Without derogating from or restricting in any way the Security Documents, all obligations under or pursuant to the Existing Agreement and hereunder shall continue to be secured by the Security Documents. All of the provisions of this Article 8 are without novation.

9. GENERAL

- 9.01 The provisions of the Addendum, if any, shall be incorporated into this Agreement and form part hereof.
- 9.02 The Bank's statements of the Account at any time shall constitute prima facie evidence of the Loan.
- 9.03 The undersigned will immediately notify the Bank if any guarantor of the indebtedness of the undersigned to the Bank dies.
- 9.04 This Agreement shall be binding upon the undersigned and the respective executors, administrators, successors and assigns of the undersigned, but the undersigned shall not assign any of the rights or obligations of the undersigned hereunder without the prior written consent of the Bank.
- 9.05 The failure of either the undersigned or the Bank to require performance by the other of any provision hereof shall in no way affect the right thereafter to enforce such provision; nor shall the waiver by either party of any breach of any covenant, condition or proviso of this Agreement or any other agreement between the Bank and the undersigned be taken or held to be a waiver of any further breach of the same covenant, condition or proviso.
- 9.06 Subject to Article 8 above (if applicable) this Agreement shall be in addition to and not in substitution for any other agreement between the undersigned and the Bank.
- 9.07 The undersigned agrees that the balance shown in any statement of the Account provided to the undersigned shall be deemed to be a correct and accurate statement of the Loan as at the date of the statement.
- 9.08 All payments relating to the Loan made by the undersigned pursuant to this Agreement shall be paid in Canadian dollars.

Any obligation of the undersigned under this Agreement to make payments in U.S. dollars shall not be discharged or satisfied by any tender or recovery pursuant to any judgment expressed in or converted into Canadian dollars except to the extent that such tender or recovery shall result in the effective receipt by the Bank of the full equivalent amount of U.S. dollars so payable hereunder. Accordingly, the obligation of the

undersigned shall be enforceable as an alternative or additional cause of action for the purpose of recovery in Canadian dollars of the amount (if any) by which such payment of a U.S. dollar obligation hereunder in a currency other than U.S. dollars shall fall short of the full amount of U.S. dollars so payable hereunder and shall not be affected by any judgment being obtained for any other sums due hereunder.

- 9.09 If any other provision of this Agreement would oblige the undersigned to pay or entitle the Bank to receive any amount that is prohibited by law, then, notwithstanding such provision, such amount shall be deemed to have been adjusted with retroactive effect to the maximum permitted amount by law. Notwithstanding the foregoing, if the Bank receives an amount in excess of the maximum permitted, then the undersigned shall be entitled, on providing written notice to the Bank, to obtain reimbursement of such excess. Pending reimbursement, such excess shall be deemed to be payable by the Bank. The Bank and the undersigned disavow any intent to receive or pay any amount in excess of that is permitted by law.
- 9.10 Time shall be of the essence of this Agreement.
- 9.11 If more than one party signs this Agreement, the obligations of the undersigned are joint and several.
- 9.12 It is the express wish of the parties that this Agreement and any related documents be drawn up and executed in English. Les parties conviennent que la présente convention et tous les documents s'y rattachant soient rédigés et signés en anglais.

By executing this Agreement below the undersigned hereby agrees to the foregoing terms and conditions.

DATED as of the date set forth above.

LAKE TRADING GODERICH INC.



Per: _____
Sreekumar Vakeel, President
I have authority to bind the Corporation

® Registered trade-marks of Bank of Montreal

**ADDENDUM TO
OPERATING LOAN AGREEMENT**

Lending Margin Calculation and/or Additional Provisions

The Bank may in its discretion reduce the Loan Limit by the amount of any other indebtedness or liability of the undersigned (or any one of them, if more than one) to the Bank including, without limitation, the amount of any bankers acceptances or letters of credit.

Without limiting the foregoing, the following Lending Margin Calculation is applicable to the attached Loan Agreement. The calculation and the amount of the Lending Margin Calculation is in the sole and complete discretion of the Bank, and in cases of dispute, the Lending Margin Calculation calculated by the Bank shall prevail.

The Lending Margin Calculation (if applicable) shall be an amount equal to: N/A

EXHIBIT “I”

\$725,825.40



Date 29/June/2020

MILTON MALL MILTON ONTARIO
55 ONTARIO ST S
MILTON, ONT. L9T2M3
Branch

On demand I promise to pay to the order of Bank of Montreal the sum of Seven hundred twenty five thousand eight hundred twenty five 40/100 Dollars and to pay interest Monthly at a rate of 3.500 per cent per annum above the Bank of Montreal's prime interest rate per annum in effect from time to time, up to and after maturity, compounded monthly from the due date of such interest until actual payment at the above mentioned branch of the Bank of Montreal. At the date of this note such prime interest rate per annum is 2.450 per cent. Value received.

FOR INTERNAL BANK USE ONLY

Credit Deposit Account No.	Loan Account No.	Initials
2987-1997-191	_____	

LAKE TRADING GODERICH INC.


By: 
Name: SREEKUMAR HAKEEL
Title: Authorized Signatory

EXHIBIT “J”

Guarantee for Indebtedness of an Incorporated Company

To BANK OF MONTREAL:

IN CONSIDERATION of Bank of Montreal (the "Bank") dealing with Lake Trading Goderich Inc. (the "Customer"), the undersigned hereby jointly and severally (solidarily in the Province of Québec) guarantees payment to the Bank of all present and future debts and liabilities in any currency, direct, indirect, contingent or otherwise, matured or not, including interest thereon, now or at any time, due or owing to the Bank from or by the Customer or by any successor of the Customer, whether arising from dealings between the Bank and the Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatever a creditor of the Customer, wherever incurred and whether incurred by the Customer as principal or surety, alone or jointly with any other person, or otherwise howsoever. The liability of the undersigned (or each undersigned, if more than one), under this Guarantee, is limited to the aggregate amount of **ONE MILLION EIGHTY FOUR THOUSAND--XX/100 Dollars (\$1,084,000.00)** plus interest thereon at a rate of **THREE--(3.00%)--** per cent per annum above the Bank's prime interest rate in effect from time to time, from and including the date of demand until payment, and legal or other costs, charges and expenses. The liability of the undersigned to make payment under this Guarantee shall arise immediately after demand for payment under this Guarantee has been made in writing by the Bank on the undersigned or any one of them, if more than one. The term "prime interest rate" means the floating annual rate of interest established from time to time by the Bank as the base rate it uses to determine rates of interest on Canadian dollar loans to customers in Canada and designated as Prime Rate.

IT IS AGREED that no change in the name, objects, capital stock, ownership, control or constitution of the Customer shall in any way affect the liability of the undersigned with respect to transactions occurring either before or after any such change. If the Customer amalgamates with one or more other corporations this Guarantee shall continue and apply to all debts and liabilities owing to the Bank by the corporation continuing from the amalgamation. The Bank shall not be required to inquire into or confirm the powers of the Customer or any of its directors or other agents acting or purporting to act on its behalf, and all amounts, liabilities, advances, renewals and credits in fact incurred, borrowed or obtained from the Bank shall be deemed to form part of the debts and liabilities hereby guaranteed, notwithstanding whether incurring such debts or liabilities exceeded the powers of the Customer or of its directors or agents, or was in any way irregular, defective or improper.

IT IS FURTHER AGREED that the undersigned shall be liable to the Bank in respect of all debts and liabilities, subject to the limitation, if any, set forth in the first paragraph of this Guarantee, stated to be owing to the Bank by the Customer under any agreement entered into by the Customer with respect to such debts and liabilities, notwithstanding whether any such agreement or any provision thereof is invalid, void, illegal, or unenforceable and notwithstanding whether such agreement was properly completed, entered into or authorized. Subject to the limitation, if any, set forth in the first paragraph of this Guarantee, the undersigned shall indemnify and save the Bank harmless from any losses which may arise by virtue of any debts and liabilities stated to be owing to the Bank by the Customer under any agreement entered into by the Customer with respect to such debts and liabilities, or any other agreement relating to any of the foregoing, being or becoming for any reason whatsoever in whole or in part (a) void, voidable, null, *ultra vires*, illegal, invalid, ineffective or otherwise unenforceable in accordance with its terms, or (b) released or discharged by operation of law (all of the foregoing being an "Indemnifiable Circumstance"). For greater certainty, the losses shall include the amount of all debts and liabilities owing to the Bank by the Customer which would have been payable by the Customer but for the Indemnifiable Circumstance. Nothing set out herein shall be interpreted as requiring any debts or liabilities which are hereby guaranteed to be documented by written agreement between the Bank and the Customer.

IT IS FURTHER AGREED that the Bank, without the consent of the undersigned and without exonerating in whole or in part the undersigned, may grant time, renewals, extensions, indulgences, releases and discharges to, may abstain from taking, perfecting or realizing upon security from, may release security to, may accept compositions from, and may otherwise change the terms of any of the debts and liabilities hereby guaranteed and otherwise deal with, the Customer and all other persons (including any other undersigned and any other guarantor) and security, as the Bank may see fit. No loss or diminution of any security received by the Bank from the Customer or others, whether the loss or diminution is due to the fault of the Bank or otherwise, shall in any way limit or lessen the liability of the undersigned under this Guarantee. All dividends, compositions, and amounts received by the Bank from the Customer or from any other person or estate capable of being applied by the Bank in reduction of the debts and liabilities hereby guaranteed, shall be regarded for all purposes as payments in gross, and the Bank shall be entitled to prove against the estate of the Customer upon any insolvency or winding-up in respect of the whole of said debts and liabilities, and the undersigned shall have no right to be subrogated to the Bank in respect of any such proof until the Bank has received from such estate payment in full of its claim with interest.

AND IT IS FURTHER AGREED that this shall be a continuing guarantee, and shall guarantee any ultimate balance owing to the Bank, including all costs, charges and expenses which the Bank may incur in enforcing or obtaining payment of amounts due to the Bank from the Customer either alone or in conjunction with any other person or otherwise howsoever, or attempting to do so. The Bank shall not be obliged to seek recourse against the Customer or any other person or realize upon any security it may hold before being entitled to payment from the undersigned of all debts and liabilities hereby guaranteed. The undersigned hereby renounces the benefits of discussion and division. The undersigned renounces claiming or setting up against the Bank any right which such undersigned may have to be subrogated in any of the rights, hypothecs, privileges and other security held from time to time by the Bank. The undersigned may terminate the further liability of such terminating party under this continuing Guarantee by providing ninety days' prior written notice to be given to the Bank. The liability of such terminating party shall continue under this Guarantee during such 90-day period, notwithstanding the death or insanity of such terminating party. After the expiry of such 90-day period, the terminating party shall be released from this Guarantee with respect to debts and liabilities arising after the expiry of such 90-day period but shall remain liable under this Guarantee in respect of all debts and liabilities owing to the Bank prior to the expiry of such 90-day period and also in respect of any contingent or future liabilities incurred to or by the Bank on or before such date which mature thereafter. Termination by the undersigned or the executors, liquidators, administrators or legal representatives of such undersigned shall not terminate the liability hereunder of any other undersigned. If after such termination any payment from the Customer must be returned to the Customer, or any successor or representative of the Customer, for any reason (including the designation of such payment as a mistake or as a preference following the bankruptcy of the Customer), then this

Guarantee shall continue after the termination as if such payment had not been made. A written statement from any manager or acting manager of the Bank purporting to show the amount at any particular time due and payable to the Bank, and guaranteed by this Guarantee, shall be conclusive evidence as against the undersigned that such amount is at such time so due and payable to the Bank and is guaranteed hereby. Each of the executors, liquidators, administrators and legal representatives of the undersigned shall immediately give notice in writing to the Bank of the death of such undersigned.

Insert name of
Canadian
Province in
which
Customer's
accounts with
the Bank is
kept at the time
Guarantee is
given

THIS CONTRACT shall be construed in accordance with the laws of the Province of Ontario and for the purpose of legal proceedings this contract shall be deemed to have been made in the said province and to be performed there, and the courts of that province shall have non-exclusive jurisdiction over all disputes which may arise under this contract, provided always that nothing herein contained shall prevent the Bank from proceeding at its election against the undersigned in the courts of any other province or country.

IF ANY PROVISION of this Guarantee is determined to be unenforceable, prohibited, invalid or illegal, it shall be severed from this Guarantee solely to the extent of such unenforceability, prohibition, invalidity or illegality and the remainder of such provision and the remainder of this Guarantee shall be unaffected thereby. The liability of the undersigned under this Guarantee shall not be terminated if this Guarantee is held to be unenforceable against any other undersigned.

ALL DEBTS AND LIABILITIES present and future of the Customer to the undersigned are hereby assigned (to the extent permitted by applicable law) to the Bank and postponed to the debts and liabilities of the Customer to the Bank and all such amounts paid to the undersigned or its assigns shall be received on behalf of and in trust for the Bank and shall immediately be paid over to the Bank. Any request by the undersigned to the Bank for useful information respecting the content and the terms and conditions of the debts and liabilities of the Customers hereby guaranteed or the progress made in their performance, shall be made in writing by such undersigned to the Bank.

THE UNDERSIGNED acknowledges that this Guarantee has been delivered free of any conditions and that no representations have been made to the undersigned affecting the liability of the undersigned under this Guarantee save as may be specifically embodied herein and agrees that this Guarantee is in addition to and not in substitution for any other guarantees now or subsequently held by the Bank.

THE UNDERSIGNED represents and warrants that (i) it fully understands the provisions of this Guarantee and its obligations hereunder; (ii) it has been afforded the opportunity to engage independent legal counsel, at its own expense, to explain the provisions of this Guarantee and its obligations hereunder; and (iii) it has either engaged legal counsel in connection with its execution of this Guarantee or has decided, at its sole discretion, not to do so.

THE UNDERSIGNED agrees, without limitation of the rights of the Bank under applicable law, that the Bank may apply any amounts owing to, or sum standing to the credit of, the undersigned with any office, branch, subsidiary or affiliate of the Bank to the payment when due of any amount owing by the undersigned hereunder. For this purpose, the Bank may convert any such amount or sum into the currency of the amount owing hereunder at a rate of exchange at which the Bank could purchase the relevant currency on the relevant date acting in good faith.

THIS GUARANTEE shall remain in effect notwithstanding any change in the circumstances having led the undersigned to execute this Guarantee and notwithstanding the termination of or a change in the office or duties of such undersigned or in any relationship between such undersigned and the Customer.

THE UNDERSIGNED acknowledges and agrees that the Bank may make a claim or demand payment hereunder notwithstanding any limitation period regarding such claim or demand set forth in the *Limitations Act, 2002* (Ontario) or under any other applicable law with similar effect and, to the maximum extent permitted by applicable law, any limitations periods set forth in such act or applicable law are hereby explicitly excluded or, if excluding such limitations periods is not permitted by such act or applicable law, are hereby extended to the maximum limitation period permitted by such act or applicable law. For greater certainty, the undersigned acknowledges and agrees that this Guarantee is a "business agreement" as defined under Section 22 of the *Limitations Act, 2002* (Ontario).

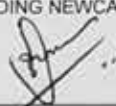
IN THIS GUARANTEE, unless the context otherwise requires, references to the undersigned shall be interpreted as referring to each of the undersigned if there is more than one undersigned.

It is the express wish of the parties hereto that this agreement and any related documents be drawn up and executed in English. Les parties conviennent que la présente convention et tous les documents s'y rattachant soient rédigés et signés en anglais.

This clause
applies to
the Province
of Québec
only

DATED as of June 8, 2015.

LAKE TRADING NEWCASTLE INC.

Per 
Sreekumar Vakeel, President
I have authority to bind the Corporation

© Registered trade-marks of Bank of Montreal

ENABLING RESOLUTION

EXTRACT FROM THE MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF LAKE TRADING NEWCASTLE INC. HELD AT THE HEAD OFFICE OF THE CORPORATION ON JUNE , 2015

On motion duly made and seconded, it was unanimously resolved:

THAT the Company does hereby guarantee payment to the Bank of Montreal of all present and future debts and liabilities now or at any time and from time to time due or owing to said Bank by Lake Trading Goderich Inc. up to the principal amount of \$1,084,000.00 at any one time, the whole in the terms set out in Form No. LF 44 of the Bank of Montreal submitted to this meeting, and any director or officer of the Corporation is authorized and directed to sign and execute such form and deliver the same to Bank of Montreal.

I CERTIFY that the foregoing is a true copy of a Resolution passed at a Meeting of the Board of Directors of the said Company held as aforesaid.

AS WITNESS the Corporate Seal of the said Company, on June 8th, 2015.



Sreekumar Vakeel, Secretary

EXHIBIT “K”



Bank of Montreal

02 H
**Ontario Personal Property
 Security Act Security Agreement**

SECURITY AGREEMENT

The undersigned (hereinafter called the "Debtor") hereby enters into this Security Agreement with Bank of Montreal (hereinafter called the "Bank") for valuable consideration and as security for the repayment of all present and future indebtedness of the Debtor to the Bank and interest thereon and for the payment and discharge of all other present and future liabilities and obligations, direct or indirect, absolute or contingent, of the Debtor to the Bank (all such indebtedness, interest, liabilities and obligations being hereinafter collectively called the "Obligations"). This Security Agreement is entered into pursuant to and is governed by the *Personal Property Security Act* (Ontario) insofar as it affects personal property located in Ontario.

1. The Debtor hereby represents and warrants to the Bank that it has assets at the following locations in Ontario:

216 King Avenue East, Newcastle, ON L1B 1H5

List all premises
 and asset
 locations, by
 schedule, if
 necessary

2. The Debtor hereby:

Attach a
 schedule, if
 equipment is to
 be listed

- (a) mortgages and charges to the Bank as and by way of a fixed and specific mortgage and charge, and grants to the Bank a security interest in, all its present and future equipment and any proceeds therefrom, including, without limiting the generality of the foregoing, all fixtures, plant, machinery, tools and furniture now or hereafter owned or acquired or in respect of which the Debtor has rights now or in the future and any equipment specifically listed or otherwise described in any Schedule hereto ;
- (b) mortgages and charges to the Bank, and grants to the Bank a security interest in, all its present and future inventory and any proceeds therefrom, including, without limiting the generality of the foregoing, all raw materials, goods in process, finished goods and packaging material and goods acquired or held for sale or furnished or to be furnished under contracts of rental or service ;
- (c) assigns, transfers and sets over to the Bank and grants to the Bank a security interest in, all its present and future intangibles and any proceeds therefrom, including, without limiting the generality of the foregoing, all its present and future accounts, accounts receivable, client lists, client records, client files, contract rights and other choses in action of every kind or nature now due or hereafter to become due, including insurance rights arising from or out of the assets referred to in sub-clauses (a) and (b) above ;
- (d) grants, mortgages, charges, transfers and assigns to the Bank a security interest in, all its present and future chattel papers, documents of title, instruments, money and securities, and any proceeds therefrom ; and

(e) charges in favour of the Bank as and by way of a floating charge its undertaking and all its property and assets, real and personal, moveable or immovable, of whatsoever nature and kind, both present and future (other than property and assets hereby validly assigned or subjected to a specific mortgage and charge and to the exceptions hereinafter contained). For the purposes of this Security Agreement, the equipment, inventory, intangibles, undertaking and all other property and assets of the Debtor referred to in this clause 2 are hereinafter sometimes collectively called the "Collateral". Without limiting the generality of the description of Collateral as set out in this clause 2, and for the greater certainty, the Collateral shall include all present and future personal property of the Debtor of the type described in any schedule attached hereto. The Debtor agrees that it shall promptly advise the Bank in writing of any acquisition of personal property which is not of the type herein described. The Debtor agrees to execute and deliver from time to time, at its own expense, amendments to this Security Agreement or additional security agreements, which may be reasonably required by the Bank to ensure attachment of security interests in such personal property.

3. The Collateral is on the date hereof primarily situate or located at the location(s) set out in clause 1 hereof but may from time to time be located at other premises of the Debtor. The Collateral may also be located at other places while in transit to and from such locations and premises; and the Collateral may from time to time be situated or located at any other place when on lease or consignment to any lessee or consignee from the Debtor.

4. It is hereby declared that the last day of any term of years reserved by any lease, verbal or written, or any agreement therefor, now held or hereafter acquired by the Debtor, is hereby or shall be excepted out of the mortgages, charges and security interests hereby created, but the Debtor shall stand possessed of the reversion of one day remaining in the Debtor in respect of any such term of years, for the time being demised, as aforesaid upon trust to assign and dispose of the same as any purchaser of such term of years shall direct. There shall also be excluded from the security created by this Security Agreement any property of the Debtor that constitutes consumer goods for the personal use of the Debtor.

5. The Debtor shall not without the prior written consent of the Bank sell or dispose of any of the Collateral other than that described in sub-clause (b) of clause 2 above which may be sold only in the ordinary course of business and for the purpose of carrying on the same; and if the amounts of any of the intangibles referred to in sub-clause (c) of clause 2 above or any proceeds arising from the Collateral described in sub-clauses (a) and (b) of clause 2 above shall be paid to the Debtor, the Debtor shall receive the same as agent of the Bank and forthwith pay over the same to the Bank. The Debtor shall not without the prior written consent of the Bank create any liens upon or assign or transfer as security or pledge or hypothecate as security or create a security interest in the Collateral except to the Bank. The Debtor agrees that the Bank may require any account debtor to the Debtor to make payment to the Bank and the Bank may take control of any proceeds referred to in sub-clauses (a), (b) and (c) of clause 2 hereof and may hold all amounts received from any account debtors and any proceeds as cash collateral as part of the Collateral and as security for the Obligations of the Debtor to the Bank.

6. The Debtor shall at all times do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered all and singular every such further acts, deeds, transfers, assignments, security agreements and assurances as the Bank may reasonably require for the better granting, transferring, assigning, charging, setting over, assuring and confirming unto the Bank the property and assets hereby mortgaged and charged or subjected to security interests or intended so to be or which the Debtor may hereafter become bound to mortgage, charge, transfer, assign or subject to a security interest in favour of the Bank and for the better accomplishing and effectuating of this Security Agreement.

7. The Debtor shall at all times have and maintain insurance over the Collateral against risks of fire (including so-called extended coverage), theft, and such other risks as the Bank may reasonably require in writing, containing such terms, in such form, for such periods and written by such companies as may be reasonably satisfactory to the Bank. The Debtor shall duly and seasonably pay all premiums and other sums payable for maintaining such insurance and shall cause the insurance money thereunder to be payable to the Bank as its interest hereunder may appear and shall, if required, furnish the Bank with certificates or other evidence satisfactory to the Bank of compliance with the foregoing insurance provisions.

8. The Debtor shall at all times upon request by the Bank furnish the Bank with such information concerning the Collateral and the Debtor's affairs and business as the Bank may reasonably request, including lists of inventory and equipment and lists of accounts and accounts receivable showing the amounts owing upon each account and securities therefor and copies of all financial statements, books and accounts, invoices, letters, papers and other documents in any way evidencing or relating to the account.

9. The Debtor shall be in default under this Security Agreement upon the occurrence of any one of the following events:

- (a) the Debtor shall default under any of the Obligations;
- (b) the Debtor shall default in the due observance or performance of any covenant, undertaking or agreement heretofore or hereafter given to the Bank, whether contained herein or not and including any covenant or undertaking set out in any Schedule to this Security Agreement;
- (c) an execution or any other process of any court shall become enforceable against the Debtor or a distress or analogous process shall be levied upon the property of the Debtor or any part thereof;
- (d) the Debtor shall become insolvent or commit an act of bankruptcy, or make an assignment in bankruptcy or a bulk sale of its assets or a bankruptcy petition shall be filed or presented against the Debtor and not be *bona fide* opposed by the Debtor;
- (e) the Debtor shall cease to carry on business.

10. Upon any default under this Security Agreement, the Bank may declare any or all of the Obligations to be immediately due and payable and may proceed to realize the security hereby constituted and to enforce its rights by entry; or by the appointment by instrument in writing of a receiver or receivers of the subject matter of such security or any part thereof and such receiver or receivers may be any person or persons, whether an officer or officers or employee or employees of the Bank or not, and the Bank may remove any receiver or receivers so appointed and appoint another or others in his or their stead, or by proceedings in any court of competent jurisdiction for the appointment of a receiver or receivers or for sale of the Collateral or any part thereof, or by any other action, suit, remedy or proceeding authorized or permitted hereby or by law or by equity; and may file such proofs of claim and other documents as may be necessary or advisable in order to have its claim lodged in any bankruptcy, winding-up or other judicial proceedings relative to the Debtor. Any such receiver or receivers so appointed shall have power to take possession of the Collateral or any part thereof and to carry on the business of the Debtor, and to borrow money required for the maintenance, preservation or protection of the Collateral or any part thereof or the carrying on of the business of the Debtor, and to further charge the Collateral in priority to the security constituted by this Security Agreement as security for money so borrowed, and to sell, lease or otherwise dispose of the whole or any part of the Collateral on such terms and conditions and in such manner as he shall determine. In exercising any powers any such receiver or receivers shall act as agent or agents for the Debtor and the Bank shall not be responsible for his or their actions.

In addition, the Bank may enter upon the applicable premises and lease or sell the whole or any part or parts of the Collateral. The Debtor agrees that considering the nature of that part of the Collateral that is not perishable it will be commercially reasonable to sell such part of the Collateral:

- (a) as a whole or in various lots;
- (b) by a public sale or call for tenders by advertising such sale once in a local daily newspaper at least seven (7) days before such sale; and
- (c) by private sale after the receipt by the Bank of at least two offers from prospective purchasers who may include persons related to or affiliated with the Debtor or other customers of the Bank.

Any such sale shall be on such terms and conditions as to credit or otherwise and as to upset or reserve bid or price as to the Bank in its sole discretion may seem advantageous and such sale may take place whether or not the Bank has taken possession of such property and assets.

No remedy for the realization of the security hereof or for the enforcement of the rights of the Bank shall be exclusive of or dependent on any other such remedy, but any one or more of such remedies may from time to time be exercised independently or in combination. The term "receiver" as used in this Security Agreement includes a receiver and manager.

11. Any and all payments made in respect of the Obligations from time to time and moneys realized from any securities held therefor (including moneys realized on any enforcement of this Security Agreement) may be applied to such part or parts of the Obligations as the Bank may see fit, and the Bank shall at all times and from time to time have the right to change any appropriation as the Bank may see fit.

12. The Debtor agrees to pay all reasonable expenses, including solicitor's fees and disbursements and the remuneration of any receiver appointed hereunder, incurred by the Bank in the preparation, perfection and enforcement of this Security Agreement, including all expenses incurred by the Bank and its agents to put into place and confirm the priority of any security interest in this Security Agreement and the payment of such expenses shall be secured hereby.

13. The Bank may waive any default herein referred to; provided always that no act or omission by the Bank in the premises shall extend to or be taken in any manner whatsoever to affect any subsequent default or rights resulting therefrom.

14. The Debtor acknowledges that value has been given, that the Debtor has rights in the Collateral and that the parties have not agreed to postpone the time for attachment of any security interest in this Security Agreement.

15. The security hereof is in addition to and not in substitution for any other security now or hereafter held by the Bank and shall be general and continuing security notwithstanding that the Obligations of the Debtor shall at any time or from time to time be fully satisfied or paid.

16. Nothing herein shall obligate the Bank to make any advance or loan or further advance or loan or to renew any note or extend any time for payment or any indebtedness or liability of the Debtor to the Bank.

17. This Security Agreement shall enure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and assigns of the Debtor and the Bank.

18. This Security Agreement is a security agreement within the meaning of the Personal Property Security Act (Ontario) and does not constitute an acknowledgement of any particular indebtedness or liability of the Debtor to the Bank.

19. The Debtor acknowledges receipt of a copy of this agreement.

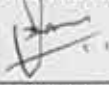
20. In construing this Security Agreement, terms herein shall have the same meaning as defined in the *Personal Property Security Act* (Ontario), unless the context otherwise requires. The word "Debtor", the personal pronoun "it" or "its" and any verb relating thereto and used therewith shall be read and construed as required by and in accordance with the context in which such words are used depending upon whether the Debtor is one or more individuals, corporations or partnerships and, if more than one, shall apply and be binding upon each of them severally. The term "successors" shall include, without limiting its meaning, any corporation resulting from the amalgamation of a corporation with another corporation and, where the Debtor is a partnership, any new partnership resulting from the admission of new partners or any other change in the Debtor, including, without limiting the generality of the foregoing, the death of any or all of the partners.

Insert date of execution

IN WITNESS WHEREOF this Security Agreement has been executed by the Debtor on
22nd day of July, 2014. (year)

To be signed by Debtor, if Debtor is a corporation ensure signatures are authorized and if Debtor is a corporation with a corporate seal, affix Corporate Seal, Debtor's name should be typed

LAKE TRADING NEWCASTLE INC.

Per: 
 Sreekumar Vakeel, President
 I have authority to bind the Corporation

CORPORATE AUTHORIZING RESOLUTION

Required only for a corporation

"WHEREAS it is in the interests of the Company to enter into a security agreement with the Bank of Montreal as security for its present and future obligations to the Bank of Montreal and therein mortgage, charge, assign and otherwise transfer and encumber and grant security interests in all its present and future property and assets;

NOW THEREFORE BE IT RESOLVED THAT:

1. the Company do enter into, execute and deliver to the Bank of Montreal a security agreement substantially in the form of the draft security agreement presented to the directors, subject to such alternations, amendments or additions to which the President or a Vice-President of the Company may agree;
2. the Company do mortgage, charge, assign and otherwise transfer and encumber and grant security interests in all its present and future equipment, inventory, intangibles, undertaking and other property and assets as security for its present and future obligations to the Bank of Montreal, all as provided in the said draft security agreement;
3. the execution by the President or a Vice-President of the Company of the said security agreement shall be conclusive proof of his agreement to any amendments, alterations or additions incorporated therein;
4. the President and the Vice-President of the Company be and they are each along hereby authorized to execute and deliver the security agreement aforesaid on behalf of the Company and each of the officers of the Company are hereby authorized to execute all such other documents and writings and to do such others acts and things as may be necessary for fulfilling the Company's obligations under the said security agreement."

CERTIFICATE

To be completed by Secretary or other authorized officer, insert name of corporation

I am the Secretary of Lake Trading Newcastle Inc. and I hereby certify that:

Insert appropriate date

1. the foregoing is a true copy of a resolution duly and properly passed or consented to by the board of directors of the said Company on the 22nd day of July, 2014^(year)
2. the attached Security Agreement is in the form of the draft security agreement referred to in the resolution and has been duly and properly executed by the proper officers of the Company under its corporate seal; and
3. or where applicable – the Company is subject to the *Business Corporations Act* of Ontario and the resolution was consented to by the signatures of all the directors of the Company on the date aforesaid in accordance with the *Business Corporations Act*.


To be signed by Secretary or other authorized officer; affix corporate seal



Secretary
Sreekumar Vakeel

EXHIBIT “L”

LRO # 40 Charge/Mortgage


 Received as DR1297507 on 2014 09 08 at 15:48

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

yyyy mm dd Page 1 of 3

Properties

PIN 26655 - 0066 LT Interest/Estate Fee Simple
 Description PT LT 27 CON 2 CLARKE (NEWCASTLE) AS IN N122327; MUNICIPALITY OF CLARINGTON
 Address 216 KING AVENUE NEWCASTLE

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 LAKE TRADING NEWCASTLE INC.
 Address for Service 12 Portrush Trail
 Brampton, Ontario
 L6X 0R3

I, Sreekumar Vakeel, 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 BANK OF MONTREAL
 Address for Service 100 King Street West
 Toronto, Ontario
 M5X 1A1

Statements

Schedule: See Schedules

Provisions

Principal \$ 2,107,500.00 Currency CDN
 Calculation Period Monthly not in advance
 Balance Due Date On demand
 Interest Rate Mortgagee's Prime Rate +5% per annum
 Payments
 Interest Adjustment Date
 Payment Date On demand
 First Payment Date
 Last Payment Date
 Standard Charge Terms 201031
 Insurance Amount full insurable value
 Guarantor

LRO # 40 Charge/Mortgage

Received as DR1297507 on 2014 09 08 at 15:48

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

yyyy mm dd Page 2 of 3

Signed By

Jennifer B Roberts 201 County Court Blvd. Ste. 200 acting for Signed 2014 09 08
Brampton Chargor(s)
L6W 4L2

Tel 905-457-1660

Fax 905-457-5641

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

Submitted By

SIMMONS, DA SILVA & SINTON LLP 201 County Court Blvd. Ste. 200 2014 09 08
Brampton
L6W 4L2

Tel 905-457-1660

Fax 905-457-5641

Fees/Taxes/Payment

Statutory Registration Fee \$60.00

Total Paid \$60.00

File Number

Chargor Client File Number : BAN0818

Restriction of Secondary Financing Clause:

Notwithstanding any other provision hereof, the Chargor shall not obtain or register any secondary mortgage financing against the Lands described herein without the Chargee's written consent and in default thereof the Chargee may at its option immediately declare the balance of all principal and interest to become immediately due and payable and all remedies of the Chargee shall immediately become fully enforceable.

Acceleration Clause/Debt Service Coverage :

In the event the Chargor does not maintain a Debt Service Coverage ratio of not less than 1.25:1 the principal amount of the mortgage loan and all other indebtedness secured by the mortgage with accrued interest thereon and interest rate penalty shall, at the option of the Chargee, become due and payable.

Provision of Financial Information Clause:

The Chargor shall provide to the Chargee financial information, including financial statements, on an annual basis or as reasonably requested by the Chargee in accordance with the commitment letter/paper.

In the event the Chargor does not comply with this Financial Information Clause, the principal amount of the mortgage loan and all other indebtedness secured by the mortgage with accrued interest thereon and interest rate penalty shall, at the option of the Chargee, become due and payable.

Receiver /Manager Clause:

In the event the real property produces rental income and such rental income is paid to the Chargor or paid to any other party pursuant to the direction of the Chargor, the Chargor hereby as further security, assigns and pledges all such rental income to the Chargee, such pledge to become operative upon any default being made by the Chargor under any term of the within Charge and to remain in full force and effect as long as such default continues. The Chargor further authorizes the Chargee after default to enter upon the mortgaged premises and to collect in the name of the Chargor or in its own name as assignee, the rents accrued but unpaid and in arrears as of the date of default, as well as all rents accruing and becoming payable thereafter, until such default is remedied. The Chargor agrees to execute written notice to each tenant directing the tenant to pay rent to the Chargee and the Chargor further agrees to pay 10% of the gross amount of all rentals due or accruing, to the Chargee as a collection fee for such period of time when the Chargee is collecting rents or is entitled to collect rents. The Chargor further authorizes the Chargee during default, at its option and at the expense and risk of the Chargor, to enter into the full management of the property with the right to manage the property in the same manner as an owner of the property, and the Chargor hereby releases all claims against the Chargee arising out of such management, except the liability of the Chargee to account for all funds received. It is not the intention of the parties that if the Chargee manages the property as aforesaid, the Chargee shall be a "mortgagee in possession", except if the Chargee so elects in writing. In addition to the collection fee for the collection of rentals as aforesaid, the Chargee shall also be entitled to all other out-of-pocket costs and compensation for its own time of any employees expended for the management of the property in the event the Chargee enters into the management of the property

Acceleration Clause/Due on Sale Clause or Change in Ownership :

In the event the Chargor sells, conveys, transfers or enters into an agreement for sale or transfer of the title of the mortgaged property to a purchaser or transferee or there is a change in corporate or beneficial ownership of the Chargor not approved in writing by the Bank, which approval will not be unreasonably withheld, the principal amount of the mortgage loan and all other indebtedness secured by the mortgage with accrued interest thereon and interest rate penalty shall, at the option of the Chargee, become due and payable.



ACKNOWLEDGEMENT AND DIRECTION

TO: Angelo R. DeMichele
(Insert lawyer's name)

AND TO: SIMMONS, DA SILVA & SINTON LLP
(Insert firm name)

RE: Bank of Montreal loan to Lake Trading Newcastle Inc. (the transaction)
(Insert brief description of transaction)

This will confirm that:

- I/We have reviewed the information set out in this Acknowledgement and Direction and in the documents described below (the "Documents"), and that this information is accurate;
- You, your agent or employee are authorized and directed to sign, deliver, and/or register electronically, on my/our behalf the Documents in the form attached.
- You are hereby authorized and directed to enter into an escrow closing arrangement substantially in the form attached hereto being a copy of the version of the Document Registration Agreement, which appears on the website of the Law Society of Upper Canada as of the date of the Agreement of Purchase and sale herein. I/We hereby acknowledge the said Agreement has been reviewed by me/us and that I/We shall be bound by its terms;
- The effect of the Documents has been fully explained to me/us, and I/we understand that I/we are parties to and bound by the terms and provisions of the Documents to the same extent as if I/we had signed them; and
- I/we are in fact the parties named in the Documents and I/we have not misrepresented our identities to you.
- I, _____, am the spouse of _____, the (Transferor/Chargor), and hereby consent to the transaction described in the Acknowledgment and Direction. I authorize you to indicate my consent on all the Documents for which it is required.

DESCRIPTION OF ELECTRONIC DOCUMENTS

The Document(s) described in the Acknowledgement and Direction are the document(s) selected below which are attached hereto as "Document in Preparation" and are:

- A Transfer of the land described above.
- A Charge of the land described above.
- Other documents set out in Schedule "B" attached hereto.

Dated at Brampton, this 22nd day of July, 2014.

WITNESS

(As to all signatures, if required)

[Signature]

Lake Trading Newcastle Inc.
Per: [Signature]
Sroekumar Vakeel, President
I have authority to bind the Corporation

LRO # 40 Charge/Mortgage

In preparation on 2014 07 18 at 12:27

This document has not been submitted and may be incomplete.

yyyy mm dd Page 1 of 1

Properties

PIN 28655 - 0066 LT *Interest/Estate* Fee Simple
Description PT LT 27 CON 2 CLARKE (NEWCASTLE) AS IN N122327; MUNICIPALITY OF CLARINGTON
Address 216 KING AVENUE
 NEWCASTLE

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 LAKE TRADING NEWCASTLE INC.
 Acting as a company
Address for Service 12 Portrush Trail
 Brampton, Ontario
 L6X 0R3

I, Sreekumar Vakeet, President, have the authority to bind the corporation.

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

Chargee(s)	Capacity	Share
-------------------	-----------------	--------------

<i>Name</i>	BANK OF MONTREAL Acting as a company
<i>Address for Service</i>	100 King Street West Toronto, Ontario M5X 1A1

Statements

Schedule:

Provisions

Principal \$ 2,107,500.00 *Currency* CDN
Calculation Period Monthly not in advance
Balance Due Date On demand
Interest Rate Mortgagee's Prime Rate +5% per annum
Payments
Interest Adjustment Date
Payment Date On demand
First Payment Date
Last Payment Date
Standard Charge Terms 201031
Insurance Amount full insurable value
Guarantor

File Number

Chargor Client File Number BAN0818



Restriction of Secondary Financing Clause:

Notwithstanding any other provision hereof, the Chargor shall not obtain or register any secondary mortgage financing against the Lands described herein without the Chargee's written consent and in default thereof the Chargee may at its option immediately declare the balance of all principal and interest to become immediately due and payable and all remedies of the Chargee shall immediately become fully enforceable.

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In the event the Chargor does not maintain a Debt Service Coverage ratio of not less than 1.25:1 the principal amount of the mortgage loan and all other indebtedness secured by the mortgage with accrued interest thereon and interest rate penalty shall, at the option of the Chargee, become due and payable.

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The Chargor shall provide to the Chargee financial information, including financial statements, on an annual basis or as reasonably requested by the Chargee in accordance with the commitment letter/paper.

In the event the Chargor does not comply with this Financial Information Clause, the principal amount of the mortgage loan and all other indebtedness secured by the mortgage with accrued interest thereon and interest rate penalty shall, at the option of the Chargee, become due and payable.

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In the event the real property produces rental income and such rental income is paid to the Chargor or paid to any other party pursuant to the direction of the Chargor, the Chargor hereby as further security, assigns and pledges all such rental income to the Chargee, such pledge to become operative upon any default being made by the Chargor under any term of the within Charge and to remain in full force and effect as long as such default continues. The Chargor further authorizes the Chargee after default to enter upon the mortgaged premises and to collect in the name of the Chargor or in its own name as assignee, the rents accrued but unpaid and in arrears as of the date of default, as well as all rents accruing and becoming payable thereafter, until such default is remedied. The Chargor agrees to execute written notice to each tenant directing the tenant to pay rent to the Chargee and the Chargor further agrees to pay 10% of the gross amount of all rentals due or accruing, to the Chargee as a collection fee for such period of time when the Chargee is collecting rents or is entitled to collect rents. The Chargor further authorizes the Chargee during default, at its option and at the expense and risk of the Chargor, to enter into the full management of the property with the right to manage the property in the same manner as an owner of the property, and the Chargor hereby releases all claims against the Chargee arising out of such management, except the liability of the Chargee to account for all funds received. It is not the intention of the parties that if the Chargee manages the property as aforesaid, the Chargee shall be a "mortgagee in possession", except if the Chargee so elects in writing. In addition to the collection fee for the collection of rentals as aforesaid, the Chargee shall also be entitled to all other out-of-pocket costs and compensation for its own time of any employees expended for the management of the property in the event the Chargee enters into the management of the property

Acceleration Clause/Due on Sale Clause or Change in Ownership :

In the event the Chargor sells, conveys, transfers or enters into an agreement for sale or transfer of the title of the mortgaged property to a purchaser or transferee or there is a change in corporate or beneficial ownership of the Chargor not approved in writing by the Bank, which approval will not be unreasonably withheld, the principal amount of the mortgage loan and all other indebtedness secured by the mortgage with accrued interest thereon and interest rate penalty shall, at the option of the Chargee, become due and payable.



**BANK OF MONTREAL
ONTARIO
STANDARD CHARGE TERMS
ALL INDEBTEDNESS MORTGAGE
(COMMERCIAL/FARM)**

Filing Number: 201031

The following set of standard charge terms (together with the schedule attached hereto, the “**Standard Charge Terms**”) shall be deemed to be included in each mortgage or charge in which it is referred to by its filing number as provided in section 9 of the *Land Registration Reform Act*, R.S.O. 1990, except to the extent that the provisions of the Standard Charge Terms are excluded or varied by such mortgage or charge.

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B. DEFINITIONS

In this set of Standard Charge Terms and in each Mortgage, the following terms shall have the following meanings:

1. **“Applicable Rate”** means:
 - (a) the applicable interest rate specified by the applicable note or agreement delivered by the Mortgagor to the Mortgagee or between the Mortgagor and the Mortgagee; or
 - (b) if the interest rate referred to in subsection (a) is not so specified, the applicable interest rate specified by the Mortgage.
2. **“Controlling Entity”** means any corporation or other entity which on the date of the Mortgage beneficially owned, directly or indirectly, shares, other securities or other equity interests issued by the Mortgagor or a Guarantor which have more than 50% of the total ordinary voting power of all shares, other securities and other equity interests issued by the Mortgagor or such Guarantor.
3. **“Default”** means a default referred to in section I.
4. **“Guarantor”** means a person who guaranteed payment of all or any Indebtedness.
5. **“Indebtedness”** means all present and future indebtedness and liability now or hereafter owing by the Mortgagor to the Mortgagee whether direct or indirect, absolute or contingent, or revolving or non-revolving, whether incurred by the Mortgagor alone or together with any other debtor or debtors and whether incurred pursuant to the provisions of the Mortgage or otherwise including all principal, interest, guarantee liabilities, letter of credit indemnity liabilities, bankers’ acceptance indemnity liabilities, fees and expenses now or hereafter owing by the Mortgagor to the Mortgagee.
6. **“Insolvency Proceeding”** means a proceeding commenced under the *Companies’ Creditors Arrangement Act*, the *Bankruptcy and Insolvency Act* or any other similar statute.
7. **“Lease”** means a lease, offer to lease or other similar agreement of or with respect to the Mortgaged Land in favour of, or held by the Mortgagor as tenant and referred to in the Mortgage, as such lease, offer to lease or other similar agreement is amended or replaced from time to time.
8. **“Mortgage”** means the applicable registered mortgage or charge (as amended from time to time) in which this set of Standard Charge Terms is incorporated by reference to its filing number (including all Schedules thereto), includes any such mortgage or charge registered electronically or otherwise and includes such mortgage or charge whether or not any provision of the Standard Charge Terms is excluded or varied.
9. **“Mortgaged Land”** means the real property described in the Mortgage, all appurtenances thereto and all estates and interests therein, and includes all buildings, plant, machinery, crops, erections and improvements, fixed or otherwise, present or future, built, grown, placed or put thereon including all fences, heating equipment, plumbing equipment, antennae, radiators, mirrors, air-conditioning equipment, ventilating equipment, fire alarm and protective systems, lighting and lighting fixtures, hay racks, barn fixtures, milking machine equipment, water tanks, pumps and windmills, water bowls and pipes, feed boxes, litter carriers and tracks, mobile homes affixed to the real property, furnaces, boilers, oil burners, stokers, water heating equipment, cooking and refrigeration equipment, window blinds, floor coverings, storm windows, storm doors, window screens, door screens, shutters and awnings, all apparatus and equipment appurtenant thereto, and all other fixtures and accessions of any kind or nature.
10. **“Mortgagee”** means the mortgagee or chargee referred to in the Mortgage and its successors and assigns.

11. “**Mortgagee’s Prime Rate**” means the fluctuating annual rate of interest determined by Bank of Montreal from time to time as the reference rate it will use to determine rates of interest payable by borrowers from Bank of Montreal of Canadian dollar loans made in Canada and designated by Bank of Montreal as its prime rate.
12. “**Mortgagor**” means the person or persons identified as the mortgagor or chargor in the Mortgage and his, her, its or their respective heirs, executors, administrators, personal representatives, successors and assigns.
13. “**Other Encumbrances**” means all statutory liens, construction liens, mechanics’ liens, builders’ liens, other liens, executions, mortgages, charges, and other encumbrances which charge or otherwise affect or could affect the Mortgaged Land but excludes the Mortgage.
14. “**Permitted Prior Mortgage**” means a mortgage or charge of the Mortgaged Land which ranks in priority to the Mortgage and which the Mortgagee has approved in writing.
15. “**Receiver**” means a receiver, receiver and manager or other similar person.
16. “**Schedule**” means a schedule to the Mortgage.
17. “**Taxes**” means all taxes, rates and assessments, municipal, provincial, federal or otherwise, with respect to the Mortgaged Land.

C. OPERATION OF THE MORTGAGE

1. *Charge of Mortgaged Land.* In consideration of other valuable consideration and a loan advance made or other credit extended by the Mortgagee to the Mortgagor (the receipt and sufficiency of which are acknowledged by the Mortgagor), the Mortgagor hereby mortgages and charges the Mortgaged Land to and in favour of the Mortgagee as security for payment to the Mortgagee of all Indebtedness and as security for the observance and performance by the Mortgagor of all other obligations of the Mortgagor pursuant to or in respect of the Mortgage or the Standard Charge Terms. Subject to the provisions of the Mortgage, the Mortgagor releases to the Mortgagee, all the Mortgagor’s claims upon the Mortgaged Land.
2. *Repayment of Principal on Demand.* The Mortgagor shall pay all Indebtedness to the Mortgagee on demand by the Mortgagee for payment.
3. *Restriction on Voluntary Prepayments.* The Mortgagor shall not be entitled to prepay voluntarily any principal amount (including any principal amount owing with respect to a revolving line of credit or a demand loan) except to the extent agreed to by the Mortgagee in writing.
4. *Calculation and Payment of Interest.* The Mortgagor shall pay to the Mortgagee when due interest payable by the Mortgagor on each part of the Indebtedness (including interest on overdue interest) at the Applicable Rate which applies to such part of the Indebtedness. Interest shall accrue on each part of the Indebtedness from the date such part is incurred to the date such part is paid to the Mortgagee in full. Interest shall, both before and after Default, be calculated and payable monthly not in advance on the first day of each month unless otherwise agreed by the Mortgagor and the Mortgagee in writing. Whenever there is more than one Applicable Rate, the Applicable Rate referred to in sections D, E, G, J and K shall, unless otherwise agreed by the Mortgagee in writing, be the higher or highest of such Applicable Rates.
5. *Continuing Security.* The Mortgage shall be continuing security in favour of the Mortgagee for the payment of all Indebtedness, notwithstanding at any time and from time to time there is:
 - (a) any change in the nature, state or form of any account between the Mortgagor and the Mortgagee;
 - (b) any new advance by the Mortgagee to the Mortgagor, whether by way of loan, discount, the drawing of a cheque against an account of the Mortgagor or otherwise;

- (c) any discount or acceptance by the Mortgagee from or for the Mortgagor of any note, bill of exchange or other negotiable instrument or commercial paper;
- (d) any credit of any amount to any account of the Mortgagor by reason of deposit of moneys or otherwise; or
- (e) any renewal, replacement, substitution or alteration of any note, bill of exchange or other negotiable instrument or other commercial paper from time to time held by the Mortgagee or any reduction, satisfaction, payment, release or discharge thereof or of any other security therefor.

Nothing herein shall prejudice any of the Mortgagee's rights pursuant to or in respect of any note, bill of exchange, other agreement or other security now or hereafter held by the Mortgagee.

6. *Divided Parts of Mortgaged Land.* Every part of the Mortgaged Land into which the Mortgaged Land may hereafter be divided by a plan of subdivision or otherwise shall continue to be charged with payment of all Indebtedness but the Mortgagee may discharge any part or parts of the Mortgaged Land with or without sufficient consideration and without releasing the Mortgagor from the Mortgage and no person shall have any right to require the Indebtedness to be apportioned between or among such parts.

7. *Application of Amounts Paid.* Any and all amounts received by the Mortgagee with respect to Indebtedness before a Default shall, unless otherwise specified by the Mortgagee in writing, be applied firstly to reduce compound interest, secondly to reduce interest (other than compound interest), thirdly to reduce principal and fourthly to reduce any other Indebtedness. Any and all amounts received by the Mortgagee after a Default (including any and all amounts received from any security held by the Mortgagee) shall be applied by the Mortgagee in the manner determined by the Mortgagee in its sole discretion.

8. *Discharge of Mortgage.* If the Mortgagor shall duly pay to the Mortgagee all Indebtedness and the Mortgagee is not then obligated to extend any credit to the Mortgagor, the Mortgagor may request from the Mortgagee a discharge of the Mortgage and, upon delivery by the Mortgagee to the Mortgagor of a discharge of the Mortgage, the Mortgage shall terminate and cease to operate; provided that the Mortgage shall not terminate or cease to operate while any Indebtedness remains unpaid or while the Mortgagee is obligated to extend any credit to the Mortgagor only because, at any prior time or times, all Indebtedness had been paid in full. The Mortgagee shall not be obligated to deliver any partial discharge of the Mortgage.

9. *Consolidation of Mortgages.* To the extent permitted by law, the doctrine of consolidation shall apply with respect to *inter alia* the Mortgage.

D. COVENANTS, REPRESENTATIONS AND WARRANTIES OF MORTGAGOR

1. *Payment of Principal and Interest.* The Mortgagor shall pay to the Mortgagee when due all Indebtedness without deduction or set-off of any kind. The Mortgagor expressly agrees not to fail to pay any Indebtedness when due and not to reduce the amount of any due payment of any Indebtedness as a result, or in respect of any existing or future claim by the Mortgagor against the Mortgagee or against any other person whether such claim relates to any or all Indebtedness, the Mortgage, any other agreement between the Mortgagor and the Mortgagee, any other transaction or any other agreement or matter whatsoever.

2. *Observance and Performance of Other Obligations.* The Mortgagor shall duly and punctually observe and perform all the Mortgagor's existing and future obligations pursuant to the Mortgage and all the Mortgagor's existing and future obligations pursuant to any and all other existing and future agreements delivered by the Mortgagor to the Mortgagee or between the Mortgagor and the Mortgagee.

3. *Payment of Taxes.* The Mortgagor shall promptly pay all Taxes as they become due and, within one month after the date fixed for the payment of the last installment of Taxes in each year, shall deliver to the Mortgagee a receipted tax bill showing payment in full of all such Taxes payable during such year. If the Mortgagor fails to pay any Taxes as they become due, the Mortgagee may, at its option, pay the whole or any part of such Taxes. The amounts so paid by

the Mortgagee shall be payable forthwith by the Mortgagor to the Mortgagee with interest thereon at the Applicable Rate, shall be a part of the Indebtedness and shall be secured by the Mortgage.

4. *Good Title and Free From Encumbrances.* The Mortgagor represents and warrants to the Mortgagee that the Mortgagor is the legal and beneficial owner of, and has good, absolute and indefeasible title and estate in fee simple to the Mortgaged Land (or the leasehold interest therein if section E applies), free of any Other Encumbrances except any Permitted Prior Mortgage, statutory liens that secure payment of amounts not in arrears, public utilities easements or minor easements or restrictive covenants that do not impair the value, marketability or use of the Mortgaged Land or other encumbrances consented to by the Mortgagee in writing, and free of any reservations, limitations, provisos or conditions whatsoever except those contained in the original grant thereof, if any, from the Crown; the Mortgagor has good right, full power and lawful and absolute authority to mortgage and charge the Mortgaged Land (or, if section E applies, its leasehold interest therein) to the Mortgagee in accordance with the provisions of the Mortgage.

5. *Insurance.* The Mortgagor shall maintain, in form, substance and amount and with insurers satisfactory to the Mortgagee, all insurance required by the Mortgagee from time to time with respect to the Mortgaged Land (including boiler, property, public liability, rental, environmental and business interruption insurance and insurance covering all crops grown on the Mortgaged Land insuring such crops against damage by hail and against perils covered by all-risk crop insurance). The Mortgagor shall deliver to the Mortgagee, from time to time at the Mortgagee's request, certificates of insurance and certified copies of such insurance policies showing all loss payable to the Mortgagee as first mortgagee (subject to the interests of the holder of any Permitted Prior Mortgage) and loss payee and containing a mortgage clause satisfactory to the Mortgagee. As additional and separate security for payment of all Indebtedness, the Mortgagor hereby assigns to the Mortgagee all the Mortgagor's present and future interests in and to all such present and future insurance policies and all proceeds therefrom. The Mortgagor shall not repair any damage using proceeds of any insurance without the Mortgagee's prior written consent and the Mortgagee may, at its discretion, apply any and all insurance proceeds to reduce Indebtedness. If the Mortgagor fails to maintain insurance required by the Mortgagee, the Mortgagee may arrange insurance with respect to the Mortgaged Land, the Mortgagor shall pay to the Mortgagee, on demand by the Mortgagee, all amounts paid by the Mortgagee to effect such insurance and the Mortgagor shall pay interest thereon at the Applicable Rate; and all such amounts owing by the Mortgagor shall be part of the Indebtedness and secured by the Mortgage. The Mortgagor shall, forthwith on the occurrence of any loss or damage, furnish at the Mortgagor's own expense all necessary proofs and do all necessary acts to enable the Mortgagee to obtain payment of the insurance monies. Any insurance monies received may, at the option of the Mortgagee, to the extent permitted by law, be applied to rebuild or repair the premises on the Mortgaged Land or be paid to the Mortgagor or any other person appearing by the registered title to be or to have been the owner of the Mortgaged Land, or be applied to pay Indebtedness whether or not then due, despite any law, equity or statute to the contrary. The Mortgagor, to the extent permitted by law, hereby waives any statutory or other right it may have to require any insurance proceeds to be applied in any particular manner.

6. *Payment of Other Encumbrances.* The Mortgagor shall promptly pay when due all amounts now or hereafter owing pursuant to or with respect to any Other Encumbrances and shall deliver to the Mortgagee, at the Mortgagee's request, evidence showing payment in full of all such amounts. If the Mortgagor fails to pay any Other Encumbrances when due, the Mortgagee may, at its option, pay the whole or any part of any present or future Other Encumbrances. The amounts so paid shall be payable forthwith by the Mortgagor to the Mortgagee with interest thereon at the Applicable Rate, shall be a part of the Indebtedness and shall be secured by the Mortgage. In the event the Mortgagee pays any Other Encumbrance, it shall be entitled to all the equities, rights and securities of the person or persons so paid and to obtain an assignment of such Other Encumbrance so paid and of any right to payment and is hereby authorized to retain any discharge thereof without registration for so long as it may think fit to do so.

7. *Payment of Expenses.* The Mortgagor shall, on demand by the Mortgagee, pay all costs, charges, expenses (including legal fees as between a solicitor and his or her own client), commissions and fees which may be incurred by the Mortgagee in negotiating any credit or credits secured by the Mortgage, investigating the title to the Mortgaged Land, preparing and

registering the Mortgage and other documents, administering any credit or credits extended by the Mortgagee to the Mortgagor, inspecting the Mortgaged Land, collecting any Indebtedness, taking any proceeding in connection with or to collect any Indebtedness, taking and maintaining possession of the Mortgaged Land, maintaining and repairing the Mortgaged Land, and taking any other enforcement proceedings. The Mortgagor shall deliver to the Mortgagee, at the Mortgagee's request, evidence showing payment in full of all such amounts. If the Mortgagor fails to pay any such amounts as they become due, the Mortgagee may, at its option, pay any such amounts and the amounts so paid by the Mortgagee shall be payable forthwith by the Mortgagor to the Mortgagee with interest thereon at the Applicable Rate, shall be a part of the Indebtedness and shall be secured by the Mortgage.

8. *Compliance with Laws.* The Mortgagor represents and warrants to the Mortgagee that, as at the date of the Mortgage, the Mortgagor has complied with, and the Mortgagor agrees that it shall comply with all laws, by-laws and regulations affecting the Mortgaged Land and all orders and decisions of any governmental authority, governmental agency or court having jurisdiction affecting the Mortgaged Land (including all such laws, by-laws, regulations, orders and decisions relating to the environment or to residential or other property, including those relating to the amount of rent charged by the Mortgagor with respect to any part of the Mortgaged Land). The Mortgagor shall, at the Mortgagor's expense, promptly and in good and workmanlike manner make all improvements, alterations, clean-ups and repairs and effect any change in use that may be required from time to time to so comply.

9. *Maintain in Good Repair and Avoid Waste.* The Mortgagor represents and warrants to the Mortgagee that, as at the date of the Mortgage, all buildings, erections, equipment, machinery and improvements on the Mortgaged Land are in good condition and repair and that all noxious weeds have been eradicated from the Mortgaged Land. The Mortgagor shall maintain all buildings, erections, equipment, machinery and improvements on the Mortgaged Land in good condition and repair to the satisfaction of the Mortgagee, shall eradicate all noxious weeds from the Mortgaged Land and shall not permit waste to be committed or suffered on the Mortgaged Land or any part thereof. The Mortgagee or its agent shall be entitled, from time to time, to enter on the Mortgaged Land to inspect the Mortgaged Land and to undertake any tests (including intrusive environmental tests) required by the Mortgagee. If the Mortgagor neglects to keep the Mortgaged Land or any buildings, erections, equipment, machinery or improvements on the Mortgaged Land in good condition and repair, fails to eradicate noxious weeds from the Mortgaged Land or commits or permits any act of waste on the Mortgaged Land (as to which the Mortgagee shall be the sole judge), or fails to comply with section D.8., the Mortgagee or its agent may enter upon the Mortgaged Land and make such repairs and undertake such work and take such action as the Mortgagee deems necessary. All costs of such inspection, testing, repairs, work and action shall be payable forthwith by the Mortgagor to the Mortgagee with interest thereon at the Applicable Rate, shall be a part of the Indebtedness and shall be secured by the Mortgage.

10. *Environmental Representation and Indemnity.* The Mortgagor represents and warrants to the Mortgagee that there has not occurred, after the date the Mortgagor acquired an interest in the Mortgaged Land, any spill, leak, contamination or other material environmental problem affecting the Mortgaged Land or any part thereof (other than any such spill, leak, contamination or other environmental problem which has been remedied). The Mortgagor shall indemnify and save harmless the Mortgagee and any Receiver of the Mortgaged Land from any and all expenses and damages incurred or suffered by the Mortgagee or such Receiver as a result, or in respect of any spill, leak, contamination or other environmental problem affecting the Mortgaged Land or any part thereof. This indemnity shall survive the payment of all Indebtedness and the satisfaction, discharge or enforcement of the Mortgage or any other security.

11. *No Alterations or Change in Use.* The Mortgagor shall not, without the prior written consent of the Mortgagee, make, or permit to be made, any alterations or additions to the Mortgaged Land or any building thereon or change the Mortgagor's use of the Mortgaged Land or any building thereon and the Mortgagor shall not allow the Mortgaged Land to be unoccupied or unused.

12. *No Unapproved Charge or Encumbrance by Mortgagor.* The Mortgagor shall not, without the Mortgagee's prior written consent, mortgage, charge, lien or encumber the Mortgaged Land or any part thereof or any interest therein or permit any Other Encumbrance to remain thereon except for any Permitted Prior Mortgage, statutory liens that secure payment of amounts not in

arrears and public utilities easements or minor easements or restrictive covenants that do not impair the value, marketability or use of the Mortgaged Land.

13. *Change in Ownership or Spousal Status.* Upon any change or event affecting any of the following, namely:

- (a) the spousal status of the Mortgagor, if the Mortgagor is an individual;
- (b) the qualification of the Mortgaged Land as a matrimonial home; or
- (c) the ownership of the Mortgaged Land,

the Mortgagor shall forthwith advise the Mortgagee accordingly in writing and furnish the Mortgagee with full particulars thereof, the intention being that the Mortgagee shall be kept fully informed of the names and addresses of the owner or owners of the Mortgaged Land and of any spouse who is not an owner but who may have a legal right of possession of or interest in the Mortgaged Land. The Mortgagor shall furnish the Mortgagee with such evidence in connection with any of subsections (a), (b) and (c) of this provision as the Mortgagee may from time to time request.

14. *Expropriation.* If the Mortgaged Land or any part thereof is condemned or expropriated to an extent which, in the Mortgagee's sole discretion, materially affects the Mortgagee's security, all Indebtedness shall, at the option of the Mortgagee, be deemed to have become due and payable on the day before such condemnation or expropriation, and interest shall continue to accrue thereon, at the Applicable Rate, until the Mortgagee has been paid all Indebtedness. The Mortgagor shall pay to the Mortgagee from any condemnation or expropriation proceeds the full amount thereof, to be applied by the Mortgagee to reduce Indebtedness.

15. *Power of Attorney.* The Mortgagor hereby irrevocably appoints the Mortgagee or any Receiver appointed by the Mortgagee under or pursuant to the Mortgage or by any order of a court of competent jurisdiction, as the Mortgagor's attorney for all purposes to take any and all action deemed appropriate by the Mortgagee or such Receiver after the occurrence of a Default.

16. *Further Assurances.* The Mortgagor shall (and shall cause each person having or claiming to have an estate, right, title or interest in or to the Mortgaged Land to) at any time and from time to time, at the Mortgagee's request, do, execute and deliver or cause to be made, executed and delivered to the Mortgagee such further and other reasonable acts, deeds, conveyances, charges and assurances as may be required by the Mortgagee to fully and effectually carry out the intention and meaning of the Mortgage and the provisions included in the Mortgage and the reasonable cost of such further assurances shall be part of the Indebtedness and secured by the Mortgage.

17. *Business Purposes Only.* The Mortgagor shall use only for business purposes any amounts loaned by the Mortgagee to the Mortgagor and secured by the Mortgage.

18. *No Registration of Condominiums or Strata Title Developments.* The Mortgagor shall not, without the Mortgagee's prior written consent, register any condominium or strata title development with respect to all or part of the Mortgaged Land or any declaration or description with respect thereto and the Mortgagee shall not have any obligation to provide such consent.

19. *Delivery of Information.* The Mortgagor shall deliver to the Mortgagee, promptly at the Mortgagee's request, all financial statements and other information as the Mortgagee may request from time to time with respect to the Mortgagor, a Guarantor or the Mortgaged Land.

20. *No Litigation or Other Proceedings.* The Mortgagor represents and warrants that, as at the date of the Mortgage, there is no application, litigation, proceeding or investigation outstanding or, to the Mortgagor's knowledge, pending or threatened, against the Mortgagor or any Guarantor or with respect to the Mortgaged Land or any part thereof including any application, litigation, proceeding or investigation in respect of residential or other property by-laws or regulations. The Mortgagor shall notify the Mortgagee in writing of any such application, litigation, proceeding or investigation commenced after the date of the Mortgage, promptly after such commencement.

21. *Mortgagor a Canadian Resident.* The Mortgagor represents and warrants that, as at the date of the Mortgage, it is not a non-resident of Canada for purposes of the Income Tax Act and agrees that the Mortgagor shall not, without the Mortgagee's prior written consent, become a non-resident of Canada.

22. *Good Management of Mortgaged Land.* The Mortgagor shall at all times cause the Mortgaged Land to be managed in a commercially reasonable manner by the Mortgagor or by a property manager satisfactory to the Mortgagee, acting reasonably.

23. *Abutting Real Property.* The Mortgagor shall not, without the Mortgagee's prior written consent, acquire any real property which abuts the Mortgaged Land. If the Mortgagee gives such consent, the Mortgagor shall, at the Mortgagee's request, deliver to the Mortgagee a mortgage or charge of such abutting real property and of the Mortgaged Land in form and substance satisfactory to the Mortgagee.

24. *Deemed Covenants Excluded.* In accordance with subsection 7(3) of the *Land Registration Reform Act*, the covenants deemed to be included in a mortgage or charge by subsection 7(1) of such statute are expressly excluded from the Mortgage.

25. *Defeasance Provisions Excluded.* The provisions relating to defeasance in subsection 6(2) of the *Land Registration Reform Act* are expressly excluded from the Mortgage.

E. MORTGAGE OF LEASEHOLD INTEREST

If the Mortgagor is not the owner of the Mortgaged Land in fee simple but is the owner of a leasehold interest in the Mortgaged Land as tenant, or as an assignee or successor of a tenant, pursuant to a Lease, the following provisions shall apply:

1. *Representations and Warranties.* The Mortgagor represents and warrants to the Mortgagee that, as at the date of the Mortgage:

- (a) the Lease is a good, valid and subsisting lease and has not been surrendered, forfeited or terminated or, except as specified in the Mortgage, amended, and the rents, covenants and provisions therein reserved and contained have been duly paid, performed and observed by the Mortgagor up to the date of the Mortgage; and
- (b) the Mortgagor has good right and full, lawful and absolute authority to charge, mortgage, demise and sublet the Mortgaged Land in accordance with the Mortgage and any consent thereto required of the applicable landlord has been obtained.

2. *Covenants Relating to Lease.* The Mortgagor agrees with the Mortgagee as follows:

- (a) The Mortgagor shall at all times fully perform and comply with all the obligations of the Mortgagor under or with respect to the Lease, or imposed on, assumed by or agreed to by the Mortgagor pursuant to any Other Encumbrances and, if the Mortgagor fails to do so, the Mortgagee may (but shall not be obliged to) take any action the Mortgagee deems necessary or desirable to prevent or to cure any default by the Mortgagor in the performance of or compliance with any such obligations. The Mortgagor shall promptly provide to the Mortgagee a copy of any notice the Mortgagor receives from the landlord, any prior mortgagee or encumbrancer, any claimant of any of the Other Encumbrances or any other person under or relating to the Lease of the Mortgaged Land. Upon receipt by the Mortgagee from the Mortgagor, the landlord, any prior mortgagee or encumbrancer, any claimant of any of the Other Encumbrances or any other person of any notice, including a notice of default, the Mortgagee may rely thereon and take any action with respect to such notice as may be required in the Mortgagee's sole discretion, including to cure a default even though the existence of such default or the nature thereof may be questioned or denied by or on behalf of the Mortgagor and the Mortgagee shall have the absolute and immediate right to enter in and upon the Mortgaged Land or any part thereof to such extent and as often as the Mortgagee, in its sole discretion deems necessary or desirable, in

order to prevent or to cure any such default. The Mortgagee may pay and expend such amounts as the Mortgagee in its sole discretion deems necessary for any such purpose, and the amounts so paid shall be payable by the Mortgagor to the Mortgagee on demand by the Mortgagee with interest thereon at the Applicable Rate, and shall be a part of the Indebtedness and be secured by the Mortgage.

- (b) If the Mortgage is outstanding at the expiration of the term of the Lease and the Mortgagor refuses or neglects to exercise the Mortgagor's right, if any, to renew or extend the term of the Lease or refuses to pay any fees, costs, charges or expenses payable upon any such renewal or extension, the Mortgagee may effect such renewal or extension in the name of the Mortgagor or otherwise, and every such renewed or extended Lease shall remain and be mortgaged and charged pursuant to the Mortgage in accordance with the Mortgage.
- (c) From and after the execution and delivery of the Mortgage, the Mortgagor shall stand possessed of the Mortgaged Land for the remainder of the Lease in trust for the Mortgagee, and shall exercise any right to renew or extend the term of the Lease or to assign the Lease as the Mortgagee may direct, but subject to the Mortgagor's right of redemption under the Mortgage. The Mortgagor hereby irrevocably appoints the Mortgagee as the Mortgagor's attorney for and on behalf of the Mortgagor to exercise any such renewal or extension right and to assign the Lease and convey the leasehold interest in the Mortgaged Land and the reversion thereof as the Mortgagee shall at any time direct after the occurrence of a Default and, in particular, upon any sale made by the Mortgagee under any power of sale contained in the Mortgage or granted by statute to assign the Lease and convey the Mortgagor's leasehold interest in the Mortgaged Land and the reversion to a purchaser. The Mortgagee may at any time remove the Mortgagor or any other person from being a trustee of the Lease under the above declaration of trust and appoint a new trustee or trustees.
- (d) The Mortgagor shall not surrender, terminate, amend or modify the Lease or agree to do so without the prior written consent of the Mortgagee, which the Mortgagee may withhold in its absolute discretion. No release or forbearance of any of the Mortgagor's obligations under the Lease or under any Other Encumbrance shall release the Mortgagor from any of the Mortgagor's obligations under the Mortgage.
- (e) Unless the Mortgagee expressly consents in writing, the title in fee simple to the Mortgaged Land and the leasehold estate shall not merge but shall always remain separate and distinct, notwithstanding the union of said estates by purchase or otherwise.

3. *Last Day of Term Excepted.* Despite any other provision of the Mortgage, the last day of the term of the Lease and of any renewal or extension thereof and of any agreement therefor now held or hereafter acquired by the Mortgagor shall be excepted out of the mortgage, charge and demise contained in the Mortgage.

4. *Charge by way of Sublease.* Despite section C.1. and any other provision of the Mortgage (except section E.3.), the Mortgagor mortgages and charges, by way of sublease, the Mortgagor's leasehold interest in the Mortgaged Land pursuant to the Lease, the mortgages and charges contained in the Mortgage shall be by way of sublease and the Mortgagee shall not have any obligation or liability to the landlord or any other person pursuant to or in respect of the Lease.

5. *Leasehold Interests.* Wherever any reference is made in the Mortgage to any right of the Mortgagee to sell, transfer, assign, lease, sublease, alienate or otherwise deal with the Mortgaged Land, such reference shall be deemed, subject to section E.3., to relate to the existing and future rights and interests of the Mortgagor in the Mortgaged Land pursuant to the Lease.

F. ASSIGNMENT OF LEASES AND RENTS

If the Mortgagor or any predecessor of the Mortgagor grants or has granted any lease, offer to lease, tenancy agreement or other similar agreement of all or any part of the Mortgaged Land as landlord, the following provisions shall apply:

1. *Assignment.* As additional and separate security for payment of all Indebtedness, the Mortgagor hereby assigns, transfers and sets over to the Mortgagee, all the Mortgagor's rights and interests as landlord in all existing and future leases, tenancy agreements, offers to lease and other similar agreements with respect to all or part of the Mortgaged Land, and all rents, incomes, profits and other amounts now or hereafter arising from or out of all or part of the Mortgaged Land or any building, improvement, fixture or part thereof forming part of the Mortgaged Land.
2. *Separate Assignments.* The assignment of each of the foregoing and of each of the rents, incomes, profits and other amounts by the Mortgagor to the Mortgagee pursuant to section F.1. shall be deemed to be a separate assignment so that the Mortgagee in its discretion may exercise its rights in respect of any or all of such leases, offers to lease, tenancy agreements or other similar agreements or the rents, incomes, profits or other amounts paid or payable thereunder.
3. *Collection by Mortgagor before Default.* Until there occurs a Default, the Mortgagor may collect, retain and apply all rents, incomes, profits and other amounts and deal with all leases, offers to lease, tenancy agreements and other similar agreements from time to time in accordance with sound business practice.
4. *No Liability of Mortgagee and Indemnity by Mortgagor.* Nothing herein shall obligate the Mortgagee to assume or perform (and nothing herein shall impose on the Mortgagee) any liability or obligation of the Mortgagor to any tenant or other person pursuant to or in respect of any lease, offer to lease, tenancy agreement, other similar agreement or otherwise and the Mortgagor hereby indemnifies and saves harmless the Mortgagee from any and all claims with respect thereto, provided that the Mortgagee may, at its sole option, assume or perform any such obligations as it considers necessary or desirable.
5. *Re-assignment.* The Mortgagee may, at any time without further request or agreement by the Mortgagor, reassign to the Mortgagor, or the Mortgagor's heirs, administrators, successors or assigns, any or all of the collateral referred to in section F.1.
6. *Application by Mortgagee.* The Mortgagee's obligations with respect to any amount collected by the Mortgagee shall be discharged by the application of such amount to reduce Indebtedness.
7. *Not Mortgagee in Possession.* Nothing contained herein shall have the effect of making the Mortgagee a mortgagee in possession of the Mortgaged Land.

G. CONDOMINIUM OR STRATA TITLE DEVELOPMENT PROVISIONS

If the Mortgaged Land is or includes one or more condominium units or strata title units, the following provisions shall apply:

1. *Compliance with Requirements.* The Mortgagor shall observe and perform each of the covenants and provisions required to be observed and performed pursuant to the Mortgage, all applicable statutes governing or affecting condominiums or strata title developments, and the declaration, description, by-laws and rules, as amended from time to time, of the applicable condominium corporation or strata corporation.
2. *Common Expense Payments.* The Mortgagor shall pay promptly when due any and all unpaid condominium or strata development fees, common expenses, common element expenses, assessments, levies, instalments, payments or any other amounts due to the applicable condominium corporation or strata corporation or any agent thereof by the Mortgagor and, at the Mortgagee's request, deliver to the Mortgagee evidence of the payment thereof.
3. *Right of Mortgagee to Pay.* If the Mortgagor does not pay when due any condominium or strata development fees, common expenses or other amounts referred to in section G.2., the Mortgagee may (but shall not be obliged to) pay such amounts, the Mortgagor shall forthwith pay such amounts to the Mortgagee with interest thereon at the Applicable Rate, and all such amounts owing by the Mortgagor to the Mortgagee shall be a part of the Indebtedness and secured by the Mortgage.

4. *Voting by Mortgagee.* The Mortgagor hereby irrevocably authorizes the Mortgagee to exercise the rights of the Mortgagor as an owner of the Mortgaged Land to vote or to consent in all matters relating to the affairs of the condominium corporation or strata corporation or arising under applicable law or the declaration or by-laws of the condominium or strata corporation, provided that:

- (a) in any case where the Mortgagee is entitled to receive and does receive notice of a meeting of owners, the Mortgagee may notify the condominium or strata corporation and the Mortgagor of its intention to exercise the right of the owner to vote or to consent at such meeting at least two days before the date specified in the notice for the meeting, failing which the Mortgagor may exercise such right to vote or consent at such meeting;
- (b) the Mortgagee shall not, by virtue of the giving to the Mortgagee of the right to vote or consent, be under any obligation to vote or consent or to protect the interests of the Mortgagor, and the Mortgagee shall not be responsible for any exercise or failure to exercise the right to vote or consent; and
- (c) nothing herein contained, including the exercise by the Mortgagee of the right to vote or consent, shall constitute the Mortgagee a mortgagee in possession.

H. MORTGAGE AS SECURITY FOR A GUARANTEE

If the Mortgagor has delivered to the Mortgagee or now or hereafter delivers to the Mortgagee a guarantee or guarantees of payment to the Mortgagee of indebtedness or liability of another or others, the Indebtedness shall include all indebtedness and liability now or hereafter owing by the Mortgagor to the Mortgagee pursuant to such guarantee or guarantees, whether direct or indirect, absolute or contingent, and the Mortgagee shall secure payment of all such indebtedness and liability of the Mortgagor pursuant to such guarantee or guarantees in addition to all other Indebtedness. If any such guarantee is increased or otherwise amended, the Mortgagee shall also secure payment of all indebtedness and liability now or hereafter owing by the Mortgagor to the Mortgagee pursuant to such guarantee as increased or otherwise amended.

I. DEFAULT

The Mortgagor shall be in default of the Mortgage and a Default shall occur pursuant to the Mortgage if:

- 1. the Mortgagor fails to pay any Indebtedness when due;
- 2. the Mortgagor or a Guarantor fails to comply with any obligation of the Mortgagor or the Guarantor pursuant to or in respect of the Mortgage or any existing or future note, instrument or agreement delivered by the Mortgagor and the Guarantors (or any of them) to the Mortgagee or between the Mortgagor and the Guarantors (or any of them) and the Mortgagee;
- 3. the Mortgagor fails to comply with any obligation of the Mortgagor pursuant to or in respect of any Permitted Prior Mortgage or any Other Encumbrance;
- 4. any representation or warranty made by the Mortgagor or a Guarantor in the Mortgage, any agreement between the Mortgagor and the Guarantors (or any of them) and the Mortgagee, or any loan or credit application made in connection with any Indebtedness was untrue when made;
- 5. a Receiver is appointed of any asset of the Mortgagor or of a Guarantor;
- 6. any construction lien, mechanics' lien or builders' lien is registered against all or any part of the Mortgaged Land and is not discharged within seven days after a request by the Mortgagee that such lien be discharged;
- 7. all or any part of the Mortgaged Land is condemned or expropriated;
- 8. the Mortgagor or a Guarantor becomes bankrupt or insolvent;

9. a petition in bankruptcy is filed against the Mortgagor or a Guarantor;
10. the Mortgagor or a Guarantor makes a proposal in bankruptcy or files a notice of intention to make a proposal in bankruptcy;
11. the Mortgagor or a Guarantor makes an application as a debtor in any Insolvency Proceeding or any other person makes an application against the Mortgagor or a Guarantor in any Insolvency Proceeding;
12. the Mortgagor sells, transfers or disposes of in any other manner the Mortgaged Land, any part thereof or any interest therein (unless the Mortgagee has approved in writing such sale, transfer or other disposition);
13. an execution, judgment or order of execution is filed or made against the Mortgaged Land or any part thereof and remains unsatisfied for a period of ten days;
14. the Mortgagor fails to pay when due any amount owing by the Mortgagor to the applicable condominium corporation or strata corporation or any agent thereof referred to in section G.2.; or
15. the Mortgagor or a Guarantor is not an individual and a change in control of the Mortgagor or such Guarantor occurs without the prior written consent of the Mortgagee; for the purposes hereof, a change in control of the Mortgagor or a Guarantor shall be deemed to occur if there occurs one or more sales, transfers or other dispositions of the beneficial ownership existing on the date of the Mortgage in the aggregate of:
 - (a) shares, other securities or other equity interests issued by the Mortgagor or such Guarantor which have more than 50% of the total ordinary voting power of all shares, other securities and other equity interests issued by the Mortgagor or such Guarantor; or
 - (b) shares, other securities or equity interests issued by any Controlling Entity which have more than 50% of the total ordinary voting power of all shares, other securities and other equity interests issued by such Controlling Entity.

J. REMEDIES OF MORTGAGEE

1. *Acceleration and Termination of Obligation to Extend Credit.* Without prejudice to any right of the Mortgagee to demand at any time payment by the Mortgagor of any and all Indebtedness, upon the occurrence of a Default all Indebtedness (or any part thereof determined by the Mortgagee) shall, at the Mortgagee's option, forthwith become due and payable, the Mortgage shall become enforceable and the Mortgagee shall not be obligated to extend any further credit to the Mortgagor.

2. *Right of Entry.* Upon the occurrence of a Default, the Mortgagee may, at any time or times without the concurrence of any person, enter upon, take and maintain possession of the Mortgaged Land, inspect, complete the construction of, repair or maintain any buildings or other improvements thereon, lease, collect the rents, profits and other amounts derived from the Mortgaged Land and manage the Mortgaged Land as the Mortgagee may deem fit without hindrance or interruption by the Mortgagor or any other person, and all reasonable costs, charges and expenses, including legal fees on a solicitor and his or her own client basis, and disbursements, commissions and allowances for the time and services of any employees of the Mortgagee or any agent of the Mortgagee or other persons appointed for any such purpose shall be forthwith payable by the Mortgagor to the Mortgagee with interest thereon at the Applicable Rate, shall be a part of the Indebtedness and shall be secured by the Mortgage. Upon the occurrence of a Default, the Mortgagee may also enforce its security against all crops growing on the Mortgaged Land, the Mortgagee may, at any time or times without the concurrence of any person, enter upon the Mortgaged Land for the purpose of cutting, harvesting and removing such crops and for otherwise farming and working the Mortgaged Land, the Mortgagee may bring on the Mortgaged Land all machines, equipment and instruments necessary for such purposes, and the Mortgagee may use all yards, barns, granaries, grain bins or all other improvements and equipment located on the Mortgaged Land to carry out any of such activities.

3. *Sale.* Upon the occurrence of a Default which continues for at least fifteen days, the Mortgagee may, on at least thirty-five days' notice, sell the Mortgaged Land or any part or parts thereof, in accordance with the following provisions:

- (a) notice shall be given to such persons and in such manner and form and within such time as provided by law; provided that, in the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable, notice may be effectually given by leaving it with a person on the Mortgaged Land, if occupied, or by placing the same on some portion thereof, if unoccupied or, at the option of the Mortgagee, by mailing it by registered mail in a notice or letter addressed to the Mortgagor at the Mortgagor's last known address, or by publishing it once in a newspaper published in the area or region in which the Mortgaged Land is situated;
- (b) such notice shall be sufficient although not addressed to any person or persons by name or designation, and notwithstanding that any person to be affected thereby may be unknown, unascertained or under any disability;
- (c) sale of the Mortgaged Land may be by public auction or private sale or partly by one and partly by the other, for such price or prices as can reasonably be obtained therefor and on such terms as to credit or otherwise and with such conditions of sale and stipulations as to title or evidence of title or otherwise as the Mortgagee in its sole discretion shall deem appropriate;
- (d) in the event of any sale on credit or for part cash and part credit, the Mortgagee shall not be accountable for or charged with any moneys until actually received;
- (e) the Mortgagee may rescind or vary any contract of sale and may buy in and re-sell the Mortgaged Land or any part thereof without being answerable for any loss occasioned thereby;
- (f) the Mortgagee may sell all or any part of the buildings, fixtures, machinery, equipment, crops and standing or fallen trees separately from the Mortgaged Land and the purchaser shall have all necessary access to the Mortgaged Land for the purposes of severing, cutting and removal; and
- (g) subject to compliance with law, sales may be made from time to time of any part or parts of the Mortgaged Land to satisfy any part or parts of the Indebtedness then owing to the Mortgagee leaving the remaining outstanding Indebtedness secured by the Mortgage as a charge of the remainder of the Mortgaged Land.

4. *Sale or Lease.* The following shall apply with respect to any sale or lease by the Mortgagee, its agent or any Receiver of all or part of the Mortgaged Land after the occurrence of a Default:

- (a) no purchaser or lessee shall be bound to enquire into the legality, regularity or propriety of any sale or lease or be affected by notice of any irregularity or impropriety and no lack of default or lack of notice or other requirement or any irregularity or impropriety of any kind shall invalidate any sale or lease;
- (b) the Mortgagee may sell or lease all or part of the Mortgaged Land without entering into actual possession of the Mortgaged Land and, when it desires to take possession, it may break locks and bolts and while in possession shall only be accountable for moneys actually received by it;
- (c) the Mortgagor hereby appoints the Mortgagee as the Mortgagor's true and lawful attorney and agent to make application under any statute for consent to sever, sell or lease part or parts of the Mortgaged Land and to do all things and execute all documents to effectually complete any such severance, sale or lease;
- (d) the Mortgagee may lease or take sale proceedings notwithstanding that other mortgage proceedings have been taken or are then pending;

- (e) the Mortgagee shall not be responsible for any loss which may arise by reason of any such leasing or sale of the Mortgaged Land unless such loss is caused by the Mortgagee's willful misconduct; and
- (f) no sale, leasing or other dealing by the Mortgagee with the Mortgaged Land or any part thereof shall in any way change the liability of the Mortgagor or in any way alter the rights of the Mortgagee as against the Mortgagor or any other person liable for payment of any Indebtedness.

5. *Attornment.* To the extent the Mortgaged Land or any part thereof is not a residential premises so as to be subject to the provisions of the applicable statute governing residential tenancies, the Mortgagor hereby attorns to and becomes a tenant of such Mortgaged Land to the Mortgagee from year to year from the date of the execution of the Mortgage until the Mortgage is discharged at a rental equivalent to and applicable in satisfaction of the interest payments forming part of the Indebtedness, the legal relation of landlord and tenant being hereby constituted between the Mortgagee and the Mortgagor in regard to the Mortgaged Land. The Mortgagor agrees that neither the existence of this provision nor anything done by virtue hereof shall impose any obligation on the Mortgagee or render the Mortgagee a mortgagee in possession or accountable for any moneys except moneys actually received by the Mortgagee and the Mortgagee may, upon the occurrence of any Default, enter on the Mortgaged Land and terminate the tenancy hereby created without notice.

6. *Right to Distrain.* Upon the occurrence of a Default, to the extent permitted by law, the Mortgagee may distrain for payment of any and all Indebtedness upon the Mortgaged Land or any part thereof and all chattels situated thereon and by distress warrant recover, by way of rent reserved from the Mortgaged Land, such moneys as shall from time to time be or remain in arrears and all costs, charges and expenses incurred by or on behalf of the Mortgagee with respect to or in connection therewith as in like cases of distress for rent. The Mortgagor waives the right to claim exceptions and agrees that the Mortgagee shall not be limited in the amount for which it may distrain.

7. *Judgments and Non-Merger.* The taking of a judgment or judgments with respect to any of the covenants contained herein, in the Mortgage or otherwise shall not operate as a merger of any such covenants or affect the Mortgagee's right to receive interest under the Mortgage and each such judgment may provide, at the option of the Mortgagee, that interest thereon shall be computed and payable until such judgment has been fully paid and satisfied.

8. *Separate Remedies.* All remedies of the Mortgagee may be exercised from time to time separately or in combination and are in addition to and not in substitution for any other rights of the Mortgagee however created.

9. *Application of Proceeds and Mortgagor's Liability for Deficiency.* All amounts received by the Mortgagee or any Receiver pursuant to any enforcement of the Mortgage may be held by the Mortgagee as security for the Indebtedness or applied to reduce Indebtedness in such manner as may be determined by the Mortgagee and the Mortgagee may at any time apply or change any such appropriation of such payments to such part or parts of the Indebtedness as the Mortgagee may determine in its sole discretion. The Mortgagor shall be and remain liable to the Mortgagee for any deficiency. Any surplus amounts realized after payment of all Indebtedness shall be paid in accordance with applicable law.

10. *Mortgagor's Insolvency Proceedings.* The Mortgagor acknowledges that the Mortgaged Land is of such a unique nature that, if the Mortgagor seeks to reorganize or restructure its affairs pursuant to any Insolvency Proceeding, the Mortgagee would not have a sufficient commonality of interest with any other creditor or creditors of the Mortgagor such that the Mortgagee would be required to vote on any plan, reorganization, arrangement, compromise or other transaction in a class with any other creditor or creditors of the Mortgagor and, in that regard, the Mortgagor agrees that the Mortgagee shall be placed in its own exclusive class of creditors for voting purposes. The Mortgagor further agrees that:

- (a) it will give the Mortgagee not less than 10 days written notice prior to the commencement of any Insolvency Proceeding with respect to the Mortgagor;

- (b) in no circumstance will the Mortgagor seek an order which stays any right of the Mortgagee or, to the extent permitted by law, permit any right of the Mortgagee to be stayed, in any Insolvency Proceeding and, if any court-ordered or automatic stay is imposed on the Mortgagee, the Mortgagor hereby consents to an order lifting such stay as against the Mortgagee;
- (c) if an Insolvency Proceeding is commenced with respect to the Mortgagor, the Mortgagor will consent to an order directing that all rents or other revenues generated or received from or in respect of the Mortgaged Land be deposited to a segregated trust account under the sole control of the Mortgagee and that same shall not result in the Mortgagee's being a mortgagee in possession of, or in control or management of the Mortgaged Land or result in the acceleration of payment of any Indebtedness unless such acceleration is required by the Mortgagee in writing; and
- (d) it shall not, without the Mortgagee's prior written consent, propose or permit the sale or transfer of the Mortgaged Land or any part thereof, in or as part of any Insolvency Proceeding, for a net sale price less than the amount required to pay in full all Indebtedness outstanding as at the date of payment of such net sale proceeds to the Mortgagee.

K. APPOINTMENT OF A RECEIVER

1. *Appointment.* Upon the occurrence of a Default, in addition to any other remedies available to the Mortgagee, the Mortgagee may by instrument in writing appoint a Receiver of all or any part of the Mortgaged Land and all rents, incomes, profits and other amounts now or hereafter arising therefrom. The Mortgagee may also apply to any court of competent jurisdiction for the appointment of a Receiver.

2. *Powers of Receiver.* Any Receiver appointed by the Mortgagee shall, to the extent permitted by law, have the following powers:

- (a) to enter upon, take possession of, use, and occupy the Mortgaged Land or any part thereof;
- (b) to collect all rents, incomes, profits and other amounts in respect of the Mortgaged Land and to carry on the business of the Mortgagor on the Mortgaged Land;
- (c) to borrow money required for the maintenance, preservation or protection of the Mortgaged Land or for carrying on the business of the Mortgagor and, in the discretion of the Receiver, to charge the Mortgaged Land in priority to the Mortgage as security for the principal amounts so borrowed, interest thereon and costs related thereto;
- (d) to sell, lease, or otherwise dispose of the Mortgaged Land or any part thereof on such terms and conditions and in such manner as the Receiver shall determine in its sole discretion, and to effect such sale by conveying in the name and on behalf of the Mortgagor or otherwise;
- (e) to demand, commence, continue or defend any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or obtaining possession of the Mortgaged Land, and to give valid and effectual receipts and discharges therefor and to compromise or give time for the payment or performance of all or any part of the rents, accounts receivable or any other obligation of any person to the Mortgagor;
- (f) to exercise any rights or remedies which could have been exercised by the Mortgagee against the Mortgagor or the Mortgaged Land or with respect thereto; and
- (g) to execute all documents required to effect any of the foregoing.

3. *Identity of Receiver and Removal.* Any Receiver so appointed by the Mortgagee may be any person or persons satisfactory to the Mortgagee, and the Mortgagee may remove any Receiver so appointed and appoint another or others instead.

4. *Receiver as Agent of Mortgagor.* Any Receiver appointed by the Mortgagee shall be deemed to be agent of the Mortgagor unless the Mortgagee expressly specifies in writing that the Receiver shall be agent of the Mortgagee. The Mortgagor agrees to ratify and confirm all actions of the Receiver acting as agent for the Mortgagor and to release and indemnify the Receiver in respect of all such actions.

5. *Receivership Expenses.* The Mortgagor shall pay to the Receiver, forthwith on demand by the Mortgagee or the Receiver, the amount of all reasonable fees, disbursements and other expenses incurred by the Receiver in the exercise of its powers hereunder, with interest thereon at the Applicable Rate from the date on which such sums are incurred. All such sums, together with interest thereon at the Applicable Rate, shall be part of the Indebtedness and secured by the Mortgage.

6. *No Enquiries Required.* No persons dealing with the Receiver or its agents, upon any sale or other dealing with the Mortgaged Land, shall be concerned to inquire as to their powers or as to the application of any money paid to them, such sale or dealing shall be deemed as regards such person to be within the powers hereby conferred and to be valid and effectual.

L. MISCELLANEOUS

1. *Records of Mortgagee.* The records of the Mortgagee disclosing the amount of an extension of credit by the Mortgagee to the Mortgagor, the repayment of any principal amount of Indebtedness, the amount of accrued and unpaid interest owing by the Mortgagor and the amount of other Indebtedness (or any part thereof) at any time outstanding, shall constitute conclusive evidence thereof in the absence of mathematical error.

2. *Revolving Line of Credit.* The Mortgagee may wish to make loan advances and re-advances or otherwise extend credit to the Mortgagor from time to time up to a total outstanding principal amount not exceeding the principal amount referred to in the Mortgage. The Mortgage is and shall be continuing security to the Mortgagee for the payment of all Indebtedness. Any portion of the Indebtedness may be advanced or re-advanced by the Mortgagee or other credit may be extended by the Mortgagee in one or more sums at any future time or times and the amount of all such advances, re-advances or other credits when so made or extended shall be secured by the Mortgage and be payable by the Mortgagor with interest thereon at the Applicable Rate and the Mortgage shall be deemed to be taken as security for the ultimate balance of the monies hereby secured, provided that none of the execution or registration of the Mortgage or the advance in part of any monies or extension of any other credit by the Mortgagee shall obligate the Mortgagee to advance any unadvanced portion thereof or to extend any other credit. The Mortgage shall not be void or cease to operate because the Indebtedness secured hereby has at any time or times been paid in full.

3. *Assignment and Syndication.* The Mortgagee shall be entitled from time to time, both before and after a Default, without notice to, or the consent of the Mortgagor or any Guarantor:

- (a) to sell or assign all or part of the Indebtedness and the Mortgagee's interests in the Mortgage and any other security and agreements held by the Mortgagee; and
- (b) to syndicate all or part of the Indebtedness, the Mortgage and any other security and agreements held by the Mortgagee and to grant participations therein.

To facilitate the foregoing, the Mortgagee may provide each prospective purchaser, assignee, syndicated lender or participant and their respective advisers with financial and other information concerning the Indebtedness, the Mortgagor, the Mortgaged Land, any Guarantor, any other collateral or any other matter.

4. *General Indemnity by Mortgagor.* The Mortgagor hereby agrees, on demand by the Mortgagee, to indemnify and hold harmless the Mortgagee and its officers, directors, employees and agents from and against any and all claims, expenses, liabilities, losses and damages that may be asserted against or incurred by any of such indemnified persons arising out of, or in

connection with the Mortgage, any Indebtedness or any claim, investigation, proceeding or litigation relating to any of the foregoing, regardless of whether any such indemnified person is a party thereto (including any and all breakage costs reasonably incurred by the Mortgagee in respect of any breach by the Mortgagor of any of its obligations under the Mortgage) and to reimburse each such indemnified person, on demand by the Mortgagee, for any and all reasonable legal and other expenses incurred in investigating, pursuing or defending any of the foregoing or otherwise in connection with any of the foregoing; provided that the foregoing indemnity shall not, as to any indemnified person, apply to any claim, expense, liability, loss or damage or related expense to the extent they are found by a final, non-appealable judgment of a court of competent jurisdiction to have resulted from the wilful misconduct or gross negligence of such indemnified person.

5. *Effect of Sale.* No sale, conveyance, transfer or other dealing by the Mortgagor with the Mortgaged Land or any part thereof or any approval of the Mortgagee relating thereto shall in any way change or affect the liability of the Mortgagor or in any way alter the rights of the Mortgagee as against the Mortgagor or any other person or persons liable for payment of the Indebtedness or any part thereof.

6. *Dealings with the Mortgagor and Others.* The Mortgagee may grant time, renewals, extensions, indulgences, releases and discharges to, may take security from and give the same and any and all existing security up to, may abstain from taking security from or from perfecting security of, may accept compositions from, may amend the Mortgage, and may otherwise deal with the Mortgagor and all other persons (including any principal debtor, any Guarantor or any owner of the Mortgaged Land) and security as the Mortgagee may see fit without prejudicing any rights of the Mortgagee under the Mortgage.

7. *Amendments to Mortgage.* The Mortgagor and the Mortgagee may from time to time amend the Mortgage (including to increase the interest rate specified by the Mortgage) by an amendment agreement between the Mortgagor and the Mortgagee, whether or not such amendment agreement (or notice thereof) is registered. This provision shall constitute notice of such amendments and the Mortgage shall secure payment of all Indebtedness (including all interest and other Indebtedness arising or resulting from such amendments) and retain its priority with respect thereto over any mortgage, charge or other instrument registered subsequent to the Mortgage.

8. *Waiver.* No waiver, condonation or excusing by the Mortgagee of any default, breach or other non-performance by the Mortgagor at any time or times in respect of any provision of the Mortgage (including any Default) shall operate as a waiver by the Mortgagee of any subsequent or other default, breach or non-performance or prejudice or affect in any way the rights of the Mortgagee in respect of any such subsequent or other default, breach or non-performance.

9. *Discharge or Assignment.* The Mortgagee shall be entitled to prepare or have its counsel prepare a discharge or assignment of the Mortgage and any other documents necessary to discharge or assign any other security held by the Mortgagee and shall have a reasonable time after payment of the Indebtedness in full within which to prepare, execute and deliver such instruments. All reasonable costs, fees and disbursements of the Mortgagee and the Mortgagee's counsel in connection with the preparation, review, execution and delivery of the discharge, assignment or any other documents necessary to discharge or assign the Mortgage or any other security shall, to the extent permitted by law, be paid by the Mortgagor to the Mortgagee and be secured by the Mortgage.

10. *No Obligation to Advance.* Nothing herein and nothing contained in the Mortgage shall obligate the Mortgagee to loan any amount to the Mortgagor or to extend any other credit to the Mortgagor.

11. *Appointment of Attorney Irrevocable.* Each appointment by the Mortgagor of an attorney in the Mortgage or the Standard Charge Terms is coupled with an interest and may not be revoked.

12. *Other Security.* The Mortgage is in addition to and not in substitution for any other security at any time held by the Mortgagee as security for payment of all or any part of the Indebtedness, and the Mortgagee may, at its option, pursue its remedies thereunder or under the Mortgage concurrently or successively. Any judgment or recovery under the Mortgage or under any other

security held by the Mortgagee as security for payment of Indebtedness shall not affect the right of the Mortgagee to enforce or realize on the Mortgage or any other such security.

13. *Financing Statement.* To the extent permitted by law, the Mortgagor hereby waives its right to receive from the Mortgagee a copy of any financing statement, financing change statement, verification statement or other similar statement filed by or received by the Mortgagee or any agent of the Mortgagee.

14. *Notice.* Except as otherwise herein provided, any notice, demand or other communication to the Mortgagor referred to herein or in the Mortgage may be forwarded to the Mortgagor by personal delivery or mailed by prepaid ordinary or registered mail to the Mortgagor at the Mortgagor's last known address as shown on the Mortgagee's records. The Mortgagor shall be deemed to have received the same on the date of delivery, if personally delivered, or on the fourth day after the same is mailed by prepaid ordinary mail or registered mail, if mailed, even if the Mortgagor does not actually receive it.

15. *Different Currencies.* The payment of any part of the Indebtedness shall be made by the Mortgagor in the same currency as the currency in which such part of the Indebtedness is then denominated and all interest and fees shall be paid by the Mortgagor in the same currency as the currency in which that part of the Indebtedness to which they relate is denominated.

16. *Judgment Currency.* If in the recovery by the Mortgagee of any Indebtedness in any currency, judgment can only be obtained in another currency and, because of changes in the exchange rate of such currencies between the date of judgment and payment in full of the amount of such judgment, the recovery under the judgment differs from the receipt by the Mortgagee of the full amount of such Indebtedness, the Mortgagor shall pay any such deficiency to the Mortgagee, such deficiency may be claimed by the Mortgagee against the Mortgagor as an alternative or additional cause of action and any surplus received by the Mortgagee shall be repaid to the Mortgagor.

17. *Foreign Exchange Rate Determinations.* Whenever any provision of the Mortgage requires or permits the determination of the rate of exchange between any currencies, such rate of exchange shall be determined by the Mortgagee based on its normal practice as at the date of such determination.

18. *Governing Law.* The Standard Charge Terms and the Mortgage shall be governed by the law of the jurisdiction in which the Mortgaged Land is located.

19. *Time of Essence.* Time shall be of the essence of the Mortgage.

20. *Severability.* If any provision of the Mortgage is found by a court of competent jurisdiction to be illegal, invalid or unenforceable, such provision shall not apply and the Mortgage shall remain in full force and effect without such provision.

21. *Interpretation.* Whenever the context so requires, words in the singular shall include the plural, words in the plural shall include the singular and words importing any gender shall include the other genders. Whenever used in the Standard Charge Terms, the Mortgage or any Schedule, the words "including" and "includes" shall mean "including, without limitation" and "includes, without limitation", respectively, and the word "person" shall include an individual, corporation, partnership, government, government agency and any other entity.

22. *Titles.* Titles used in the Standard Charge Terms, the Mortgage or any Schedule are inserted for convenience of reference only and shall not affect or modify the interpretation or construction of any provision of the Standard Charge Terms, the Mortgage or any Schedule.

23. *Joint and Several Obligations.* If there is more than one Mortgagor, all Mortgagors shall be jointly and severally liable for all obligations of the Mortgagors pursuant to the Mortgage.

24. *Schedule.* Schedule "A" shall form part of the Standard Charge Terms.

25. *Equivalent Rate Information.* Schedule "A" is a summary of various annual rates of interest calculated half-yearly not in advance equivalent to the corresponding annual rates calculated monthly not in advance or calculated quarter-annually not in advance. The rate of interest

chargeable, calculated half-yearly not in advance, equivalent to each Applicable Rate, is shown by Schedule "A".

26. *Successors and Assigns.* All rights and powers of the Mortgagee shall enure to the benefit of and be exercisable by the Mortgagee and the Mortgagee's successors and assigns. All covenants, obligations and liabilities entered into or imposed on the Mortgagor shall be binding on the Mortgagor and the Mortgagor's heirs, executors, administrators, personal representatives, successors and assigns.

SCHEDULE "A"

The interest rates set out in Column C are the annual interest rates calculated half-yearly not in advance which are equivalent to the corresponding annual interest rates calculated monthly not in advance set out in Column A and quarter-annually not in advance set out in Column B.

COLUMN A	COLUMN B	COLUMN C	COLUMN A	COLUMN B	COLUMN C
Interest rate calculated monthly not in advance	Interest rate calculated quarter-annually not in advance	Interest rate calculated half-yearly not in advance	Interest rate calculated monthly not in advance	Interest rate calculated quarter-annually not in advance	Interest rate calculated half-yearly not in advance
3.0000%	3.0075%	3.0188%	11.6250%	11.7380%	11.9102%
3.1250%	3.1331%	3.1454%	11.7500%	11.8654%	12.0414%
3.2500%	3.2588%	3.2721%	11.8750%	11.9929%	12.1727%
3.3750%	3.3845%	3.3988%	12.0000%	12.1204%	12.3040%
3.5000%	3.5102%	3.5256%	12.1250%	12.2479%	12.4354%
3.6250%	3.6360%	3.6525%	12.2500%	12.3755%	12.5669%
3.7500%	3.7617%	3.7794%	12.3750%	12.5031%	12.6985%
3.8750%	3.8875%	3.9064%	12.5000%	12.6307%	12.8301%
4.0000%	4.0133%	4.0335%	12.6250%	12.7583%	12.9618%
4.1250%	4.1392%	4.1606%	12.7500%	12.8859%	13.0935%
4.2500%	4.2651%	4.2878%	12.8750%	13.0136%	13.2253%
4.3750%	4.3910%	4.4151%	13.0000%	13.1413%	13.3572%
4.5000%	4.5169%	4.5424%	13.1250%	13.2691%	13.4892%
4.6250%	4.6428%	4.6698%	13.2500%	13.3968%	13.6212%
4.7500%	4.7688%	4.7973%	13.3750%	13.5246%	13.7533%
4.8750%	4.8948%	4.9248%	13.5000%	13.6524%	13.8854%
5.0000%	5.0209%	5.0524%	13.6250%	13.7803%	14.0177%
5.1250%	5.1469%	5.1800%	13.7500%	13.9082%	14.1499%
5.2500%	5.2730%	5.3078%	13.8750%	14.0360%	14.2823%
5.3750%	5.3991%	5.4355%	14.0000%	14.1640%	14.4147%
5.5000%	5.5252%	5.5634%	14.1250%	14.2919%	14.5472%
5.6250%	5.6514%	5.6913%	14.2500%	14.4199%	14.6798%
5.7500%	5.7776%	5.8193%	14.3750%	14.5479%	14.8124%
5.8750%	5.9038%	5.9474%	14.5000%	14.6759%	14.9451%
6.0000%	6.0300%	6.0755%	14.6250%	14.8040%	15.0779%
6.1250%	6.1563%	6.2037%	14.7500%	14.9320%	15.2108%
6.2500%	6.2826%	6.3319%	14.8750%	15.0601%	15.3437%
6.3750%	6.4089%	6.4603%	15.0000%	15.1883%	15.4766%
6.5000%	6.5353%	6.5887%	15.1250%	15.3164%	15.6097%
6.6250%	6.6616%	6.7171%	15.2500%	15.4446%	15.7428%
6.7500%	6.7880%	6.8456%	15.3750%	15.5728%	15.8760%
6.8750%	6.9145%	6.9742%	15.5000%	15.7011%	16.0092%
7.0000%	7.0409%	7.1029%	15.6250%	15.8293%	16.1425%
7.1250%	7.1674%	7.2316%	15.7500%	15.9576%	16.2759%
7.2500%	7.2939%	7.3604%	15.8750%	16.0859%	16.4094%
7.3750%	7.4204%	7.4892%	16.0000%	16.2143%	16.5429%
7.5000%	7.5470%	7.6182%	16.1250%	16.3427%	16.6765%
7.6250%	7.6736%	7.7472%	16.2500%	16.4710%	16.8102%
7.7500%	7.8002%	7.8762%	16.3750%	16.5995%	16.9439%
7.8750%	7.9268%	8.0053%	16.5000%	16.7279%	17.0777%
8.0000%	8.0535%	8.1345%	16.6250%	16.8564%	17.2116%
8.1250%	8.1801%	8.2638%	16.7500%	16.9849%	17.3455%
8.2500%	8.3068%	8.3931%	16.8750%	17.1134%	17.4795%
8.3750%	8.4336%	8.5225%	17.0000%	17.2420%	17.6136%
8.5000%	8.5604%	8.6519%	17.1250%	17.3706%	17.7477%
8.6250%	8.6871%	8.7815%	17.2500%	17.4992%	17.8819%
8.7500%	8.8140%	8.9111%	17.3750%	17.6278%	18.0162%
8.8750%	8.9408%	9.0407%	17.5000%	17.7564%	18.1506%
9.0000%	9.0677%	9.1704%	17.6250%	17.8851%	18.2850%
9.1250%	9.1946%	9.3002%	17.7500%	18.0138%	18.4195%
9.2500%	9.3215%	9.4301%	17.8750%	18.1426%	18.5540%
9.3750%	9.4484%	9.5600%	18.0000%	18.2713%	18.6887%
9.5000%	9.5754%	9.6900%	18.1250%	18.4001%	18.8233%
9.6250%	9.7024%	9.8201%	18.2500%	18.5290%	18.9581%
9.7500%	9.8294%	9.9502%	18.3750%	18.6578%	19.0929%
9.8750%	9.9565%	10.0804%	18.5000%	18.7867%	19.2278%
10.0000%	10.0836%	10.2107%	18.6250%	18.9156%	19.3628%
10.1250%	10.2107%	10.3410%	18.7500%	19.0445%	19.4979%
10.2500%	10.3378%	10.4714%	18.8750%	19.1734%	19.6330%
10.3750%	10.4650%	10.6019%	19.0000%	19.3024%	19.7682%
10.5000%	10.5921%	10.7324%	19.1250%	19.4314%	19.9034%
10.6250%	10.7194%	10.8630%	19.2500%	19.5605%	20.0387%
10.7500%	10.8466%	10.9937%	19.3750%	19.6895%	20.1741%
10.8750%	10.9739%	11.1244%	19.5000%	19.8186%	20.3096%
11.0000%	11.1011%	11.2552%	19.6250%	19.9477%	20.4451%
11.1250%	11.2285%	11.3861%	19.7500%	20.0768%	20.5807%
11.2500%	11.3558%	11.5170%	19.8750%	20.2060%	20.7163%
11.3750%	11.4832%	11.6480%	20.0000%	20.3352%	20.8521%
11.5000%	11.6106%	11.7791%			

EXHIBIT “M”

#12

LRO # 40 Notice Of Assignment Of Rents-General

Received as DR1297522 on 2014 09 08 at 16:02

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

yyyy mm dd Page 1 of 2

Properties

PIN 28655 - 0066 LT
 Description PT LT 27 CON 2 CLARKE (NEWCASTLE) AS IN N122327, MUNICIPALITY OF CLARINGTON
 Address 216 KING AVENUE
 NEWCASTLE

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 LAKE TRADING NEWCASTLE INC.
 Address for Service 12 Portrush Trail
 Brampton, Ontario
 L6X 0R3

I, Sreekumar Vakeel, President, have the authority to bind the corporation.

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

Party To(s)

Capacity

Share

Name BANK OF MONTREAL
 Address for Service 100 King Street West
 Toronto, Ontario
 M5X 1A1

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, DR1297507 registered on 2014/09/08 to which this notice relates is deleted.

This notice is for an indeterminate period.

Schedule: See Schedules

Signed By

Angelo Raffaello Demichele 201 County Court Blvd, Ste. 200 acting for Signed 2014 09 08
 Brampton Applicant(s)
 L6W 4L2

Tel 905-457-1660
 Fax 905-457-5641

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

Angelo Raffaello Demichele 201 County Court Blvd, Ste. 200 acting for Signed 2014 09 08
 Brampton Party To(s)
 L6W 4L2

Tel 905-457-1660
 Fax 905-457-5641

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

Submitted By

SIMMONS, DA SILVA & SINTON LLP 201 County Court Blvd, Ste. 200 2014 09 08
 Brampton
 L6W 4L2

Tel 905-457-1660
 Fax 905-457-5641

LRO # 40 Notice Of Assignment Of Rents-General

Received as DR1297522 on 2014 09 08 at 18:02

The applicant(s) hereby applies to the Land Registrar

yyyy mm dd Page 2 of 2

Fees/Taxes/Payment

Statutory Registration Fee	\$60.00
Total Paid	\$60.00

File Number

Applicant Client File Number: BAN0618

[Faint, illegible text, likely a header or introductory paragraph]

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[Faint, illegible text, likely a paragraph of the document]

[Faint, illegible text, likely a paragraph of the document]

[Faint, illegible text, likely a paragraph of the document]

[Faint, illegible text, likely a paragraph of the document]

GENERAL ASSIGNMENT OF RENTS AND LEASES

THIS ASSIGNMENT made this day of July, 2014

B E T W E E N

LAKE TRADING NEWCASTLE INC.
hereinafter called the "Assignor"

and

BANK OF MONTREAL
hereinafter called the "Assignee"

FOR VALUE RECEIVED, the Assignor hereby assigns to the Assignee, all rights, privileges, advantages and benefits whatsoever, including all leases and all rents, profits and other income, arising pursuant to leases and/or agreements to lease and/or tenancies (herein referred to as the "Leases") now or hereafter affecting the lands and premises more particularly described in Box (6) on Page 1 hereof.

This Assignment is given as additional security for the payment of the sum of TWO DOLLARS (\$2.00) and all other sums secured by a charge between the Assignor, as charger, and the Assignee, as chargee, which charge was registered in the Land Registry Office for the Land Titles Division of Durham (No. 40) as the Instrument Number referred to in the Statements Section to which this document is attached and charging the premises of which those demised in the Leases form all or part and which charge is herein referred to as the "Charge". The security of this Assignment is and shall be primary and on a parity with the real estate conveyed by the Charge and not secondary. All amounts collected hereunder, after deducting the expense of collection, shall be applied on account of the indebtedness secured by the Charge, or in such other manner as may be provided in the Charge. Nothing herein contained shall be construed as constituting the Assignee as trustee, mortgagee or chargee in possession.

The Assignor does hereby empower the Assignee, its agents or attorney, to collect, sue for, settle, compromise and give acquittances for all of the rents that may become due under the Leases and avail itself of and pursue all remedies for the enforcement of the Leases and the Assignor's rights in and under the Leases as the Assignor might have pursued but for this Assignment.

The Assignor warrants that the Leases are in full force and effect, and that the copies thereof heretofore delivered to the Assignee are true and correct copies, that the Assignor has not heretofore assigned or pledged the same or any interest therein save and except as disclosed by registered title, and no default exists on the part of the lessees thereunder (herein called the "Lessees") or the Assignor, as lessor, in the performance on the part of either, of the terms, covenants, provisions or agreements in the Leases contained; that other than last month's rents no rent has been paid by any of the Lessees more than thirty (30) days in advance, and that, the payment of none of the rents to accrue under the Leases has been or will be waived, released, reduced, discounted or otherwise discharged or compromised by the Assignor directly or indirectly by assuming any Lessee's obligations with respect to other premises; that, except as may be specifically provided for in the Leases, no security deposit has been made by the Lessees under any of the Leases.

The Assignor waives any rights of set-off against the Lessees.

The Assignor covenants and agrees:

- (a) that the Leases shall remain in full force and effect irrespective of any merger of the interest of the Lessor and Lessee thereunder, and that it will not transfer or convey the fee title to said premises to any of the Lessees without requiring such Lessees, in writing, to assume and agree to pay the debt secured by the Charge in accordance with the terms covenants and conditions contained in the Charge;
- (b) that if the Leases provided for the abatement of rent during the repair of the demised premises by reason of fire or other casualty, the Assignor shall furnish rental insurance to the Assignee, the policies to be in an amount and form and written by such insurance companies as shall be satisfactory to the Assignee;



- (c) not to terminate or modify or amend the Leases or any of the terms thereof, or grant any concessions in connection therewith, either orally or in writing, or to accept a surrender thereof without the written consent of the Assignee, and that any attempted termination, modification or amendments of the Leases without such written consent shall be null and void;
- (d) not to collect any of the rent, income and profits arising or accruing under the Leases in advance of the time when the same become due under the terms thereof;
- (e) not to discount any future accruing rents;
- (f) not to execute any other assignments of the Leases or any interest therein or any of the rents thereunder;
- (g) to perform all of the Assignor's covenants and agreements as lessor under the Leases and not to suffer or permit to occur any release of liability of the Lessees, or any rights to the Lessees to withhold payment of rent; and to give prompt notices to the Assignee of any notice of default on the part of the Assignor with respect to the Leases received from the Lessees, and to furnish the Assignee with complete copies of the said notices;
- (h) that all offers to lease and Leases shall be bona fide, the terms of which are to be approved by the Assignee prior to execution, and shall be at rental rates and terms consistent with comparable space in the area of the lands and premises described herein;
- (i) that the Assignor will provide to the Assignee leasing activity reports in respect of the lands and premises herein;
- (j) if so requested by the Assignee, to enforce the Leases and all remedies available to the Assignor against the Lessees, in case of default under the Leases by the Lessees;
- (k) that none of the rights or remedies of the Assignee under the Charge shall be delayed or in any way prejudiced by this Assignment;
- (l) that notwithstanding any variation of the terms of the Charge or any extension of time for payment thereunder, the Leases and benefits hereby assigned shall continue as additional security in accordance with the terms hereof;
- (m) not to alter, modify or change the terms of any guarantees of any of the Leases or cancel or terminate such guarantees without the prior written consent of the Assignee;
- (n) not to consent to any assignment of the Leases, or any subletting thereunder, whether or not in accordance with their terms, without the prior written consent of the Assignee;
- (o) not to request, consent to, agree to or accept a subordination of the Leases to any mortgage or other encumbrance now or thereafter affecting the premises;
- (p) not to exercise any right of election, whether specifically set forth in any such Leases or otherwise which would in any way diminish the tenant's liability or have the effect of shortening the stated term of the Leases; and
- (q) to pay the costs, charges and expenses of and incidental to the taking, preparation and filing of this Assignment or any notice hereof which may be required and of every renewal related thereto.

Upon any vesting of title to the property secured under the Charge in the Assignee or other party by court order, operation of law, or otherwise or upon delivery of a deed or deeds pursuant to the Assignee's exercise of remedies under the Charge, all right, title and interest of the Assignor in and to the Leases shall by virtue of this Assignment, thereupon vest in and become the absolute property of the party vested with such title or the grantee or grantees in such deed or deeds without any further act or assignment by the Assignor. The Assignor hereby irrevocably appoints Assignee and its successors and assigns, as its agent and attorney in fact, to execute all instruments of assignment or further assurances in favour of such party vested with title or the grantee or grantees.



In the exercise of the powers herein granted to the Assignee, no liability shall be asserted or enforced against the Assignee, all such liability being hereby expressly waived and released by the Assignor. The Assignee shall not be obligated to perform or discharge any obligation, duty or liability under the Leases, or under or by reason of this Assignment, and the Assignor shall and does hereby agree to indemnify the Assignee for, and to save and hold it harmless of and from, any and all liability, loss or damage which it may or might incur under the Leases or under or by reason of this Assignment and of and from any and all claims and demands whatsoever which may be asserted against it by reason of any obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in the Leases. Should the Assignee incur any such liability, loss or damage under the Leases or under or by reason of this Assignment, or in the defence any such claims or demands, the amount thereof, including costs, expenses and reasonable attorney's fees, shall be secured hereby, and the Assignor shall reimburse the Assignee therefore immediately upon demand.

Although it is the intention of the parties that this Assignment shall be a present assignment, it is expressly understood and agreed, anything herein contained to the contrary notwithstanding that the Assignee shall not exercise any of the rights or powers herein conferred upon it until a default shall occur under the terms and provisions of this Assignment or of the Charge, but upon the occurrence of any such default, the Assignee shall be entitled, upon notice to the Lessees, to all rents and other amounts then due under the Leases and thereafter accruing, and this Assignment shall constitute a direction to and full authority to the Lessees to pay all such amounts to the Assignee without proof of the default relied upon. The Lessees are hereby irrevocably authorized to rely upon and comply with any notice or demand by the Assignee for the payment to the Assignee of any rental or other sums which may be or thereafter become due under the Leases regardless whether any default under the Charge has actually occurred or is then existing.

In the event that the Assignee collects any payments of rent due to the Assignors default, the Assignee shall be entitled to receive from such rent a management fee of 5.0% of the gross receipts from such rent, it being understood for greater certainty that the Assignor and the Assignee have agreed that such management fee is a just and equitable fee having regard to the circumstances.

This Assignment is intended to be additional to and not in substitution for or in derogation of any assignment of rents contained in the Charge or in any other document.

This Assignment shall include any extensions and renewals of the Leases and any reference herein to the Leases shall be construed as including any such extensions and renewals.

In the event that any provision in this General Assignment of Rents and Leases shall be deemed void or invalid by a court of competent jurisdiction, the remaining provisions shall be and remain in full force and effect.

If the Assignor comprises more than one person, all covenants and liabilities entered into, by or imposed upon the Assignor shall be joint and several. Each Assignor, if more than one, is responsible both individually and together with the other Assignor(s) for all obligations of the Assignor to the Assignee pursuant to this Assignment.

This Assignment shall be binding upon and enure to the benefit of the respective successors and assigns of the parties. The words "Assignor", "Assignee" and "Lessees", wherever used herein, and designated as such and their respective heirs, administrators, successors and assigns, and all words and phrases shall be taken to include the singular or plural and masculine, feminine or neuter gender, as may fit the case.

IN WITNESS WHEREOF the Assignor has executed this Assignment of Rents and Leases.

SIGNED, SEALED AND DELIVERED

LAKE TRADING NEWCASTLE INC.

Per: 

Sreekumar Vakeel, President

I have authority to bind the Corporation

ACKNOWLEDGEMENT AND DIRECTION

TO: Angelo R. DeMichele
(Insert lawyer's name)

AND TO: SIMMONS, DA SILVA & SINTON LLP
(Insert firm name)

RE: Lake Trading Newcastle assignment of rents with Bank of Montreal (the transaction)
(Insert brief description of transaction)

This will confirm that:

- I/We have reviewed the information set out in this Acknowledgement and Direction and in the documents described below (the "Documents"), and that this information is accurate;
- You, your agent or employee are authorized and directed to sign, deliver, and/or register electronically, on my/our behalf the Documents in the form attached.
- You are hereby authorized and directed to enter into an escrow closing arrangement substantially in the form attached hereto being a copy of the version of the Document Registration Agreement, which appears on the website of the Law Society of Upper Canada as of the date of the Agreement of Purchase and sale herein. I/We hereby acknowledge the said Agreement has been reviewed by me/us and that I/We shall be bound by its terms;
- The effect of the Documents has been fully explained to me/us, and I/we understand that I/we are parties to and bound by the terms and provisions of the Documents to the same extent as if I/we had signed them; and
- I/we are in fact the parties named in the Documents and I/we have not misrepresented our identities to you.
- I, _____, am the spouse of _____ the (Transferor/Chargor), and hereby consent to the transaction described in the Acknowledgment and Direction. I authorize you to indicate my consent on all the Documents for which it is required.

DESCRIPTION OF ELECTRONIC DOCUMENTS

The Document(s) described in the Acknowledgement and Direction are the document(s) selected below which are attached hereto as "Document in Preparation" and are:

- A Transfer of the land described above.
- A Charge of the land described above.
- Other documents set out in Schedule "B" attached hereto.

Dated at Brampton, this 22nd day of July, 2014.

WITNESS

(As to all signatures, if required)

Lake Trading Newcastle Inc.

Per:
Sreekumar Vakeel, President
I have authority to bind the Corporation

LRO # 40 Notice Of Assignment Of Rents-General

In preparation on 2014 07 18 at 12:26

This document has not been submitted and may be incomplete.

yyyy mm dd Page 1 of 1

Properties

PIN 26655 - 0066 LT
 Description PT LT 27 CON 2 CLARKE (NEWCASTLE) AS IN N122327; MUNICIPALITY OF CLARINGTON
 Address 216 KING AVENUE
 NEWCASTLE

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 LAKE TRADING NEWCASTLE INC.
 Acting as a company
 Address for Service 12 Portrush Trail
 Brampton, Ontario
 L6X 0R3

I, Sreekumar Vakeel, President, have the authority to bind the corporation.

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

Party To(s)

Capacity

Share

Name BANK OF MONTREAL
 Acting as a company
 Address for Service 100 King Street West
 Toronto, Ontario
 M5X 1A1

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, BANK OF MONTREAL M/T LAKE TRADING NEWCA to which this notice relates is deleted

This notice is for an indeterminate period

Schedule:

File Number

Applicant Client File Number : BAN0818



EXHIBIT “N”

Enquiry Result

File Currency: 03APR 2022



Show All Pages

Note: All pages have been returned.

Type of Search	Business Debtor						
Search Conducted On	LAKE TRADING NEWCASTLE INC.						
File Currency	03APR 2022						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	698150826	1	2	1	4	18JUL 2024	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
698150826		001	001		20140718 1529 1862 6796	P PPSA	5

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name			Ontario Corporation Number
	LAKE TRADING NEWCASTLE INC.			
	Address	City	Province	Postal Code
	216 KING AVENUE EAST	NEWCASTLE	ON	L1B 1H5

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			
	BANK OF MONTREAL			
	Address	City	Province	Postal Code
	100 KING STREET WEST, B-1 LEVEL	TORONTO	ON	M5X 1A1

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

Registering Agent	Registering Agent	City	Province	Postal Code
	SIMMONS DASILVA LLP (BD BANO818)			
	200-201 COUNTY COURT BOULEVARD	BRAMPTON	ON	L6W 4L2

173

CONTINUED

Type of Search	Business Debtor									174	
Search Conducted On	LAKE TRADING NEWCASTLE INC.										
File Currency	03APR 2022										
	File Number	Family	of Families	Page					of Pages		
	698150826	1	2	2					4		
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT											
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number			Registered Under			
		01	001		20190618 1936 1531 2954						
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period					
	698150826		X	B RENEWAL	5						
Reference Debtor/ Transferor	First Given Name			Initial	Surname						
	Business Debtor Name										
	LAKE TRADING NEWCASTLE INC.										
Other Change	Other Change										
Reason / Description	Reason / Description										
Debtor/ Transferee	Date of Birth	First Given Name			Initial	Surname					
	Business Debtor Name							Ontario Corporation Number			
	Address				City		Province	Postal Code			
Assignor Name	Assignor Name										
Secured Party	Secured party, lien claimant, assignee										
	Address				City		Province	Postal Code			
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 or Secured Party/ Lien Claimant										
	CANADIAN SECURITIES REGISTRATION SYSTEMS										

	Address	City	Province	Postal Code
	4126 NORLAND AVENUE	BURNABY	BC175	V5G 3S8

END OF FAMILY

Type of Search	Business Debtor							176	
Search Conducted On	LAKE TRADING NEWCASTLE INC.								
File Currency	03APR 2022								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	698150889	2	2	3	4	18JUL 2024			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
698150889		001	001		20140718 1532 1862 6798	P PPSA	5		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	LAKE TRADING NEWCASTLE INC.								
	Address				City	Province	Postal Code		
	216 KING AVENUE EAST				NEWCASTLE	ON	L1B 1H5		
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								
	BANK OF MONTREAL								
	Address				City	Province	Postal Code		
	100 KING STREET WEST, B-1 LEVEL				TORONTO	ON	M5X 1A1		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
				X	X				
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	SIMMONS DASILVA LLP (BD BANO818)								
	Address				City	Province	Postal Code		
	200-201 COUNTY COURT BOULEVARD				BRAMPTON	ON	L6W 4L2		

CONTINUED

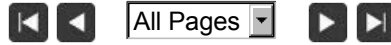
Type of Search	Business Debtor								
Search Conducted On	LAKE TRADING NEWCASTLE INC.								
File Currency	03APR 2022								
	File Number	Family	of Families	Page					of Pages
	698150889	2	2	4					4
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT									
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number			Registered Under	
		01	001		20190618 1936 1531 2953				
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period			
	698150889		X	B RENEWAL	5				
Reference Debtor/ Transferor	First Given Name			Initial	Surname				
	Business Debtor Name								
	LAKE TRADING NEWCASTLE INC.								
Other Change	Other Change								
Reason / Description	Reason / Description								
Debtor/ Transferee	Date of Birth	First Given Name			Initial	Surname			
	Business Debtor Name							Ontario Corporation Number	
	Address				City	Province	Postal Code		
Assignor Name	Assignor Name								
Secured Party	Secured party, lien claimant, assignee								
	Address				City	Province	Postal Code		
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 or Secured Party/ Lien Claimant								
	CANADIAN SECURITIES REGISTRATION SYSTEMS								

	Address	City	Province	Postal Code
	4126 NORLAND AVENUE	BURNABY	BC178	V5G 3S8

LAST PAGE

Note: All pages have been returned.

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EXHIBIT “O”



LAND REGISTRY OFFICE #40
 PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER
 26655-0066 (LT)

PAGE 1 OF 4
 PREPARED FOR CPoliiveira
 ON 2022/04/04 AT 16:20:52

PROPERTY DESCRIPTION: PT LT 27 CON 2 CLARKE (NEWCASTLE) AS IN N122327; MUNICIPALITY OF CLARINGTON
 * CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY REMARKS:
 ESTATE/QUALIFIER: RECENTLY:
 FEE SIMPLE RE-ENTRY FROM 26655-0142
 LT CONVERSION QUALIFIED
 OWNERS' NAMES: CAPACITY SHARE
 LAKE TRADING NEWCASTLE INC. ROWN

PIN CREATION DATE:
 2000/04/20

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
				EFFECTIVE 2000/07/29 THE NOTATION OF THE "BLOCK IMPLEMENTATION DATE" OF 1998/09/14 ON THIS PIN		
				WAS REPLACED WITH THE "PIN CREATION DATE" OF 2000/04/20		
				** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2000/04/20 **		
				**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:		
				SUBSECTION 4# (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: 2000/04/25 **		
N31947	1967/01/10	BYLAW				
N122327	1985/06/14	TRANSFER			STEEVERS, EASTMAN EDWARD	
N122330	1985/06/14	LEASE			GULF CANADA LIMITED	
N125990	1986/01/16	ASSIGNMENT LEASE			NATIONAL TRUST COMPANY	
		REMARKS: N122330				
N149335	1989/03/08	CHARGE			CANADIAN IMPERIAL BANK OF COMMERCE	
D397060	1991/09/21	CHARGE				

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

LAND
REGISTRY
OFFICE #40

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

PAGE 2 OF 4
PREPARED FOR CPoliveira
ON 2022/04/04 AT 16:20:52

26655-0066 (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
DR69956	2002/04/23 REMARKS: RE: NI49335	DISCH OF CHARGE		*** COMPLETELY DELETED *** CANADIAN IMPERIAL BANK OF COMMERCE	CANADIAN IMPERIAL BANK OF COMMERCE	
DR138284	2002/12/18 REMARKS: RE: D397060	DISCH OF CHARGE		*** COMPLETELY DELETED *** CANADIAN IMPERIAL BANK OF COMMERCE		
DR138294	2002/12/18 REMARKS: NI22330	NO ASSG LESSOR INT		*** COMPLETELY DELETED *** NATIONAL TRUST COMPANY	STEEVES, EASTMAN EDWARD	
DR140753	2003/01/02	NO DET/SURR LEASE		*** COMPLETELY DELETED ***	STEEVES, EASTMAN EDWARD	
DR140754	2003/01/02	TRANSFER		*** COMPLETELY DELETED *** STEEVES, EASTMAN EDWARD		
DR431569	2005/09/27	CHARGE		*** COMPLETELY DELETED *** EASTMAN STEEVES HOLDINGS LIMITED	EASTMAN STEEVES HOLDINGS LIMITED	
DR554988	2006/11/02	NOTICE		THE CORPORATION OF THE MUNICIPALITY OF CLARINGTON		C
DR559548	2006/11/21	CHARGE		*** COMPLETELY DELETED *** EASTMAN STEEVES HOLDINGS LIMITED	BANK OF MONTREAL	
DR559549	2006/11/21 REMARKS: DR559548	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** EASTMAN STEEVES HOLDINGS LIMITED	BANK OF MONTREAL	
DR560063	2006/11/22	DISCH OF CHARGE		*** COMPLETELY DELETED *** STEEVES, EASTMAN STEEVES, JEAN		
DR572597	2007/01/12 REMARKS: RE: DR431569	NOTICE		*** COMPLETELY DELETED *** THE REGIONAL MUNICIPALITY OF DURHAM	EASTMAN STEEVES HOLDINGS LIMITED	
DR647792	2007/09/21	CHARGE		*** COMPLETELY DELETED ***		

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LAND REGISTRY OFFICE #40

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER
PAGE 3 OF 4
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26655-0066 (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
DR647793 REMARKS: DR647792	2007/09/21	NO ASSGN RENT GEN		EASTMAN STEEVES HOLDINGS LIMITED *** COMPLETELY DELETED ***	BANK OF MONTREAL	
DR647845 REMARKS: RE: DR559548	2007/09/21	DISCH OF CHARGE		EASTMAN STEEVES HOLDINGS LIMITED *** COMPLETELY DELETED *** BANK OF MONTREAL	BANK OF MONTREAL	
DR651549	2007/10/03	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** ATKINS, WADE	ATKINS, WADE	
DR660620 REMARKS: RE: DR651549	2007/11/01	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED ***		
DR703501 REMARKS: DR647792	2008/04/18	NOTICE		*** COMPLETELY DELETED *** EASTMAN STEEVES HOLDINGS LIMITED	BANK OF MONTREAL	
DR1193352	2013/07/15	TRANSFER		*** COMPLETELY DELETED *** EASTMAN STEEVES HOLDINGS LIMITED	Z & S GAS INC.	
DR1193353	2013/07/15	CHARGE		*** COMPLETELY DELETED *** Z & S GAS INC.	BANK OF MONTREAL	
DR1193358 REMARKS: DR1193353.	2013/07/15	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** Z & S GAS INC.	BANK OF MONTREAL	
DR1199055 REMARKS: DR572597	2013/08/02	APL (GENERAL)		*** COMPLETELY DELETED *** THE REGIONAL MUNICIPALITY OF DURHAM		
DR1259664 REMARKS: DR647792.	2014/04/28	DISCH OF CHARGE		*** COMPLETELY DELETED *** BANK OF MONTREAL		
DR1297506 REMARKS: PLANNING ACT STATEMENTS.	2014/09/08	TRANSFER	\$3,200,000	Z & S GAS INC.	LAKE TRADING NEWCASTLE INC.	C
DR1297507	2014/09/08	CHARGE	\$2,107,500	LAKE TRADING NEWCASTLE INC.	BANK OF MONTREAL	C

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PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

PAGE 4 OF 4
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26655-0066 (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
DR1297522	2014/09/08	NO ASSGN RENT GEN REMARKS: DR1297507.		LAKE TRADING NEWCASTLE INC.	BANK OF MONTREAL	C
DR1298472	2014/09/11	DISCH OF CHARGE REMARKS: DR1193353.		*** COMPLETELY DELETED *** BANK OF MONTREAL		
DR1737256	2018/09/21	CHARGE		*** COMPLETELY DELETED *** LAKE TRADING NEWCASTLE INC.	WALIA, SURENDRA GREWAL, HARDEEP	
DR1959976	2020/12/31	NO SEC INTEREST	\$13,300	2035881 ONTARIO INC.		
DR1965219	2021/01/20	DISCH OF CHARGE REMARKS: DR1737256.		*** COMPLETELY DELETED *** WALIA, SURENDRA GREWAL, HARDEEP		C

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EXHIBIT “P”



Bank of Montreal

**Ontario Personal Property
Security Act Security Agreement**
SECURITY AGREEMENT

The undersigned (hereinafter called the "Debtor") hereby enters into this Security Agreement with Bank of Montreal (hereinafter called the "Bank") for valuable consideration and as security for the repayment of all present and future indebtedness of the Debtor to the Bank and interest thereon and for the payment and discharge of all other present and future liabilities and obligations, direct or indirect, absolute or contingent, of the Debtor to the Bank (all such indebtedness, interest, liabilities and obligations being hereinafter collectively called the "Obligations"). This Security Agreement is entered into pursuant to and is governed by the *Personal Property Security Act (Ontario)* insofar as it affects personal property located in Ontario.

1. The Debtor hereby represents and warrants to the Bank that it has assets at the following locations in Ontario:

79 Victoria St N., Goderich ON N7A 2R9

List all premises
and asset
locations, by
schedule, if
necessary

2. The Debtor hereby:

Attach a
schedule, if
equipment is to
be listed.

- (a) mortgages and charges to the Bank as and by way of a fixed and specific mortgage and charge, and grants to the Bank a security interest in, all its present and future equipment and any proceeds therefrom, including, without limiting the generality of the foregoing, all fixtures, plant, machinery, tools and furniture now or hereafter owned or acquired or in respect of which the Debtor has rights now or in the future and any equipment specifically listed or otherwise described in any Schedule hereto ;
- (b) mortgages and charges to the Bank, and grants to the Bank a security interest in, all its present and future inventory and any proceeds therefrom, including, without limiting the generality of the foregoing, all raw materials, goods in process, finished goods and packaging material and goods acquired or held for sale or furnished or to be furnished under contracts of rental or service ;
- (c) assigns, transfers and sets over to the Bank and grants to the Bank a security interest in, all its present and future intangibles and any proceeds therefrom, including, without limiting the generality of the foregoing, all its present and future accounts, accounts receivable, client lists, client records, client files, contract rights and other choses in action of every kind or nature now due or hereafter to become due, including insurance rights arising from or out of the assets referred to in sub-clauses (a) and (b) above ;
- (d) grants, mortgages, charges, transfers and assigns to the Bank a security interest in, all its present and future chattel papers, documents of title, instruments, money and securities, and any proceeds therefrom ; and

- (e) charges in favour of the Bank as and by way of a floating charge its undertaking and all its property and assets, real and personal, moveable or immovable, of whatsoever nature and kind, both present and future (other than property and assets hereby validly assigned or subjected to a specific mortgage and charge and to the exceptions hereinafter contained). For the purposes of this Security Agreement, the equipment, inventory, intangibles, undertaking and all other property and assets of the Debtor referred to in this clause 2 are hereinafter sometimes collectively called the "Collateral". Without limiting the generality of the description of Collateral as set out in this clause 2, and for the greater certainty, the Collateral shall include all present and future personal property of the Debtor of the type described in any schedule attached hereto. The Debtor agrees that it shall promptly advise the Bank in writing of any acquisition of personal property which is not of the type herein described. The Debtor agrees to execute and deliver from time to time, at its own expense, amendments to this Security Agreement or additional security agreements, which may be reasonably required by the Bank to ensure attachment of security interests in such personal property.

3. The Collateral is on the date hereof primarily situate or located at the location(s) set out in clause 1 hereof but may from time to time be located at other premises of the Debtor. The Collateral may also be located at other places while in transit to and from such locations and premises; and the Collateral may from time to time be situated or located at any other place when on lease or consignment to any lessee or consignee from the Debtor.

4. It is hereby declared that the last day of any term of years reserved by any lease, verbal or written, or any agreement therefor, now held or hereafter acquired by the Debtor, is hereby or shall be excepted out of the mortgages, charges and security interests hereby created, but the Debtor shall stand possessed of the reversion of one day remaining in the Debtor in respect of any such term of years, for the time being demised, as aforesaid upon trust to assign and dispose of the same as any purchaser of such term of years shall direct. There shall also be excluded from the security created by this Security Agreement any property of the Debtor that constitutes consumer goods for the personal use of the Debtor.

5. The Debtor shall not without the prior written consent of the Bank sell or dispose of any of the Collateral other than that described in sub-clause (b) of clause 2 above which may be sold only in the ordinary course of business and for the purpose of carrying on the same; and if the amounts of any of the intangibles referred to in sub-clause (c) of clause 2 above or any proceeds arising from the Collateral described in sub-clauses (a) and (b) of clause 2 above shall be paid to the Debtor, the Debtor shall receive the same as agent of the Bank and forthwith pay over the same to the Bank. The Debtor shall not without the prior written consent of the Bank create any liens upon or assign or transfer as security or pledge or hypothecate as security or create a security interest in the Collateral except to the Bank. The Debtor agrees that the Bank may require any account debtor to the Debtor to make payment to the Bank and the Bank may take control of any proceeds referred to in sub-clauses (a), (b) and (c) of clause 2 hereof and may hold all amounts received from any account debtors and any proceeds as cash collateral as part of the Collateral and as security for the Obligations of the Debtor to the Bank.

6. The Debtor shall at all times do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered all and singular every such further acts, deeds, transfers, assignments, security agreements and assurances as the Bank may reasonably require for the better granting, transferring, assigning, charging, setting over, assuring and confirming unto the Bank the property and assets hereby mortgaged and charged or subjected to security interests or intended so to be or which the Debtor may hereafter become bound to mortgage, charge, transfer, assign or subject to a security interest in favour of the Bank and for the better accomplishing and effectuating of this Security Agreement.

7. The Debtor shall at all times have and maintain insurance over the Collateral against risks of fire (including so-called extended coverage), theft, and such other risks as the Bank may reasonably require in writing, containing such terms, in such form, for such periods and written by such companies as may be reasonably satisfactory to the Bank. The Debtor shall duly and seasonably pay all premiums and other sums payable for maintaining such insurance and shall cause the insurance money thereunder to be payable to the Bank as its interest hereunder may appear and shall, if required, furnish the Bank with certificates or other evidence satisfactory to the Bank of compliance with the foregoing insurance provisions.

8. The Debtor shall at all times upon request by the Bank furnish the Bank with such information concerning the Collateral and the Debtor's affairs and business as the Bank may reasonably request, including lists of inventory and equipment and lists of accounts and accounts receivable showing the amounts owing upon each account and securities therefor and copies of all financial statements, books and accounts, invoices, letters, papers and other documents in any way evidencing or relating to the account.

9. The Debtor shall be in default under this Security Agreement upon the occurrence of any one of the following events:

- (a) the Debtor shall default under any of the Obligations;
- (b) the Debtor shall default in the due observance or performance of any covenant, undertaking or agreement heretofore or hereafter given to the Bank, whether contained herein or not and including any covenant or undertaking set out in any Schedule to this Security Agreement;
- (c) an execution or any other process of any court shall become enforceable against the Debtor or a distress or analogous process shall be levied upon the property of the Debtor or any part thereof;
- (d) the Debtor shall become insolvent or commit an act of bankruptcy, or make an assignment in bankruptcy or a bulk sale of its assets or a bankruptcy petition shall be filed or presented against the Debtor and not be *bona fide* opposed by the Debtor;
- (e) the Debtor shall cease to carry on business.

10. Upon any default under this Security Agreement, the Bank may declare any or all of the Obligations to be immediately due and payable and may proceed to realize the security hereby constituted and to enforce its rights by entry; or by the appointment by instrument in writing of a receiver or receivers of the subject matter of such security or any part thereof and such receiver or receivers may be any person or persons, whether an officer or officers or employee or employees of the Bank or not, and the Bank may remove any receiver or receivers so appointed and appoint another or others in his or their stead, or by proceedings in any court of competent jurisdiction for the appointment of a receiver or receivers or for sale of the Collateral or any part thereof; or by any other action, suit, remedy or proceeding authorized or permitted hereby or by law or by equity; and may file such proofs of claim and other documents as may be necessary or advisable in order to have its claim lodged in any bankruptcy, winding-up or other judicial proceedings relative to the Debtor. Any such receiver or receivers so appointed shall have power to take possession of the Collateral or any part thereof and to carry on the business of the Debtor, and to borrow money required for the maintenance, preservation or protection of the Collateral or any part thereof or the carrying on of the business of the Debtor, and to further charge the Collateral in priority to the security constituted by this Security Agreement as security for money so borrowed, and to sell, lease or otherwise dispose of the whole or any part of the Collateral on such terms and conditions and in such manner as he shall determine. In exercising any powers any such receiver or receivers shall act as agent or agents for the Debtor and the Bank shall not be responsible for his or their actions.

In addition, the Bank may enter upon the applicable premises and lease or sell the whole or any part or parts of the Collateral. The Debtor agrees that considering the nature of that part of the Collateral that is not perishable it will be commercially reasonable to sell such part of the Collateral:

- (a) as a whole or in various lots;
- (b) by a public sale or call for tenders by advertising such sale once in a local daily newspaper at least seven (7) days before such sale; and
- (c) by private sale after the receipt by the Bank of at least two offers from prospective purchasers who may include persons related to or affiliated with the Debtor or other customers of the Bank.

Any such sale shall be on such terms and conditions as to credit or otherwise and as to upset or reserve bid or price as to the Bank in its sole discretion may seem advantageous and such sale may take place whether or not the Bank has taken possession of such property and assets.

No remedy for the realization of the security hereof or for the enforcement of the rights of the Bank shall be exclusive of or dependent on any other such remedy, but any one or more of such remedies may from time to time be exercised independently or in combination. The term "receiver" as used in this Security Agreement includes a receiver and manager.

11. Any and all payments made in respect of the Obligations from time to time and moneys realized from any securities held therefor (including moneys realized on any enforcement of this Security Agreement) may be applied to such part or parts of the Obligations as the Bank may see fit, and the Bank shall at all times and from time to time have the right to change any appropriation as the Bank may see fit.

12. The Debtor agrees to pay all reasonable expenses, including solicitor's fees and disbursements and the remuneration of any receiver appointed hereunder, incurred by the Bank in the preparation, perfection and enforcement of this Security Agreement, including all expenses incurred by the Bank and its agents to put into place and confirm the priority of any security interest in this Security Agreement and the payment of such expenses shall be secured hereby.

13. The Bank may waive any default herein referred to; provided always that no act or omission by the Bank in the premises shall extend to or be taken in any manner whatsoever to affect any subsequent default or rights resulting therefrom.

14. The Debtor acknowledges that value has been given, that the Debtor has rights in the Collateral and that the parties have not agreed to postpone the time for attachment of any security interest in this Security Agreement.

15. The security hereof is in addition to and not in substitution for any other security now or hereafter held by the Bank and shall be general and continuing security notwithstanding that the Obligations of the Debtor shall at any time or from time to time be fully satisfied or paid.

16. Nothing herein shall obligate the Bank to make any advance or loan or further advance or loan or to renew any note or extend any time for payment or any indebtedness or liability of the Debtor to the Bank.

17. This Security Agreement shall enure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and assigns of the Debtor and the Bank.

18. This Security Agreement is a security agreement within the meaning of the Personal Property Security Act (Ontario) and does not constitute an acknowledgement of any particular indebtedness or liability of the Debtor to the Bank.

19. The Debtor acknowledges receipt of a copy of this agreement.


20. In construing this Security Agreement, terms herein shall have the same meaning as defined in the *Personal Property Security Act* (Ontario), unless the context otherwise requires. The word "Debtor", the personal pronoun "it" or "its" and any verb relating thereto and used therewith shall be read and construed as required by and in accordance with the context in which such words are used depending upon whether the Debtor is one or more individuals, corporations or partnerships and, if more than one, shall apply and be binding upon each of them severally. The term "successors" shall include, without limiting its meaning, any corporation resulting from the amalgamation of a corporation with another corporation and, where the Debtor is a partnership, any new partnership resulting from the admission of new partners or any other change in the Debtor, including, without limiting the generality of the foregoing, the death of any or all of the partners.

Insert date of execution

IN WITNESS WHEREOF this Security Agreement has been executed by the Debtor on 8 day of June, 2015. (year)

To be signed by Debtor, if Debtor is a corporation ensure signatures are authorized and if Debtor is a corporation with a corporate seal, affix Corporate Seal; Debtor's name should be typed

LAKE TRADING GODERICH INC.

Per: 
Sreekumar Vakeel, President
I have authority to bind the Corporation

CORPORATE AUTHORIZING RESOLUTION

Required only for a corporation

"WHEREAS it is in the interests of the Company to enter into a security agreement with the Bank of Montreal as security for its present and future obligations to the Bank of Montreal and therein mortgage, charge, assign and otherwise transfer and encumber and grant security interests in all its present and future property and assets;

NOW THEREFORE BE IT RESOLVED THAT:

1. the Company do enter into, execute and deliver to the Bank of Montreal a security agreement substantially in the form of the draft security agreement presented to the directors, subject to such alternations, amendments or additions to which the President or a Vice-President of the Company may agree;
2. the Company do mortgage, charge, assign and otherwise transfer and encumber and grant security interests in all its present and future equipment, inventory, intangibles, undertaking and other property and assets as security for its present and future obligations to the Bank of Montreal, all as provided in the said draft security agreement;
3. the execution by the President or a Vice-President of the Company of the said security agreement shall be conclusive proof of his agreement to any amendments, alterations or additions incorporated therein;
4. the President and the Vice-President of the Company be and they are each along hereby authorized to execute and deliver the security agreement aforesaid on behalf of the Company and each of the officers of the Company are hereby authorized to execute all such other documents and writings and to do such others acts and things as may be necessary for fulfilling the Company's obligations under the said security agreement."

CERTIFICATE

To be completed
by Secretary or
other authorized
officer; insert
Insert
appropriate
date

I am the Secretary of Lake Trading Goderich Inc. and I hereby certify that:

1. the foregoing is a true copy of a resolution duly and properly passed or consented to by the board of directors of the said Company on the 9 day of June, 2015, (year)
2. the attached Security Agreement is in the form of the draft security agreement referred to in the resolution and has been duly and properly executed by the proper officers of the Company under its corporate seal; and
3. the Company is subject to the *Business Corporations Act* of Ontario and the resolution was consented to by the signatures of all the directors of the Company on the date aforesaid in accordance with the *Business Corporations Act*.

To be signed by
Secretary or other
authorized
officer; affix
corporate seal



Secretary
Sreekumar Vakeel

EXHIBIT “Q”

LRO # 22 Charge/Mortgage

Received as HC108368 on 2015 06 18 at 16:04

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

yyyy mm dd Page 1 of 3

Properties

PIN 41128 - 0020 LT Interest/Estate Fee Simple
 Description LT 835 PL 457; PT LT 811 PL 457 AS IN R308418; TOWN OF GODERICH
 Address 79 VICTORIA ST N
 GODERICH

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 LAKE TRADING GODERICH INC.
 Address for Service 79 Victoria Street North, Goderich, Ontario N7A 2R9

I, Sreeekumar Vakeel, 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 BANK OF MONTREAL
 Address for Service 2 King Street West, Kitchener, Ontario N2G 1A3

Statements

Schedule: See Schedules

Provisions

Principal \$ 1,600,000.00 Currency: CDN
 Calculation Period Monthly, not in advance
 Balance Due Date On demand
 Interest Rate Mortgage's Prime Rate +5% per annum
 Payments
 Interest Adjustment Date
 Payment Date On demand
 First Payment Date
 Last Payment Date
 Standard Charge Terms 201031
 Insurance Amount full insurable value
 Guarantor

Signed By

Andrea Margaret Remnant 201 County Court Blvd, Ste. 200 acting for Signed 2015 06 17
 Brampton
 L6W 4L2
 Chargee(s)
 Tel 905-457-1680
 Fax 905-457-5641

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

LRO # 22: Charge/Mortgage

Received as HC108368 on 2015 06 18 at 16:04

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

yyyy mm dd Page 2 of 3

Submitted By

SIMMONS, DA SILVA LLP

201 County Court Blvd. Ste. 200
Brampton
L6W 4L2

2015 06 18

Tel 905-457-1660

Fax 905-457-5641

Fees/Taxes/Payment

Statutory Registration Fee \$60.00

Total Paid \$60.00

File Number

Chargee Client File Number: BAND679

Restriction of Secondary Financing Clause:

Notwithstanding any other provision hereof, the Chargor shall not obtain or register any secondary mortgage financing against the Lands described herein without the Chargee's written consent and in default thereof the Chargee may at its option immediately declare the balance of all principal and interest to become immediately due and payable and all remedies of the Chargee shall immediately become fully enforceable.

Acceleration Clause/Debt Service Coverage :

In the event the Chargor does not maintain a Debt Service Coverage ratio of not less than 1.25:1 the principal amount of the mortgage loan and all other indebtedness secured by the mortgage with accrued interest thereon and interest rate penalty shall, at the option of the Chargee, become due and payable.

Provision of Financial Information Clause:

The Chargor shall provide to the Chargee financial information, including financial statements, on an annual basis or as reasonably requested by the Chargee in accordance with the commitment letter/paper.

In the event the Chargor does not comply with this Financial Information Clause, the principal amount of the mortgage loan and all other indebtedness secured by the mortgage with accrued interest thereon and interest rate penalty shall, at the option of the Chargee, become due and payable.

Receiver /Manager Clause:

In the event the real property produces rental income and such rental income is paid to the Chargor or paid to any other party pursuant to the direction of the Chargor, the Chargor hereby as further security, assigns and pledges all such rental income to the Chargee, such pledge to become operative upon any default being made by the Chargor under any term of the within Charge and to remain in full force and effect as long as such default continues. The Chargor further authorizes the Chargee after default to enter upon the mortgaged premises and to collect in the name of the Chargor or in its own name as assignee, the rents accrued but unpaid and in arrears as of the date of default, as well as all rents accruing and becoming payable thereafter, until such default is remedied. The Chargor agrees to execute written notice to each tenant directing the tenant to pay rent to the Chargee and the Chargor further agrees to pay 10% of the gross amount of all rentals due or accruing, to the Chargee as a collection fee for such period of time when the Chargee is collecting rents or is entitled to collect rents. The Chargor further authorizes the Chargee during default, at its option and at the expense and risk of the Chargor, to enter into the full management of the property with the right to manage the property in the same manner as an owner of the property, and the Chargor hereby releases all claims against the Chargee arising out of such management, except the liability of the Chargee to account for all funds received. It is not the intention of the parties that if the Chargee manages the property as aforesaid, the Chargee shall be a "mortgagee in possession", except if the Chargee so elects in writing. In addition to the collection fee for the collection of rentals as aforesaid, the Chargee shall also be entitled to all other out-of-pocket costs and compensation for its own time of any employees expended for the management of the property in the event the Chargee enters into the management of the property

Acceleration Clause/Due on Sale Clause or Change in Ownership :

In the event the Chargor sells, conveys, transfers or enters into an agreement for sale or transfer of the title of the mortgaged property to a purchaser or transferee or there is a change in corporate or beneficial ownership of the Chargor not approved in writing by the Bank, which approval will not be unreasonably withheld, the principal amount of the mortgage loan and all other indebtedness secured by the mortgage with accrued interest thereon and interest rate penalty shall, at the option of the Chargee, become due and payable.



[Handwritten signature]

..

ACKNOWLEDGEMENT AND DIRECTION

TO: Angelo R. DeMichele
(Insert lawyer's name)

AND TO: SIMMONS, DA SILVA LLP
(Insert firm name)

RE: Bank of Montreal Mortgage to Lake Trading Goderich Inc. (BAN0879) (the transaction")
(Insert brief description of transaction)

This will confirm that:

- I/We have reviewed the information set out in this Acknowledgement and Direction and in the documents described below (the "Documents"), and that this information is accurate;
- You, your agent or employee are authorized and directed to sign, deliver, and/or register electronically, on my/our behalf the Documents in the form attached.
- You are hereby authorized and directed to enter into an escrow closing arrangement substantially in the form attached hereto being a copy of the version of the Document Registration Agreement, which appears on the website of the Law Society of Upper Canada as of the date of the Agreement of Purchase and sale herein. I/We hereby acknowledge the said Agreement has been reviewed by me/us and that I/We shall be bound by its terms;
- The effect of the Documents has been fully explained to me/us, and I/we understand that I/we are parties to and bound by the terms and provisions of the Documents to the same extent as if I/we had signed them; and
- I/we are in fact the parties named in the Documents and I/we have not misrepresented our identities to you
- I, _____, am the spouse of _____ the (Transferor/Chargor), and hereby consent to the transaction described in the Acknowledgment and Direction. I authorize you to indicate my consent on all the Documents for which it is required.

DESCRIPTION OF ELECTRONIC DOCUMENTS

The Document(s) described in the Acknowledgement and Direction are the document(s) selected below which are attached hereto as "Document in Preparation" and are:

- A Transfer of the land described above.
- A Charge of the land described above.
- Other documents set out in Schedule "B" attached hereto.

Dated at Brampton, this 8 day of June, 2015.

WITNESS

(As to all signatures, if required)

LAKE TRADING GODERICH INC.

Per: [Signature]
Sreekumar Vakeel, President
I have authority to bind the corporation

[Signature]

LRO # 22 Charge/Mortgage

In preparation on 2015 06 02 at 15:01

This document has not been submitted and may be incomplete.

yyyy mm dd Page 1 of 1

Properties

PIN 41128 - 0020 LT Interest/Estate Fee Simple
 Description LT 835 PL 457; PT LT 811 PL 457 AS IN R306418; TOWN OF GODERICH
 Address 79 VICTORIA ST N
 GODERICH

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 LAKE TRADING GODERICH INC.
 Acting as a company
 Address for Service 79 Victoria Street North, Goderich, Ontario N7A 2R9

I, Sreekumar Vakeel, 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 BANK OF MONTREAL
 Acting as a company
 Address for Service 2 King Street West, Kitchener, Ontario N2G 1A3

Statements

Schedule:

Provisions

Principal \$ 1,600,000.00 Currency CDN
 Calculation Period Monthly, not in advance
 Balance Due Date On demand
 Interest Rate Mortgagee's Prime Rate +5% per annum
 Payments
 Interest Adjustment Date
 Payment Date On demand
 First Payment Date
 Last Payment Date
 Standard Charge Terms 201031
 Insurance Amount full insurable value
 Guarantor

File Number

Chargee Client File Number: BANO879



Handwritten signature or initials.

Restriction of Secondary Financing Clause:

Notwithstanding any other provision hereof, the Chargor shall not obtain or register any secondary mortgage financing against the Lands described herein without the Chargee's written consent and in default thereof the Chargee may at its option immediately declare the balance of all principal and interest to become immediately due and payable and all remedies of the Chargee shall immediately become fully enforceable.

Acceleration Clause/Debt Service Coverage :

In the event the Chargor does not maintain a Debt Service Coverage ratio of not less than 1.25:1 the principal amount of the mortgage loan and all other indebtedness secured by the mortgage with accrued interest thereon and interest rate penalty shall, at the option of the Chargee, become due and payable.

Provision of Financial Information Clause:

The Chargor shall provide to the Chargee financial information, including financial statements, on an annual basis or as reasonably requested by the Chargee in accordance with the commitment letter/paper.

In the event the Chargor does not comply with this Financial Information Clause, the principal amount of the mortgage loan and all other indebtedness secured by the mortgage with accrued interest thereon and interest rate penalty shall, at the option of the Chargee, become due and payable.

Receiver /Manager Clause:

In the event the real property produces rental income and such rental income is paid to the Chargor or paid to any other party pursuant to the direction of the Chargor, the Chargor hereby as further security, assigns and pledges all such rental income to the Chargee, such pledge to become operative upon any default being made by the Chargor under any term of the within Charge and to remain in full force and effect as long as such default continues. The Chargor further authorizes the Chargee after default to enter upon the mortgaged premises and to collect in the name of the Chargor or in its own name as assignee, the rents accrued but unpaid and in arrears as of the date of default, as well as all rents accruing and becoming payable thereafter, until such default is remedied. The Chargor agrees to execute written notice to each tenant directing the tenant to pay rent to the Chargee and the Chargor further agrees to pay 10% of the gross amount of all rentals due or accruing, to the Chargee as a collection fee for such period of time when the Chargee is collecting rents or is entitled to collect rents. The Chargor further authorizes the Chargee during default, at its option and at the expense and risk of the Chargor, to enter into the full management of the property with the right to manage the property in the same manner as an owner of the property, and the Chargor hereby releases all claims against the Chargee arising out of such management, except the liability of the Chargee to account for all funds received. It is not the intention of the parties that if the Chargee manages the property as aforesaid, the Chargee shall be a "mortgagee in possession", except if the Chargee so elects in writing. In addition to the collection fee for the collection of rentals as aforesaid, the Chargee shall also be entitled to all other out-of-pocket costs and compensation for its own time of any employees expended for the management of the property in the event the Chargee enters into the management of the property

Acceleration Clause/Due on Sale Clause or Change in Ownership :

In the event the Chargor sells, conveys, transfers or enters into an agreement for sale or transfer of the title of the mortgaged property to a purchaser or transferee or there is a change in corporate or beneficial ownership of the Chargor not approved in writing by the Bank, which approval will not be unreasonably withheld, the principal amount of the mortgage loan and all other indebtedness secured by the mortgage with accrued interest thereon and interest rate penalty shall, at the option of the Chargee, become due and payable.



[Handwritten signature]

**BANK OF MONTREAL
ONTARIO
STANDARD CHARGE TERMS
ALL INDEBTEDNESS MORTGAGE
(COMMERCIAL/FARM)**

Filing Number: 201031

The following set of standard charge terms (together with the schedule attached hereto, the “**Standard Charge Terms**”) shall be deemed to be included in each mortgage or charge in which it is referred to by its filing number as provided in section 9 of the *Land Registration Reform Act*, R.S.O. 1990, except to the extent that the provisions of the Standard Charge Terms are excluded or varied by such mortgage or charge.

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B. DEFINITIONS

In this set of Standard Charge Terms and in each Mortgage, the following terms shall have the following meanings:

1. **“Applicable Rate”** means:
 - (a) the applicable interest rate specified by the applicable note or agreement delivered by the Mortgagor to the Mortgagee or between the Mortgagor and the Mortgagee; or
 - (b) if the interest rate referred to in subsection (a) is not so specified, the applicable interest rate specified by the Mortgage.
2. **“Controlling Entity”** means any corporation or other entity which on the date of the Mortgage beneficially owned, directly or indirectly, shares, other securities or other equity interests issued by the Mortgagor or a Guarantor which have more than 50% of the total ordinary voting power of all shares, other securities and other equity interests issued by the Mortgagor or such Guarantor.
3. **“Default”** means a default referred to in section I.
4. **“Guarantor”** means a person who guaranteed payment of all or any Indebtedness.
5. **“Indebtedness”** means all present and future indebtedness and liability now or hereafter owing by the Mortgagor to the Mortgagee whether direct or indirect, absolute or contingent, or revolving or non-revolving, whether incurred by the Mortgagor alone or together with any other debtor or debtors and whether incurred pursuant to the provisions of the Mortgage or otherwise including all principal, interest, guarantee liabilities, letter of credit indemnity liabilities, bankers’ acceptance indemnity liabilities, fees and expenses now or hereafter owing by the Mortgagor to the Mortgagee.
6. **“Insolvency Proceeding”** means a proceeding commenced under the *Companies’ Creditors Arrangement Act*, the *Bankruptcy and Insolvency Act* or any other similar statute.
7. **“Lease”** means a lease, offer to lease or other similar agreement of or with respect to the Mortgaged Land in favour of, or held by the Mortgagor as tenant and referred to in the Mortgage, as such lease, offer to lease or other similar agreement is amended or replaced from time to time.
8. **“Mortgage”** means the applicable registered mortgage or charge (as amended from time to time) in which this set of Standard Charge Terms is incorporated by reference to its filing number (including all Schedules thereto), includes any such mortgage or charge registered electronically or otherwise and includes such mortgage or charge whether or not any provision of the Standard Charge Terms is excluded or varied.
9. **“Mortgaged Land”** means the real property described in the Mortgage, all appurtenances thereto and all estates and interests therein, and includes all buildings, plant, machinery, crops, erections and improvements, fixed or otherwise, present or future, built, grown, placed or put thereon including all fences, heating equipment, plumbing equipment, antennae, radiators, mirrors, air-conditioning equipment, ventilating equipment, fire alarm and protective systems, lighting and lighting fixtures, hay racks, barn fixtures, milking machine equipment, water tanks, pumps and windmills, water bowls and pipes, feed boxes, litter carriers and tracks, mobile homes affixed to the real property, furnaces, boilers, oil burners, stokers, water heating equipment, cooking and refrigeration equipment, window blinds, floor coverings, storm windows, storm doors, window screens, door screens, shutters and awnings, all apparatus and equipment appurtenant thereto, and all other fixtures and accessions of any kind or nature.
10. **“Mortgagee”** means the mortgagee or chargee referred to in the Mortgage and its successors and assigns.

11. “**Mortgagee’s Prime Rate**” means the fluctuating annual rate of interest determined by Bank of Montreal from time to time as the reference rate it will use to determine rates of interest payable by borrowers from Bank of Montreal of Canadian dollar loans made in Canada and designated by Bank of Montreal as its prime rate.
12. “**Mortgagor**” means the person or persons identified as the mortgagor or chargor in the Mortgage and his, her, its or their respective heirs, executors, administrators, personal representatives, successors and assigns.
13. “**Other Encumbrances**” means all statutory liens, construction liens, mechanics’ liens, builders’ liens, other liens, executions, mortgages, charges, and other encumbrances which charge or otherwise affect or could affect the Mortgaged Land but excludes the Mortgage.
14. “**Permitted Prior Mortgage**” means a mortgage or charge of the Mortgaged Land which ranks in priority to the Mortgage and which the Mortgagee has approved in writing.
15. “**Receiver**” means a receiver, receiver and manager or other similar person.
16. “**Schedule**” means a schedule to the Mortgage.
17. “**Taxes**” means all taxes, rates and assessments, municipal, provincial, federal or otherwise, with respect to the Mortgaged Land.

C. OPERATION OF THE MORTGAGE

1. *Charge of Mortgaged Land.* In consideration of other valuable consideration and a loan advance made or other credit extended by the Mortgagee to the Mortgagor (the receipt and sufficiency of which are acknowledged by the Mortgagor), the Mortgagor hereby mortgages and charges the Mortgaged Land to and in favour of the Mortgagee as security for payment to the Mortgagee of all Indebtedness and as security for the observance and performance by the Mortgagor of all other obligations of the Mortgagor pursuant to or in respect of the Mortgage or the Standard Charge Terms. Subject to the provisions of the Mortgage, the Mortgagor releases to the Mortgagee, all the Mortgagor’s claims upon the Mortgaged Land.
2. *Repayment of Principal on Demand.* The Mortgagor shall pay all Indebtedness to the Mortgagee on demand by the Mortgagee for payment.
3. *Restriction on Voluntary Prepayments.* The Mortgagor shall not be entitled to prepay voluntarily any principal amount (including any principal amount owing with respect to a revolving line of credit or a demand loan) except to the extent agreed to by the Mortgagee in writing.
4. *Calculation and Payment of Interest.* The Mortgagor shall pay to the Mortgagee when due interest payable by the Mortgagor on each part of the Indebtedness (including interest on overdue interest) at the Applicable Rate which applies to such part of the Indebtedness. Interest shall accrue on each part of the Indebtedness from the date such part is incurred to the date such part is paid to the Mortgagee in full. Interest shall, both before and after Default, be calculated and payable monthly not in advance on the first day of each month unless otherwise agreed by the Mortgagor and the Mortgagee in writing. Whenever there is more than one Applicable Rate, the Applicable Rate referred to in sections D, E, G, J and K shall, unless otherwise agreed by the Mortgagee in writing, be the higher or highest of such Applicable Rates.
5. *Continuing Security.* The Mortgage shall be continuing security in favour of the Mortgagee for the payment of all Indebtedness, notwithstanding at any time and from time to time there is:
 - (a) any change in the nature, state or form of any account between the Mortgagor and the Mortgagee;
 - (b) any new advance by the Mortgagee to the Mortgagor, whether by way of loan, discount, the drawing of a cheque against an account of the Mortgagor or otherwise;

- (c) any discount or acceptance by the Mortgagee from or for the Mortgagor of any note, bill of exchange or other negotiable instrument or commercial paper;
- (d) any credit of any amount to any account of the Mortgagor by reason of deposit of moneys or otherwise; or
- (e) any renewal, replacement, substitution or alteration of any note, bill of exchange or other negotiable instrument or other commercial paper from time to time held by the Mortgagee or any reduction, satisfaction, payment, release or discharge thereof or of any other security therefor.

Nothing herein shall prejudice any of the Mortgagee's rights pursuant to or in respect of any note, bill of exchange, other agreement or other security now or hereafter held by the Mortgagee.

6. *Divided Parts of Mortgaged Land.* Every part of the Mortgaged Land into which the Mortgaged Land may hereafter be divided by a plan of subdivision or otherwise shall continue to be charged with payment of all Indebtedness but the Mortgagee may discharge any part or parts of the Mortgaged Land with or without sufficient consideration and without releasing the Mortgagor from the Mortgage and no person shall have any right to require the Indebtedness to be apportioned between or among such parts.

7. *Application of Amounts Paid.* Any and all amounts received by the Mortgagee with respect to Indebtedness before a Default shall, unless otherwise specified by the Mortgagee in writing, be applied firstly to reduce compound interest, secondly to reduce interest (other than compound interest), thirdly to reduce principal and fourthly to reduce any other Indebtedness. Any and all amounts received by the Mortgagee after a Default (including any and all amounts received from any security held by the Mortgagee) shall be applied by the Mortgagee in the manner determined by the Mortgagee in its sole discretion.

8. *Discharge of Mortgage.* If the Mortgagor shall duly pay to the Mortgagee all Indebtedness and the Mortgagee is not then obligated to extend any credit to the Mortgagor, the Mortgagor may request from the Mortgagee a discharge of the Mortgage and, upon delivery by the Mortgagee to the Mortgagor of a discharge of the Mortgage, the Mortgage shall terminate and cease to operate; provided that the Mortgage shall not terminate or cease to operate while any Indebtedness remains unpaid or while the Mortgagee is obligated to extend any credit to the Mortgagor only because, at any prior time or times, all Indebtedness had been paid in full. The Mortgagee shall not be obligated to deliver any partial discharge of the Mortgage.

9. *Consolidation of Mortgages.* To the extent permitted by law, the doctrine of consolidation shall apply with respect to *inter alia* the Mortgage.

D. COVENANTS, REPRESENTATIONS AND WARRANTIES OF MORTGAGOR

1. *Payment of Principal and Interest.* The Mortgagor shall pay to the Mortgagee when due all Indebtedness without deduction or set-off of any kind. The Mortgagor expressly agrees not to fail to pay any Indebtedness when due and not to reduce the amount of any due payment of any Indebtedness as a result, or in respect of any existing or future claim by the Mortgagor against the Mortgagee or against any other person whether such claim relates to any or all Indebtedness, the Mortgage, any other agreement between the Mortgagor and the Mortgagee, any other transaction or any other agreement or matter whatsoever.

2. *Observance and Performance of Other Obligations.* The Mortgagor shall duly and punctually observe and perform all the Mortgagor's existing and future obligations pursuant to the Mortgage and all the Mortgagor's existing and future obligations pursuant to any and all other existing and future agreements delivered by the Mortgagor to the Mortgagee or between the Mortgagor and the Mortgagee.

3. *Payment of Taxes.* The Mortgagor shall promptly pay all Taxes as they become due and, within one month after the date fixed for the payment of the last installment of Taxes in each year, shall deliver to the Mortgagee a receipted tax bill showing payment in full of all such Taxes payable during such year. If the Mortgagor fails to pay any Taxes as they become due, the Mortgagee may, at its option, pay the whole or any part of such Taxes. The amounts so paid by

the Mortgagee shall be payable forthwith by the Mortgagor to the Mortgagee with interest thereon at the Applicable Rate, shall be a part of the Indebtedness and shall be secured by the Mortgage.

4. *Good Title and Free From Encumbrances.* The Mortgagor represents and warrants to the Mortgagee that the Mortgagor is the legal and beneficial owner of, and has good, absolute and indefeasible title and estate in fee simple to the Mortgaged Land (or the leasehold interest therein if section E applies), free of any Other Encumbrances except any Permitted Prior Mortgage, statutory liens that secure payment of amounts not in arrears, public utilities easements or minor easements or restrictive covenants that do not impair the value, marketability or use of the Mortgaged Land or other encumbrances consented to by the Mortgagee in writing, and free of any reservations, limitations, provisos or conditions whatsoever except those contained in the original grant thereof, if any, from the Crown; the Mortgagor has good right, full power and lawful and absolute authority to mortgage and charge the Mortgaged Land (or, if section E applies, its leasehold interest therein) to the Mortgagee in accordance with the provisions of the Mortgage.

5. *Insurance.* The Mortgagor shall maintain, in form, substance and amount and with insurers satisfactory to the Mortgagee, all insurance required by the Mortgagee from time to time with respect to the Mortgaged Land (including boiler, property, public liability, rental, environmental and business interruption insurance and insurance covering all crops grown on the Mortgaged Land insuring such crops against damage by hail and against perils covered by all-risk crop insurance). The Mortgagor shall deliver to the Mortgagee, from time to time at the Mortgagee's request, certificates of insurance and certified copies of such insurance policies showing all loss payable to the Mortgagee as first mortgagee (subject to the interests of the holder of any Permitted Prior Mortgage) and loss payee and containing a mortgage clause satisfactory to the Mortgagee. As additional and separate security for payment of all Indebtedness, the Mortgagor hereby assigns to the Mortgagee all the Mortgagor's present and future interests in and to all such present and future insurance policies and all proceeds therefrom. The Mortgagor shall not repair any damage using proceeds of any insurance without the Mortgagee's prior written consent and the Mortgagee may, at its discretion, apply any and all insurance proceeds to reduce Indebtedness. If the Mortgagor fails to maintain insurance required by the Mortgagee, the Mortgagee may arrange insurance with respect to the Mortgaged Land, the Mortgagor shall pay to the Mortgagee, on demand by the Mortgagee, all amounts paid by the Mortgagee to effect such insurance and the Mortgagor shall pay interest thereon at the Applicable Rate; and all such amounts owing by the Mortgagor shall be part of the Indebtedness and secured by the Mortgage. The Mortgagor shall, forthwith on the occurrence of any loss or damage, furnish at the Mortgagor's own expense all necessary proofs and do all necessary acts to enable the Mortgagee to obtain payment of the insurance monies. Any insurance monies received may, at the option of the Mortgagee, to the extent permitted by law, be applied to rebuild or repair the premises on the Mortgaged Land or be paid to the Mortgagor or any other person appearing by the registered title to be or to have been the owner of the Mortgaged Land, or be applied to pay Indebtedness whether or not then due, despite any law, equity or statute to the contrary. The Mortgagor, to the extent permitted by law, hereby waives any statutory or other right it may have to require any insurance proceeds to be applied in any particular manner.

6. *Payment of Other Encumbrances.* The Mortgagor shall promptly pay when due all amounts now or hereafter owing pursuant to or with respect to any Other Encumbrances and shall deliver to the Mortgagee, at the Mortgagee's request, evidence showing payment in full of all such amounts. If the Mortgagor fails to pay any Other Encumbrances when due, the Mortgagee may, at its option, pay the whole or any part of any present or future Other Encumbrances. The amounts so paid shall be payable forthwith by the Mortgagor to the Mortgagee with interest thereon at the Applicable Rate, shall be a part of the Indebtedness and shall be secured by the Mortgage. In the event the Mortgagee pays any Other Encumbrance, it shall be entitled to all the equities, rights and securities of the person or persons so paid and to obtain an assignment of such Other Encumbrance so paid and of any right to payment and is hereby authorized to retain any discharge thereof without registration for so long as it may think fit to do so.

7. *Payment of Expenses.* The Mortgagor shall, on demand by the Mortgagee, pay all costs, charges, expenses (including legal fees as between a solicitor and his or her own client), commissions and fees which may be incurred by the Mortgagee in negotiating any credit or credits secured by the Mortgage, investigating the title to the Mortgaged Land, preparing and

registering the Mortgage and other documents, administering any credit or credits extended by the Mortgagee to the Mortgagor, inspecting the Mortgaged Land, collecting any Indebtedness, taking any proceeding in connection with or to collect any Indebtedness, taking and maintaining possession of the Mortgaged Land, maintaining and repairing the Mortgaged Land, and taking any other enforcement proceedings. The Mortgagor shall deliver to the Mortgagee, at the Mortgagee's request, evidence showing payment in full of all such amounts. If the Mortgagor fails to pay any such amounts as they become due, the Mortgagee may, at its option, pay any such amounts and the amounts so paid by the Mortgagee shall be payable forthwith by the Mortgagor to the Mortgagee with interest thereon at the Applicable Rate, shall be a part of the Indebtedness and shall be secured by the Mortgage.

8. *Compliance with Laws.* The Mortgagor represents and warrants to the Mortgagee that, as at the date of the Mortgage, the Mortgagor has complied with, and the Mortgagor agrees that it shall comply with all laws, by-laws and regulations affecting the Mortgaged Land and all orders and decisions of any governmental authority, governmental agency or court having jurisdiction affecting the Mortgaged Land (including all such laws, by-laws, regulations, orders and decisions relating to the environment or to residential or other property, including those relating to the amount of rent charged by the Mortgagor with respect to any part of the Mortgaged Land). The Mortgagor shall, at the Mortgagor's expense, promptly and in good and workmanlike manner make all improvements, alterations, clean-ups and repairs and effect any change in use that may be required from time to time to so comply.

9. *Maintain in Good Repair and Avoid Waste.* The Mortgagor represents and warrants to the Mortgagee that, as at the date of the Mortgage, all buildings, erections, equipment, machinery and improvements on the Mortgaged Land are in good condition and repair and that all noxious weeds have been eradicated from the Mortgaged Land. The Mortgagor shall maintain all buildings, erections, equipment, machinery and improvements on the Mortgaged Land in good condition and repair to the satisfaction of the Mortgagee, shall eradicate all noxious weeds from the Mortgaged Land and shall not permit waste to be committed or suffered on the Mortgaged Land or any part thereof. The Mortgagee or its agent shall be entitled, from time to time, to enter on the Mortgaged Land to inspect the Mortgaged Land and to undertake any tests (including intrusive environmental tests) required by the Mortgagee. If the Mortgagor neglects to keep the Mortgaged Land or any buildings, erections, equipment, machinery or improvements on the Mortgaged Land in good condition and repair, fails to eradicate noxious weeds from the Mortgaged Land or commits or permits any act of waste on the Mortgaged Land (as to which the Mortgagee shall be the sole judge), or fails to comply with section D.8., the Mortgagee or its agent may enter upon the Mortgaged Land and make such repairs and undertake such work and take such action as the Mortgagee deems necessary. All costs of such inspection, testing, repairs, work and action shall be payable forthwith by the Mortgagor to the Mortgagee with interest thereon at the Applicable Rate, shall be a part of the Indebtedness and shall be secured by the Mortgage.

10. *Environmental Representation and Indemnity.* The Mortgagor represents and warrants to the Mortgagee that there has not occurred, after the date the Mortgagor acquired an interest in the Mortgaged Land, any spill, leak, contamination or other material environmental problem affecting the Mortgaged Land or any part thereof (other than any such spill, leak, contamination or other environmental problem which has been remedied). The Mortgagor shall indemnify and save harmless the Mortgagee and any Receiver of the Mortgaged Land from any and all expenses and damages incurred or suffered by the Mortgagee or such Receiver as a result, or in respect of any spill, leak, contamination or other environmental problem affecting the Mortgaged Land or any part thereof. This indemnity shall survive the payment of all Indebtedness and the satisfaction, discharge or enforcement of the Mortgage or any other security.

11. *No Alterations or Change in Use.* The Mortgagor shall not, without the prior written consent of the Mortgagee, make, or permit to be made, any alterations or additions to the Mortgaged Land or any building thereon or change the Mortgagor's use of the Mortgaged Land or any building thereon and the Mortgagor shall not allow the Mortgaged Land to be unoccupied or unused.

12. *No Unapproved Charge or Encumbrance by Mortgagor.* The Mortgagor shall not, without the Mortgagee's prior written consent, mortgage, charge, lien or encumber the Mortgaged Land or any part thereof or any interest therein or permit any Other Encumbrance to remain thereon except for any Permitted Prior Mortgage, statutory liens that secure payment of amounts not in

arrears and public utilities easements or minor easements or restrictive covenants that do not impair the value, marketability or use of the Mortgaged Land.

13. *Change in Ownership or Spousal Status.* Upon any change or event affecting any of the following, namely:

- (a) the spousal status of the Mortgagor, if the Mortgagor is an individual;
- (b) the qualification of the Mortgaged Land as a matrimonial home; or
- (c) the ownership of the Mortgaged Land,

the Mortgagor shall forthwith advise the Mortgagee accordingly in writing and furnish the Mortgagee with full particulars thereof, the intention being that the Mortgagee shall be kept fully informed of the names and addresses of the owner or owners of the Mortgaged Land and of any spouse who is not an owner but who may have a legal right of possession of or interest in the Mortgaged Land. The Mortgagor shall furnish the Mortgagee with such evidence in connection with any of subsections (a), (b) and (c) of this provision as the Mortgagee may from time to time request.

14. *Expropriation.* If the Mortgaged Land or any part thereof is condemned or expropriated to an extent which, in the Mortgagee's sole discretion, materially affects the Mortgagee's security, all Indebtedness shall, at the option of the Mortgagee, be deemed to have become due and payable on the day before such condemnation or expropriation, and interest shall continue to accrue thereon, at the Applicable Rate, until the Mortgagee has been paid all Indebtedness. The Mortgagor shall pay to the Mortgagee from any condemnation or expropriation proceeds the full amount thereof, to be applied by the Mortgagee to reduce Indebtedness.

15. *Power of Attorney.* The Mortgagor hereby irrevocably appoints the Mortgagee or any Receiver appointed by the Mortgagee under or pursuant to the Mortgage or by any order of a court of competent jurisdiction, as the Mortgagor's attorney for all purposes to take any and all action deemed appropriate by the Mortgagee or such Receiver after the occurrence of a Default.

16. *Further Assurances.* The Mortgagor shall (and shall cause each person having or claiming to have an estate, right, title or interest in or to the Mortgaged Land to) at any time and from time to time, at the Mortgagee's request, do, execute and deliver or cause to be made, executed and delivered to the Mortgagee such further and other reasonable acts, deeds, conveyances, charges and assurances as may be required by the Mortgagee to fully and effectually carry out the intention and meaning of the Mortgage and the provisions included in the Mortgage and the reasonable cost of such further assurances shall be part of the Indebtedness and secured by the Mortgage.

17. *Business Purposes Only.* The Mortgagor shall use only for business purposes any amounts loaned by the Mortgagee to the Mortgagor and secured by the Mortgage.

18. *No Registration of Condominiums or Strata Title Developments.* The Mortgagor shall not, without the Mortgagee's prior written consent, register any condominium or strata title development with respect to all or part of the Mortgaged Land or any declaration or description with respect thereto and the Mortgagee shall not have any obligation to provide such consent.

19. *Delivery of Information.* The Mortgagor shall deliver to the Mortgagee, promptly at the Mortgagee's request, all financial statements and other information as the Mortgagee may request from time to time with respect to the Mortgagor, a Guarantor or the Mortgaged Land.

20. *No Litigation or Other Proceedings.* The Mortgagor represents and warrants that, as at the date of the Mortgage, there is no application, litigation, proceeding or investigation outstanding or, to the Mortgagor's knowledge, pending or threatened, against the Mortgagor or any Guarantor or with respect to the Mortgaged Land or any part thereof including any application, litigation, proceeding or investigation in respect of residential or other property by-laws or regulations. The Mortgagor shall notify the Mortgagee in writing of any such application, litigation, proceeding or investigation commenced after the date of the Mortgage, promptly after such commencement.

21. *Mortgagor a Canadian Resident.* The Mortgagor represents and warrants that, as at the date of the Mortgage, it is not a non-resident of Canada for purposes of the Income Tax Act and agrees that the Mortgagor shall not, without the Mortgagee's prior written consent, become a non-resident of Canada.

22. *Good Management of Mortgaged Land.* The Mortgagor shall at all times cause the Mortgaged Land to be managed in a commercially reasonable manner by the Mortgagor or by a property manager satisfactory to the Mortgagee, acting reasonably.

23. *Abutting Real Property.* The Mortgagor shall not, without the Mortgagee's prior written consent, acquire any real property which abuts the Mortgaged Land. If the Mortgagee gives such consent, the Mortgagor shall, at the Mortgagee's request, deliver to the Mortgagee a mortgage or charge of such abutting real property and of the Mortgaged Land in form and substance satisfactory to the Mortgagee.

24. *Deemed Covenants Excluded.* In accordance with subsection 7(3) of the *Land Registration Reform Act*, the covenants deemed to be included in a mortgage or charge by subsection 7(1) of such statute are expressly excluded from the Mortgage.

25. *Defeasance Provisions Excluded.* The provisions relating to defeasance in subsection 6(2) of the *Land Registration Reform Act* are expressly excluded from the Mortgage.

E. MORTGAGE OF LEASEHOLD INTEREST

If the Mortgagor is not the owner of the Mortgaged Land in fee simple but is the owner of a leasehold interest in the Mortgaged Land as tenant, or as an assignee or successor of a tenant, pursuant to a Lease, the following provisions shall apply:

1. *Representations and Warranties.* The Mortgagor represents and warrants to the Mortgagee that, as at the date of the Mortgage:

- (a) the Lease is a good, valid and subsisting lease and has not been surrendered, forfeited or terminated or, except as specified in the Mortgage, amended, and the rents, covenants and provisions therein reserved and contained have been duly paid, performed and observed by the Mortgagor up to the date of the Mortgage; and
- (b) the Mortgagor has good right and full, lawful and absolute authority to charge, mortgage, demise and sublet the Mortgaged Land in accordance with the Mortgage and any consent thereto required of the applicable landlord has been obtained.

2. *Covenants Relating to Lease.* The Mortgagor agrees with the Mortgagee as follows:

- (a) The Mortgagor shall at all times fully perform and comply with all the obligations of the Mortgagor under or with respect to the Lease, or imposed on, assumed by or agreed to by the Mortgagor pursuant to any Other Encumbrances and, if the Mortgagor fails to do so, the Mortgagee may (but shall not be obliged to) take any action the Mortgagee deems necessary or desirable to prevent or to cure any default by the Mortgagor in the performance of or compliance with any such obligations. The Mortgagor shall promptly provide to the Mortgagee a copy of any notice the Mortgagor receives from the landlord, any prior mortgagee or encumbrancer, any claimant of any of the Other Encumbrances or any other person under or relating to the Lease of the Mortgaged Land. Upon receipt by the Mortgagee from the Mortgagor, the landlord, any prior mortgagee or encumbrancer, any claimant of any of the Other Encumbrances or any other person of any notice, including a notice of default, the Mortgagee may rely thereon and take any action with respect to such notice as may be required in the Mortgagee's sole discretion, including to cure a default even though the existence of such default or the nature thereof may be questioned or denied by or on behalf of the Mortgagor and the Mortgagee shall have the absolute and immediate right to enter in and upon the Mortgaged Land or any part thereof to such extent and as often as the Mortgagee, in its sole discretion deems necessary or desirable, in

order to prevent or to cure any such default. The Mortgagee may pay and expend such amounts as the Mortgagee in its sole discretion deems necessary for any such purpose, and the amounts so paid shall be payable by the Mortgagor to the Mortgagee on demand by the Mortgagee with interest thereon at the Applicable Rate, and shall be a part of the Indebtedness and be secured by the Mortgage.

- (b) If the Mortgage is outstanding at the expiration of the term of the Lease and the Mortgagor refuses or neglects to exercise the Mortgagor's right, if any, to renew or extend the term of the Lease or refuses to pay any fees, costs, charges or expenses payable upon any such renewal or extension, the Mortgagee may effect such renewal or extension in the name of the Mortgagor or otherwise, and every such renewed or extended Lease shall remain and be mortgaged and charged pursuant to the Mortgage in accordance with the Mortgage.
- (c) From and after the execution and delivery of the Mortgage, the Mortgagor shall stand possessed of the Mortgaged Land for the remainder of the Lease in trust for the Mortgagee, and shall exercise any right to renew or extend the term of the Lease or to assign the Lease as the Mortgagee may direct, but subject to the Mortgagor's right of redemption under the Mortgage. The Mortgagor hereby irrevocably appoints the Mortgagee as the Mortgagor's attorney for and on behalf of the Mortgagor to exercise any such renewal or extension right and to assign the Lease and convey the leasehold interest in the Mortgaged Land and the reversion thereof as the Mortgagee shall at any time direct after the occurrence of a Default and, in particular, upon any sale made by the Mortgagee under any power of sale contained in the Mortgage or granted by statute to assign the Lease and convey the Mortgagor's leasehold interest in the Mortgaged Land and the reversion to a purchaser. The Mortgagee may at any time remove the Mortgagor or any other person from being a trustee of the Lease under the above declaration of trust and appoint a new trustee or trustees.
- (d) The Mortgagor shall not surrender, terminate, amend or modify the Lease or agree to do so without the prior written consent of the Mortgagee, which the Mortgagee may withhold in its absolute discretion. No release or forbearance of any of the Mortgagor's obligations under the Lease or under any Other Encumbrance shall release the Mortgagor from any of the Mortgagor's obligations under the Mortgage.
- (e) Unless the Mortgagee expressly consents in writing, the title in fee simple to the Mortgaged Land and the leasehold estate shall not merge but shall always remain separate and distinct, notwithstanding the union of said estates by purchase or otherwise.

3. *Last Day of Term Excepted.* Despite any other provision of the Mortgage, the last day of the term of the Lease and of any renewal or extension thereof and of any agreement therefor now held or hereafter acquired by the Mortgagor shall be excepted out of the mortgage, charge and demise contained in the Mortgage.

4. *Charge by way of Sublease.* Despite section C.1. and any other provision of the Mortgage (except section E.3.), the Mortgagor mortgages and charges, by way of sublease, the Mortgagor's leasehold interest in the Mortgaged Land pursuant to the Lease, the mortgages and charges contained in the Mortgage shall be by way of sublease and the Mortgagee shall not have any obligation or liability to the landlord or any other person pursuant to or in respect of the Lease.

5. *Leasehold Interests.* Wherever any reference is made in the Mortgage to any right of the Mortgagee to sell, transfer, assign, lease, sublease, alienate or otherwise deal with the Mortgaged Land, such reference shall be deemed, subject to section E.3., to relate to the existing and future rights and interests of the Mortgagor in the Mortgaged Land pursuant to the Lease.

F. ASSIGNMENT OF LEASES AND RENTS

If the Mortgagor or any predecessor of the Mortgagor grants or has granted any lease, offer to lease, tenancy agreement or other similar agreement of all or any part of the Mortgaged Land as landlord, the following provisions shall apply:

1. *Assignment.* As additional and separate security for payment of all Indebtedness, the Mortgagor hereby assigns, transfers and sets over to the Mortgagee, all the Mortgagor's rights and interests as landlord in all existing and future leases, tenancy agreements, offers to lease and other similar agreements with respect to all or part of the Mortgaged Land, and all rents, incomes, profits and other amounts now or hereafter arising from or out of all or part of the Mortgaged Land or any building, improvement, fixture or part thereof forming part of the Mortgaged Land.

2. *Separate Assignments.* The assignment of each of the foregoing and of each of the rents, incomes, profits and other amounts by the Mortgagor to the Mortgagee pursuant to section F.1. shall be deemed to be a separate assignment so that the Mortgagee in its discretion may exercise its rights in respect of any or all of such leases, offers to lease, tenancy agreements or other similar agreements or the rents, incomes, profits or other amounts paid or payable thereunder.

3. *Collection by Mortgagor before Default.* Until there occurs a Default, the Mortgagor may collect, retain and apply all rents, incomes, profits and other amounts and deal with all leases, offers to lease, tenancy agreements and other similar agreements from time to time in accordance with sound business practice.

4. *No Liability of Mortgagee and Indemnity by Mortgagor.* Nothing herein shall obligate the Mortgagee to assume or perform (and nothing herein shall impose on the Mortgagee) any liability or obligation of the Mortgagor to any tenant or other person pursuant to or in respect of any lease, offer to lease, tenancy agreement, other similar agreement or otherwise and the Mortgagor hereby indemnifies and saves harmless the Mortgagee from any and all claims with respect thereto, provided that the Mortgagee may, at its sole option, assume or perform any such obligations as it considers necessary or desirable.

5. *Re-assignment.* The Mortgagee may, at any time without further request or agreement by the Mortgagor, reassign to the Mortgagor, or the Mortgagor's heirs, administrators, successors or assigns, any or all of the collateral referred to in section F.1.

6. *Application by Mortgagee.* The Mortgagee's obligations with respect to any amount collected by the Mortgagee shall be discharged by the application of such amount to reduce Indebtedness.

7. *Not Mortgagee in Possession.* Nothing contained herein shall have the effect of making the Mortgagee a mortgagee in possession of the Mortgaged Land.

G. CONDOMINIUM OR STRATA TITLE DEVELOPMENT PROVISIONS

If the Mortgaged Land is or includes one or more condominium units or strata title units, the following provisions shall apply:

1. *Compliance with Requirements.* The Mortgagor shall observe and perform each of the covenants and provisions required to be observed and performed pursuant to the Mortgage, all applicable statutes governing or affecting condominiums or strata title developments, and the declaration, description, by-laws and rules, as amended from time to time, of the applicable condominium corporation or strata corporation.

2. *Common Expense Payments.* The Mortgagor shall pay promptly when due any and all unpaid condominium or strata development fees, common expenses, common element expenses, assessments, levies, instalments, payments or any other amounts due to the applicable condominium corporation or strata corporation or any agent thereof by the Mortgagor and, at the Mortgagee's request, deliver to the Mortgagee evidence of the payment thereof.

3. *Right of Mortgagee to Pay.* If the Mortgagor does not pay when due any condominium or strata development fees, common expenses or other amounts referred to in section G.2., the Mortgagee may (but shall not be obliged to) pay such amounts, the Mortgagor shall forthwith pay such amounts to the Mortgagee with interest thereon at the Applicable Rate, and all such amounts owing by the Mortgagor to the Mortgagee shall be a part of the Indebtedness and secured by the Mortgage.

4. *Voting by Mortgagee.* The Mortgagor hereby irrevocably authorizes the Mortgagee to exercise the rights of the Mortgagor as an owner of the Mortgaged Land to vote or to consent in all matters relating to the affairs of the condominium corporation or strata corporation or arising under applicable law or the declaration or by-laws of the condominium or strata corporation, provided that:

- (a) in any case where the Mortgagee is entitled to receive and does receive notice of a meeting of owners, the Mortgagee may notify the condominium or strata corporation and the Mortgagor of its intention to exercise the right of the owner to vote or to consent at such meeting at least two days before the date specified in the notice for the meeting, failing which the Mortgagor may exercise such right to vote or consent at such meeting;
- (b) the Mortgagee shall not, by virtue of the giving to the Mortgagee of the right to vote or consent, be under any obligation to vote or consent or to protect the interests of the Mortgagor, and the Mortgagee shall not be responsible for any exercise or failure to exercise the right to vote or consent; and
- (c) nothing herein contained, including the exercise by the Mortgagee of the right to vote or consent, shall constitute the Mortgagee a mortgagee in possession.

H. MORTGAGE AS SECURITY FOR A GUARANTEE

If the Mortgagor has delivered to the Mortgagee or now or hereafter delivers to the Mortgagee a guarantee or guarantees of payment to the Mortgagee of indebtedness or liability of another or others, the Indebtedness shall include all indebtedness and liability now or hereafter owing by the Mortgagor to the Mortgagee pursuant to such guarantee or guarantees, whether direct or indirect, absolute or contingent, and the Mortgagee shall secure payment of all such indebtedness and liability of the Mortgagor pursuant to such guarantee or guarantees in addition to all other Indebtedness. If any such guarantee is increased or otherwise amended, the Mortgagee shall also secure payment of all indebtedness and liability now or hereafter owing by the Mortgagor to the Mortgagee pursuant to such guarantee as increased or otherwise amended.

I. DEFAULT

The Mortgagor shall be in default of the Mortgage and a Default shall occur pursuant to the Mortgage if:

1. the Mortgagor fails to pay any Indebtedness when due;
2. the Mortgagor or a Guarantor fails to comply with any obligation of the Mortgagor or the Guarantor pursuant to or in respect of the Mortgage or any existing or future note, instrument or agreement delivered by the Mortgagor and the Guarantors (or any of them) to the Mortgagee or between the Mortgagor and the Guarantors (or any of them) and the Mortgagee;
3. the Mortgagor fails to comply with any obligation of the Mortgagor pursuant to or in respect of any Permitted Prior Mortgage or any Other Encumbrance;
4. any representation or warranty made by the Mortgagor or a Guarantor in the Mortgage, any agreement between the Mortgagor and the Guarantors (or any of them) and the Mortgagee, or any loan or credit application made in connection with any Indebtedness was untrue when made;
5. a Receiver is appointed of any asset of the Mortgagor or of a Guarantor;
6. any construction lien, mechanics' lien or builders' lien is registered against all or any part of the Mortgaged Land and is not discharged within seven days after a request by the Mortgagee that such lien be discharged;
7. all or any part of the Mortgaged Land is condemned or expropriated;
8. the Mortgagor or a Guarantor becomes bankrupt or insolvent;

9. a petition in bankruptcy is filed against the Mortgagor or a Guarantor;
10. the Mortgagor or a Guarantor makes a proposal in bankruptcy or files a notice of intention to make a proposal in bankruptcy;
11. the Mortgagor or a Guarantor makes an application as a debtor in any Insolvency Proceeding or any other person makes an application against the Mortgagor or a Guarantor in any Insolvency Proceeding;
12. the Mortgagor sells, transfers or disposes of in any other manner the Mortgaged Land, any part thereof or any interest therein (unless the Mortgagee has approved in writing such sale, transfer or other disposition);
13. an execution, judgment or order of execution is filed or made against the Mortgaged Land or any part thereof and remains unsatisfied for a period of ten days;
14. the Mortgagor fails to pay when due any amount owing by the Mortgagor to the applicable condominium corporation or strata corporation or any agent thereof referred to in section G.2.; or
15. the Mortgagor or a Guarantor is not an individual and a change in control of the Mortgagor or such Guarantor occurs without the prior written consent of the Mortgagee; for the purposes hereof, a change in control of the Mortgagor or a Guarantor shall be deemed to occur if there occurs one or more sales, transfers or other dispositions of the beneficial ownership existing on the date of the Mortgage in the aggregate of:
 - (a) shares, other securities or other equity interests issued by the Mortgagor or such Guarantor which have more than 50% of the total ordinary voting power of all shares, other securities and other equity interests issued by the Mortgagor or such Guarantor; or
 - (b) shares, other securities or equity interests issued by any Controlling Entity which have more than 50% of the total ordinary voting power of all shares, other securities and other equity interests issued by such Controlling Entity.

J. REMEDIES OF MORTGAGEE

1. *Acceleration and Termination of Obligation to Extend Credit.* Without prejudice to any right of the Mortgagee to demand at any time payment by the Mortgagor of any and all Indebtedness, upon the occurrence of a Default all Indebtedness (or any part thereof determined by the Mortgagee) shall, at the Mortgagee's option, forthwith become due and payable, the Mortgage shall become enforceable and the Mortgagee shall not be obligated to extend any further credit to the Mortgagor.

2. *Right of Entry.* Upon the occurrence of a Default, the Mortgagee may, at any time or times without the concurrence of any person, enter upon, take and maintain possession of the Mortgaged Land, inspect, complete the construction of, repair or maintain any buildings or other improvements thereon, lease, collect the rents, profits and other amounts derived from the Mortgaged Land and manage the Mortgaged Land as the Mortgagee may deem fit without hindrance or interruption by the Mortgagor or any other person, and all reasonable costs, charges and expenses, including legal fees on a solicitor and his or her own client basis, and disbursements, commissions and allowances for the time and services of any employees of the Mortgagee or any agent of the Mortgagee or other persons appointed for any such purpose shall be forthwith payable by the Mortgagor to the Mortgagee with interest thereon at the Applicable Rate, shall be a part of the Indebtedness and shall be secured by the Mortgage. Upon the occurrence of a Default, the Mortgagee may also enforce its security against all crops growing on the Mortgaged Land, the Mortgagee may, at any time or times without the concurrence of any person, enter upon the Mortgaged Land for the purpose of cutting, harvesting and removing such crops and for otherwise farming and working the Mortgaged Land, the Mortgagee may bring on the Mortgaged Land all machines, equipment and instruments necessary for such purposes, and the Mortgagee may use all yards, barns, granaries, grain bins or all other improvements and equipment located on the Mortgaged Land to carry out any of such activities.

3. *Sale.* Upon the occurrence of a Default which continues for at least fifteen days, the Mortgagee may, on at least thirty-five days' notice, sell the Mortgaged Land or any part or parts thereof, in accordance with the following provisions:

- (a) notice shall be given to such persons and in such manner and form and within such time as provided by law; provided that, in the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable, notice may be effectually given by leaving it with a person on the Mortgaged Land, if occupied, or by placing the same on some portion thereof, if unoccupied or, at the option of the Mortgagee, by mailing it by registered mail in a notice or letter addressed to the Mortgagor at the Mortgagor's last known address, or by publishing it once in a newspaper published in the area or region in which the Mortgaged Land is situated;
- (b) such notice shall be sufficient although not addressed to any person or persons by name or designation, and notwithstanding that any person to be affected thereby may be unknown, unascertained or under any disability;
- (c) sale of the Mortgaged Land may be by public auction or private sale or partly by one and partly by the other, for such price or prices as can reasonably be obtained therefor and on such terms as to credit or otherwise and with such conditions of sale and stipulations as to title or evidence of title or otherwise as the Mortgagee in its sole discretion shall deem appropriate;
- (d) in the event of any sale on credit or for part cash and part credit, the Mortgagee shall not be accountable for or charged with any moneys until actually received;
- (e) the Mortgagee may rescind or vary any contract of sale and may buy in and re-sell the Mortgaged Land or any part thereof without being answerable for any loss occasioned thereby;
- (f) the Mortgagee may sell all or any part of the buildings, fixtures, machinery, equipment, crops and standing or fallen trees separately from the Mortgaged Land and the purchaser shall have all necessary access to the Mortgaged Land for the purposes of severing, cutting and removal; and
- (g) subject to compliance with law, sales may be made from time to time of any part or parts of the Mortgaged Land to satisfy any part or parts of the Indebtedness then owing to the Mortgagee leaving the remaining outstanding Indebtedness secured by the Mortgage as a charge of the remainder of the Mortgaged Land.

4. *Sale or Lease.* The following shall apply with respect to any sale or lease by the Mortgagee, its agent or any Receiver of all or part of the Mortgaged Land after the occurrence of a Default:

- (a) no purchaser or lessee shall be bound to enquire into the legality, regularity or propriety of any sale or lease or be affected by notice of any irregularity or impropriety and no lack of default or lack of notice or other requirement or any irregularity or impropriety of any kind shall invalidate any sale or lease;
- (b) the Mortgagee may sell or lease all or part of the Mortgaged Land without entering into actual possession of the Mortgaged Land and, when it desires to take possession, it may break locks and bolts and while in possession shall only be accountable for moneys actually received by it;
- (c) the Mortgagor hereby appoints the Mortgagee as the Mortgagor's true and lawful attorney and agent to make application under any statute for consent to sever, sell or lease part or parts of the Mortgaged Land and to do all things and execute all documents to effectually complete any such severance, sale or lease;
- (d) the Mortgagee may lease or take sale proceedings notwithstanding that other mortgage proceedings have been taken or are then pending;

- (e) the Mortgagee shall not be responsible for any loss which may arise by reason of any such leasing or sale of the Mortgaged Land unless such loss is caused by the Mortgagee's willful misconduct; and
- (f) no sale, leasing or other dealing by the Mortgagee with the Mortgaged Land or any part thereof shall in any way change the liability of the Mortgagor or in any way alter the rights of the Mortgagee as against the Mortgagor or any other person liable for payment of any Indebtedness.

5. *Attornment.* To the extent the Mortgaged Land or any part thereof is not a residential premises so as to be subject to the provisions of the applicable statute governing residential tenancies, the Mortgagor hereby attorns to and becomes a tenant of such Mortgaged Land to the Mortgagee from year to year from the date of the execution of the Mortgage until the Mortgage is discharged at a rental equivalent to and applicable in satisfaction of the interest payments forming part of the Indebtedness, the legal relation of landlord and tenant being hereby constituted between the Mortgagee and the Mortgagor in regard to the Mortgaged Land. The Mortgagor agrees that neither the existence of this provision nor anything done by virtue hereof shall impose any obligation on the Mortgagee or render the Mortgagee a mortgagee in possession or accountable for any moneys except moneys actually received by the Mortgagee and the Mortgagee may, upon the occurrence of any Default, enter on the Mortgaged Land and terminate the tenancy hereby created without notice.

6. *Right to Distrain.* Upon the occurrence of a Default, to the extent permitted by law, the Mortgagee may distrain for payment of any and all Indebtedness upon the Mortgaged Land or any part thereof and all chattels situated thereon and by distress warrant recover, by way of rent reserved from the Mortgaged Land, such moneys as shall from time to time be or remain in arrears and all costs, charges and expenses incurred by or on behalf of the Mortgagee with respect to or in connection therewith as in like cases of distress for rent. The Mortgagor waives the right to claim exceptions and agrees that the Mortgagee shall not be limited in the amount for which it may distrain.

7. *Judgments and Non-Merger.* The taking of a judgment or judgments with respect to any of the covenants contained herein, in the Mortgage or otherwise shall not operate as a merger of any such covenants or affect the Mortgagee's right to receive interest under the Mortgage and each such judgment may provide, at the option of the Mortgagee, that interest thereon shall be computed and payable until such judgment has been fully paid and satisfied.

8. *Separate Remedies.* All remedies of the Mortgagee may be exercised from time to time separately or in combination and are in addition to and not in substitution for any other rights of the Mortgagee however created.

9. *Application of Proceeds and Mortgagor's Liability for Deficiency.* All amounts received by the Mortgagee or any Receiver pursuant to any enforcement of the Mortgage may be held by the Mortgagee as security for the Indebtedness or applied to reduce Indebtedness in such manner as may be determined by the Mortgagee and the Mortgagee may at any time apply or change any such appropriation of such payments to such part or parts of the Indebtedness as the Mortgagee may determine in its sole discretion. The Mortgagor shall be and remain liable to the Mortgagee for any deficiency. Any surplus amounts realized after payment of all Indebtedness shall be paid in accordance with applicable law.

10. *Mortgagor's Insolvency Proceedings.* The Mortgagor acknowledges that the Mortgaged Land is of such a unique nature that, if the Mortgagor seeks to reorganize or restructure its affairs pursuant to any Insolvency Proceeding, the Mortgagee would not have a sufficient commonality of interest with any other creditor or creditors of the Mortgagor such that the Mortgagee would be required to vote on any plan, reorganization, arrangement, compromise or other transaction in a class with any other creditor or creditors of the Mortgagor and, in that regard, the Mortgagor agrees that the Mortgagee shall be placed in its own exclusive class of creditors for voting purposes. The Mortgagor further agrees that:

- (a) it will give the Mortgagee not less than 10 days written notice prior to the commencement of any Insolvency Proceeding with respect to the Mortgagor;

- (b) in no circumstance will the Mortgagor seek an order which stays any right of the Mortgagee or, to the extent permitted by law, permit any right of the Mortgagee to be stayed, in any Insolvency Proceeding and, if any court-ordered or automatic stay is imposed on the Mortgagee, the Mortgagor hereby consents to an order lifting such stay as against the Mortgagee;
- (c) if an Insolvency Proceeding is commenced with respect to the Mortgagor, the Mortgagor will consent to an order directing that all rents or other revenues generated or received from or in respect of the Mortgaged Land be deposited to a segregated trust account under the sole control of the Mortgagee and that same shall not result in the Mortgagee's being a mortgagee in possession of, or in control or management of the Mortgaged Land or result in the acceleration of payment of any Indebtedness unless such acceleration is required by the Mortgagee in writing; and
- (d) it shall not, without the Mortgagee's prior written consent, propose or permit the sale or transfer of the Mortgaged Land or any part thereof, in or as part of any Insolvency Proceeding, for a net sale price less than the amount required to pay in full all Indebtedness outstanding as at the date of payment of such net sale proceeds to the Mortgagee.

K. APPOINTMENT OF A RECEIVER

1. *Appointment.* Upon the occurrence of a Default, in addition to any other remedies available to the Mortgagee, the Mortgagee may by instrument in writing appoint a Receiver of all or any part of the Mortgaged Land and all rents, incomes, profits and other amounts now or hereafter arising therefrom. The Mortgagee may also apply to any court of competent jurisdiction for the appointment of a Receiver.

2. *Powers of Receiver.* Any Receiver appointed by the Mortgagee shall, to the extent permitted by law, have the following powers:

- (a) to enter upon, take possession of, use, and occupy the Mortgaged Land or any part thereof;
- (b) to collect all rents, incomes, profits and other amounts in respect of the Mortgaged Land and to carry on the business of the Mortgagor on the Mortgaged Land;
- (c) to borrow money required for the maintenance, preservation or protection of the Mortgaged Land or for carrying on the business of the Mortgagor and, in the discretion of the Receiver, to charge the Mortgaged Land in priority to the Mortgage as security for the principal amounts so borrowed, interest thereon and costs related thereto;
- (d) to sell, lease, or otherwise dispose of the Mortgaged Land or any part thereof on such terms and conditions and in such manner as the Receiver shall determine in its sole discretion, and to effect such sale by conveying in the name and on behalf of the Mortgagor or otherwise;
- (e) to demand, commence, continue or defend any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or obtaining possession of the Mortgaged Land, and to give valid and effectual receipts and discharges therefor and to compromise or give time for the payment or performance of all or any part of the rents, accounts receivable or any other obligation of any person to the Mortgagor;
- (f) to exercise any rights or remedies which could have been exercised by the Mortgagee against the Mortgagor or the Mortgaged Land or with respect thereto; and
- (g) to execute all documents required to effect any of the foregoing.

3. *Identity of Receiver and Removal.* Any Receiver so appointed by the Mortgagee may be any person or persons satisfactory to the Mortgagee, and the Mortgagee may remove any Receiver so appointed and appoint another or others instead.

4. *Receiver as Agent of Mortgagor.* Any Receiver appointed by the Mortgagee shall be deemed to be agent of the Mortgagor unless the Mortgagee expressly specifies in writing that the Receiver shall be agent of the Mortgagee. The Mortgagor agrees to ratify and confirm all actions of the Receiver acting as agent for the Mortgagor and to release and indemnify the Receiver in respect of all such actions.

5. *Receivership Expenses.* The Mortgagor shall pay to the Receiver, forthwith on demand by the Mortgagee or the Receiver, the amount of all reasonable fees, disbursements and other expenses incurred by the Receiver in the exercise of its powers hereunder, with interest thereon at the Applicable Rate from the date on which such sums are incurred. All such sums, together with interest thereon at the Applicable Rate, shall be part of the Indebtedness and secured by the Mortgage.

6. *No Enquiries Required.* No persons dealing with the Receiver or its agents, upon any sale or other dealing with the Mortgaged Land, shall be concerned to inquire as to their powers or as to the application of any money paid to them, such sale or dealing shall be deemed as regards such person to be within the powers hereby conferred and to be valid and effectual.

L. MISCELLANEOUS

1. *Records of Mortgagee.* The records of the Mortgagee disclosing the amount of an extension of credit by the Mortgagee to the Mortgagor, the repayment of any principal amount of Indebtedness, the amount of accrued and unpaid interest owing by the Mortgagor and the amount of other Indebtedness (or any part thereof) at any time outstanding, shall constitute conclusive evidence thereof in the absence of mathematical error.

2. *Revolving Line of Credit.* The Mortgagee may wish to make loan advances and re-advances or otherwise extend credit to the Mortgagor from time to time up to a total outstanding principal amount not exceeding the principal amount referred to in the Mortgage. The Mortgage is and shall be continuing security to the Mortgagee for the payment of all Indebtedness. Any portion of the Indebtedness may be advanced or re-advanced by the Mortgagee or other credit may be extended by the Mortgagee in one or more sums at any future time or times and the amount of all such advances, re-advances or other credits when so made or extended shall be secured by the Mortgage and be payable by the Mortgagor with interest thereon at the Applicable Rate and the Mortgage shall be deemed to be taken as security for the ultimate balance of the monies hereby secured, provided that none of the execution or registration of the Mortgage or the advance in part of any monies or extension of any other credit by the Mortgagee shall obligate the Mortgagee to advance any unadvanced portion thereof or to extend any other credit. The Mortgage shall not be void or cease to operate because the Indebtedness secured hereby has at any time or times been paid in full.

3. *Assignment and Syndication.* The Mortgagee shall be entitled from time to time, both before and after a Default, without notice to, or the consent of the Mortgagor or any Guarantor:

- (a) to sell or assign all or part of the Indebtedness and the Mortgagee's interests in the Mortgage and any other security and agreements held by the Mortgagee; and
- (b) to syndicate all or part of the Indebtedness, the Mortgage and any other security and agreements held by the Mortgagee and to grant participations therein.

To facilitate the foregoing, the Mortgagee may provide each prospective purchaser, assignee, syndicated lender or participant and their respective advisers with financial and other information concerning the Indebtedness, the Mortgagor, the Mortgaged Land, any Guarantor, any other collateral or any other matter.

4. *General Indemnity by Mortgagor.* The Mortgagor hereby agrees, on demand by the Mortgagee, to indemnify and hold harmless the Mortgagee and its officers, directors, employees and agents from and against any and all claims, expenses, liabilities, losses and damages that may be asserted against or incurred by any of such indemnified persons arising out of, or in

connection with the Mortgage, any Indebtedness or any claim, investigation, proceeding or litigation relating to any of the foregoing, regardless of whether any such indemnified person is a party thereto (including any and all breakage costs reasonably incurred by the Mortgagee in respect of any breach by the Mortgagor of any of its obligations under the Mortgage) and to reimburse each such indemnified person, on demand by the Mortgagee, for any and all reasonable legal and other expenses incurred in investigating, pursuing or defending any of the foregoing or otherwise in connection with any of the foregoing; provided that the foregoing indemnity shall not, as to any indemnified person, apply to any claim, expense, liability, loss or damage or related expense to the extent they are found by a final, non-appealable judgment of a court of competent jurisdiction to have resulted from the wilful misconduct or gross negligence of such indemnified person.

5. *Effect of Sale.* No sale, conveyance, transfer or other dealing by the Mortgagor with the Mortgaged Land or any part thereof or any approval of the Mortgagee relating thereto shall in any way change or affect the liability of the Mortgagor or in any way alter the rights of the Mortgagee as against the Mortgagor or any other person or persons liable for payment of the Indebtedness or any part thereof.

6. *Dealings with the Mortgagor and Others.* The Mortgagee may grant time, renewals, extensions, indulgences, releases and discharges to, may take security from and give the same and any and all existing security up to, may abstain from taking security from or from perfecting security of, may accept compositions from, may amend the Mortgage, and may otherwise deal with the Mortgagor and all other persons (including any principal debtor, any Guarantor or any owner of the Mortgaged Land) and security as the Mortgagee may see fit without prejudicing any rights of the Mortgagee under the Mortgage.

7. *Amendments to Mortgage.* The Mortgagor and the Mortgagee may from time to time amend the Mortgage (including to increase the interest rate specified by the Mortgage) by an amendment agreement between the Mortgagor and the Mortgagee, whether or not such amendment agreement (or notice thereof) is registered. This provision shall constitute notice of such amendments and the Mortgagee shall secure payment of all Indebtedness (including all interest and other Indebtedness arising or resulting from such amendments) and retain its priority with respect thereto over any mortgage, charge or other instrument registered subsequent to the Mortgage.

8. *Waiver.* No waiver, condonation or excusing by the Mortgagee of any default, breach or other non-performance by the Mortgagor at any time or times in respect of any provision of the Mortgage (including any Default) shall operate as a waiver by the Mortgagee of any subsequent or other default, breach or non-performance or prejudice or affect in any way the rights of the Mortgagee in respect of any such subsequent or other default, breach or non-performance.

9. *Discharge or Assignment.* The Mortgagee shall be entitled to prepare or have its counsel prepare a discharge or assignment of the Mortgage and any other documents necessary to discharge or assign any other security held by the Mortgagee and shall have a reasonable time after payment of the Indebtedness in full within which to prepare, execute and deliver such instruments. All reasonable costs, fees and disbursements of the Mortgagee and the Mortgagee's counsel in connection with the preparation, review, execution and delivery of the discharge, assignment or any other documents necessary to discharge or assign the Mortgage or any other security shall, to the extent permitted by law, be paid by the Mortgagor to the Mortgagee and be secured by the Mortgage.

10. *No Obligation to Advance.* Nothing herein and nothing contained in the Mortgage shall obligate the Mortgagee to loan any amount to the Mortgagor or to extend any other credit to the Mortgagor.

11. *Appointment of Attorney Irrevocable.* Each appointment by the Mortgagor of an attorney in the Mortgage or the Standard Charge Terms is coupled with an interest and may not be revoked.

12. *Other Security.* The Mortgage is in addition to and not in substitution for any other security at any time held by the Mortgagee as security for payment of all or any part of the Indebtedness, and the Mortgagee may, at its option, pursue its remedies thereunder or under the Mortgage concurrently or successively. Any judgment or recovery under the Mortgage or under any other

security held by the Mortgagee as security for payment of Indebtedness shall not affect the right of the Mortgagee to enforce or realize on the Mortgage or any other such security.

13. *Financing Statement.* To the extent permitted by law, the Mortgagor hereby waives its right to receive from the Mortgagee a copy of any financing statement, financing change statement, verification statement or other similar statement filed by or received by the Mortgagee or any agent of the Mortgagee.

14. *Notice.* Except as otherwise herein provided, any notice, demand or other communication to the Mortgagor referred to herein or in the Mortgage may be forwarded to the Mortgagor by personal delivery or mailed by prepaid ordinary or registered mail to the Mortgagor at the Mortgagor's last known address as shown on the Mortgagee's records. The Mortgagor shall be deemed to have received the same on the date of delivery, if personally delivered, or on the fourth day after the same is mailed by prepaid ordinary mail or registered mail, if mailed, even if the Mortgagor does not actually receive it.

15. *Different Currencies.* The payment of any part of the Indebtedness shall be made by the Mortgagor in the same currency as the currency in which such part of the Indebtedness is then denominated and all interest and fees shall be paid by the Mortgagor in the same currency as the currency in which that part of the Indebtedness to which they relate is denominated.

16. *Judgment Currency.* If in the recovery by the Mortgagee of any Indebtedness in any currency, judgment can only be obtained in another currency and, because of changes in the exchange rate of such currencies between the date of judgment and payment in full of the amount of such judgment, the recovery under the judgment differs from the receipt by the Mortgagee of the full amount of such Indebtedness, the Mortgagor shall pay any such deficiency to the Mortgagee, such deficiency may be claimed by the Mortgagee against the Mortgagor as an alternative or additional cause of action and any surplus received by the Mortgagee shall be repaid to the Mortgagor.

17. *Foreign Exchange Rate Determinations.* Whenever any provision of the Mortgage requires or permits the determination of the rate of exchange between any currencies, such rate of exchange shall be determined by the Mortgagee based on its normal practice as at the date of such determination.

18. *Governing Law.* The Standard Charge Terms and the Mortgage shall be governed by the law of the jurisdiction in which the Mortgaged Land is located.

19. *Time of Essence.* Time shall be of the essence of the Mortgage.

20. *Severability.* If any provision of the Mortgage is found by a court of competent jurisdiction to be illegal, invalid or unenforceable, such provision shall not apply and the Mortgage shall remain in full force and effect without such provision.

21. *Interpretation.* Whenever the context so requires, words in the singular shall include the plural, words in the plural shall include the singular and words importing any gender shall include the other genders. Whenever used in the Standard Charge Terms, the Mortgage or any Schedule, the words "including" and "includes" shall mean "including, without limitation" and "includes, without limitation", respectively, and the word "person" shall include an individual, corporation, partnership, government, government agency and any other entity.

22. *Titles.* Titles used in the Standard Charge Terms, the Mortgage or any Schedule are inserted for convenience of reference only and shall not affect or modify the interpretation or construction of any provision of the Standard Charge Terms, the Mortgage or any Schedule.

23. *Joint and Several Obligations.* If there is more than one Mortgagor, all Mortgagors shall be jointly and severally liable for all obligations of the Mortgagors pursuant to the Mortgage.

24. *Schedule.* Schedule "A" shall form part of the Standard Charge Terms.

25. *Equivalent Rate Information.* Schedule "A" is a summary of various annual rates of interest calculated half-yearly not in advance equivalent to the corresponding annual rates calculated monthly not in advance or calculated quarter-annually not in advance. The rate of interest

chargeable, calculated half-yearly not in advance, equivalent to each Applicable Rate, is shown by Schedule "A".

26. *Successors and Assigns.* All rights and powers of the Mortgagee shall enure to the benefit of and be exercisable by the Mortgagee and the Mortgagee's successors and assigns. All covenants, obligations and liabilities entered into or imposed on the Mortgagor shall be binding on the Mortgagor and the Mortgagor's heirs, executors, administrators, personal representatives, successors and assigns.

SCHEDULE "A"

The interest rates set out in Column C are the annual interest rates calculated half-yearly not in advance which are equivalent to the corresponding annual interest rates calculated monthly not in advance set out in Column A and quarter-annually not in advance set out in Column B.

COLUMN A	COLUMN B	COLUMN C	COLUMN A	COLUMN B	COLUMN C
Interest rate calculated monthly not in advance	Interest rate calculated quarter-annually not in advance	Interest rate calculated half-yearly not in advance	Interest rate calculated monthly not in advance	Interest rate calculated quarter-annually not in advance	Interest rate calculated half-yearly not in advance
3.0000%	3.0075%	3.0188%	11.6250%	11.7380%	11.9102%
3.1250%	3.1331%	3.1454%	11.7500%	11.8654%	12.0414%
3.2500%	3.2588%	3.2721%	11.8750%	11.9929%	12.1727%
3.3750%	3.3845%	3.3988%	12.0000%	12.1204%	12.3040%
3.5000%	3.5102%	3.5256%	12.1250%	12.2479%	12.4354%
3.6250%	3.6360%	3.6525%	12.2500%	12.3755%	12.5669%
3.7500%	3.7617%	3.7794%	12.3750%	12.5031%	12.6985%
3.8750%	3.8875%	3.9064%	12.5000%	12.6307%	12.8301%
4.0000%	4.0133%	4.0335%	12.6250%	12.7583%	12.9618%
4.1250%	4.1392%	4.1606%	12.7500%	12.8859%	13.0935%
4.2500%	4.2651%	4.2878%	12.8750%	13.0136%	13.2253%
4.3750%	4.3910%	4.4151%	13.0000%	13.1413%	13.3572%
4.5000%	4.5169%	4.5424%	13.1250%	13.2691%	13.4892%
4.6250%	4.6428%	4.6698%	13.2500%	13.3968%	13.6212%
4.7500%	4.7688%	4.7973%	13.3750%	13.5246%	13.7533%
4.8750%	4.8948%	4.9248%	13.5000%	13.6524%	13.8854%
5.0000%	5.0209%	5.0524%	13.6250%	13.7803%	14.0177%
5.1250%	5.1469%	5.1800%	13.7500%	13.9082%	14.1499%
5.2500%	5.2730%	5.3078%	13.8750%	14.0360%	14.2823%
5.3750%	5.3991%	5.4355%	14.0000%	14.1640%	14.4147%
5.5000%	5.5252%	5.5634%	14.1250%	14.2919%	14.5472%
5.6250%	5.6514%	5.6913%	14.2500%	14.4199%	14.6798%
5.7500%	5.7776%	5.8193%	14.3750%	14.5479%	14.8124%
5.8750%	5.9038%	5.9474%	14.5000%	14.6759%	14.9451%
6.0000%	6.0300%	6.0755%	14.6250%	14.8040%	15.0779%
6.1250%	6.1563%	6.2037%	14.7500%	14.9320%	15.2108%
6.2500%	6.2826%	6.3319%	14.8750%	15.0601%	15.3437%
6.3750%	6.4089%	6.4603%	15.0000%	15.1883%	15.4766%
6.5000%	6.5353%	6.5887%	15.1250%	15.3164%	15.6097%
6.6250%	6.6616%	6.7171%	15.2500%	15.4446%	15.7428%
6.7500%	6.7880%	6.8456%	15.3750%	15.5728%	15.8760%
6.8750%	6.9145%	6.9742%	15.5000%	15.7011%	16.0092%
7.0000%	7.0409%	7.1029%	15.6250%	15.8293%	16.1425%
7.1250%	7.1674%	7.2316%	15.7500%	15.9576%	16.2759%
7.2500%	7.2939%	7.3604%	15.8750%	16.0859%	16.4094%
7.3750%	7.4204%	7.4892%	16.0000%	16.2143%	16.5429%
7.5000%	7.5470%	7.6182%	16.1250%	16.3427%	16.6765%
7.6250%	7.6736%	7.7472%	16.2500%	16.4710%	16.8102%
7.7500%	7.8002%	7.8762%	16.3750%	16.5995%	16.9439%
7.8750%	7.9268%	8.0053%	16.5000%	16.7279%	17.0777%
8.0000%	8.0535%	8.1345%	16.6250%	16.8564%	17.2116%
8.1250%	8.1801%	8.2638%	16.7500%	16.9849%	17.3455%
8.2500%	8.3068%	8.3931%	16.8750%	17.1134%	17.4795%
8.3750%	8.4336%	8.5225%	17.0000%	17.2420%	17.6136%
8.5000%	8.5604%	8.6519%	17.1250%	17.3706%	17.7477%
8.6250%	8.6871%	8.7815%	17.2500%	17.4992%	17.8819%
8.7500%	8.8140%	8.9111%	17.3750%	17.6278%	18.0162%
8.8750%	8.9408%	9.0407%	17.5000%	17.7564%	18.1506%
9.0000%	9.0677%	9.1704%	17.6250%	17.8851%	18.2850%
9.1250%	9.1946%	9.3002%	17.7500%	18.0138%	18.4195%
9.2500%	9.3215%	9.4301%	17.8750%	18.1426%	18.5540%
9.3750%	9.4484%	9.5600%	18.0000%	18.2713%	18.6887%
9.5000%	9.5754%	9.6900%	18.1250%	18.4001%	18.8233%
9.6250%	9.7024%	9.8201%	18.2500%	18.5290%	18.9581%
9.7500%	9.8294%	9.9502%	18.3750%	18.6578%	19.0929%
9.8750%	9.9565%	10.0804%	18.5000%	18.7867%	19.2278%
10.0000%	10.0836%	10.2107%	18.6250%	18.9156%	19.3628%
10.1250%	10.2107%	10.3410%	18.7500%	19.0445%	19.4979%
10.2500%	10.3378%	10.4714%	18.8750%	19.1734%	19.6330%
10.3750%	10.4650%	10.6019%	19.0000%	19.3024%	19.7682%
10.5000%	10.5921%	10.7324%	19.1250%	19.4314%	19.9034%
10.6250%	10.7194%	10.8630%	19.2500%	19.5605%	20.0387%
10.7500%	10.8466%	10.9937%	19.3750%	19.6895%	20.1741%
10.8750%	10.9739%	11.1244%	19.5000%	19.8186%	20.3096%
11.0000%	11.1011%	11.2552%	19.6250%	19.9477%	20.4451%
11.1250%	11.2285%	11.3861%	19.7500%	20.0768%	20.5807%
11.2500%	11.3558%	11.5170%	19.8750%	20.2060%	20.7163%
11.3750%	11.4832%	11.6480%	20.0000%	20.3352%	20.8521%
11.5000%	11.6106%	11.7791%			

EXHIBIT “R”

LRO # 22 Notice Of Assignment Of Rents-General

Received as HC108369 on 2015 06 18 at 16:04

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

yyyy mm dd

Page 1 of 5

Properties

PIN 41128 - 0020 LT
 Description LT 835 PL 457; PT LT 811 PL 457 AS IN R306418; TOWN OF GODERICH
 Address 79 VICTORIA ST N
 GODERICH

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 LAKE TRADING GODERICH INC.
 Address for Service 79 Victoria Street North, Goderich, Ontario N7A 2R9

I, Sreekumar Vakeel, President, have the authority to bind the corporation.

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

Party To(s)

Capacity

Share

Name BANK OF MONTREAL
 Address for Service 2 King Street West, Kitchener, Ontario N2G 1A3

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, HC108368 registered on 2015/06/18 to which this notice relates is deleted.

Schedule: See Schedules

Signed By

Andrea Margaret Remnant 201 County Court Blvd. Ste. 200 acting for Signed 2015 06 17
 Brampton Applicant(s)
 L6W 4L2
 Tel 905-457-1660
 Fax 905-457-5641

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

Andrea Margaret Remnant 201 County Court Blvd. Ste. 200 acting for Signed 2015 06 17
 Brampton Party To(s)
 L6W 4L2
 Tel 905-457-1660
 Fax 905-457-5641

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

Submitted By

SIMMONS, DA SILVA LLP 201 County Court Blvd. Ste. 200 2015 06 18
 Brampton
 L6W 4L2
 Tel 905-457-1660
 Fax 905-457-5641

LRO # 22 Notice Of Assignment Of Rents-General

Received as HC108369 on 2015 06 18 at 16:04

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

yyyy mm dd Page 2 of 5

Fees/Taxes/Payment

Statutory Registration Fee	\$60.00
Total Paid	\$60.00

File Number

Party To Client File Number : BAN0679

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GENERAL ASSIGNMENT OF RENTS AND LEASES

THIS ASSIGNMENT made June 5, 2015

BETWEEN

LAKE TRADING GODERICH INC.
hereinafter the "Assignor"

and

BANK OF MONTREAL
hereinafter called the "Assignee"

FOR VALUE RECEIVED, the Assignor hereby assigns to the Assignee, all rights, privileges, advantages and benefits whatsoever, including all leases and all rents, profits and other income, arising pursuant to leases and/or agreements to lease and/or tenancies (herein referred to as the "Leases") now or hereafter affecting the lands and premises more particularly described in Box (6) on Page 1 hereof.

This Assignment is given as additional security for the payment of the sum of TWO DOLLARS (\$2.00) and all other sums secured by a charge between the Assignor, as charger, and the Assignee, as chargee, which charge was registered in the Land Registry Office for the Land Titles Division of Huron (No. 22) as the Instrument Number referred to in the Statements Section to which this document is attached and charging the premises of which those demised in the Leases form all or part and which charge is herein referred to as the "Charge". The security of this Assignment is and shall be primary and on a parity with the real estate conveyed by the Charge and not secondary. All amounts collected hereunder, after deducting the expense of collection, shall be applied on account of the indebtedness secured by the Charge, or in such other manner as may be provided in the Charge. Nothing herein contained shall be construed as constituting the Assignee as trustee, mortgagee or chargee in possession.

The Assignor does hereby empower the Assignee, its agents or attorney, to collect, sue for, settle, compromise and give acquittances for all of the rents that may become due under the Leases and avail itself of and pursue all remedies for the enforcement of the Leases and the Assignor's rights in and under the Leases as the Assignor might have pursued but for this Assignment.

The Assignor warrants that the Leases are in full force and effect, and that the copies thereof heretofore delivered to the Assignee are true and correct copies, that the Assignor has not heretofore assigned or pledged the same or any interest therein save and except as disclosed by registered title, and no default exists on the part of the lessees thereunder (herein called the "Lessees") or the Assignor, as lessor, in the performance on the part of either, of the terms, covenants, provisions or agreements in the Leases contained; that other than last month's rents no rent has been paid by any of the Lessees more than thirty (30) days in advance, and that, the payment of none of the rents to accrue under the Leases has been or will be waived, released, reduced, discounted or otherwise discharged or compromised by the Assignor directly or indirectly by assuming any Lessee's obligations with respect to other premises; that, except as may be specifically provided for in the Leases, no security deposit has been made by the Lessees under any of the Leases.

The Assignor waives any rights of set-off against the Lessees.

The Assignor covenants and agrees:

- (a) that the Leases shall remain in full force and effect irrespective of any merger of the interest of the Lessor and Lessee thereunder, and that it will not transfer or convey the fee title to said premises to any of the Lessees without requiring such Lessees, in writing, to assume and agree to pay the debt secured by the Charge in accordance with the terms covenants and conditions contained in the Charge;
- (b) that if the Leases provided for the abatement of rent during the repair of the demised premises by reason of fire or other casualty, the Assignor shall furnish rental insurance to the Assignee, the policies to be in an amount and form and written by such insurance companies as shall be satisfactory to the Assignee;



- (c) not to terminate or modify or amend the Leases or any of the terms thereof, or grant any concessions in connection therewith, either orally or in writing, or to accept a surrender thereof without the written consent of the Assignee, and that any attempted termination, modification or amendments of the Leases without such written consent shall be null and void;
- (d) not to collect any of the rent, income and profits arising or accruing under the Leases in advance of the time when the same become due under the terms thereof;
- (e) not to discount any future accruing rents;
- (f) not to execute any other assignments of the Leases or any interest therein or any of the rents thereunder;
- (g) to perform all of the Assignor's covenants and agreements as lessor under the Leases and not to suffer or permit to occur any release of liability of the Lessees, or any rights to the Lessees to withhold payment of rent; and to give prompt notices to the Assignee of any notice of default on the part of the Assignor with respect to the Leases received from the Lessees, and to furnish the Assignee with complete copies of the said notices;
- (h) that all offers to lease and Leases shall be bona fide, the terms of which are to be approved by the Assignee prior to execution, and shall be at rental rates and terms consistent with comparable space in the area of the lands and premises described herein;
- (i) that the Assignor will provide to the Assignee leasing activity reports in respect of the lands and premises herein;
- (j) if so requested by the Assignee, to enforce the Leases and all remedies available to the Assignor against the Lessees, in case of default under the Leases by the Lessees;
- (k) that none of the rights or remedies of the Assignee under the Charge shall be delayed or in any way prejudiced by this Assignment;
- (l) that notwithstanding any variation of the terms of the Charge or any extension of time for payment thereunder, the Leases and benefits hereby assigned shall continue as additional security in accordance with the terms hereof;
- (m) not to alter, modify or change the terms of any guarantees of any of the Leases or cancel or terminate such guarantees without the prior written consent of the Assignee;
- (n) not to consent to any assignment of the Leases, or any subletting thereunder, whether or not in accordance with their terms, without the prior written consent of the Assignee;
- (o) not to request, consent to, agree to or accept a subordination of the Leases to any mortgage or other encumbrance now or thereafter affecting the premises;
- (p) not to exercise any right of election, whether specifically set forth in any such Leases or otherwise which would in any way diminish the tenant's liability or have the effect of shortening the stated term of the Leases; and
- (q) to pay the costs, charges and expenses of and incidental to the taking, preparation and filing of this Assignment or any notice hereof which may be required and of every renewal related thereto.

Upon any vesting of title to the property secured under the Charge in the Assignee or other party by court order, operation of law, or otherwise or upon delivery of a deed or deeds pursuant to the Assignee's exercise of remedies under the Charge, all right, title and interest of the Assignor in and to the Leases shall by virtue of this Assignment, thereupon vest in and become the absolute property of the party vested with such title or the grantee or grantees in such deed or deeds without any further act or assignment by the Assignor. The Assignor hereby irrevocably appoints Assignee and its successors and assigns, as its agent and attorney in fact, to execute all instruments of assignment or further assurances in favour of such party vested with title or the grantee or grantees.



In the exercise of the powers herein granted to the Assignee, no liability shall be asserted or enforced against the Assignee, all such liability being hereby expressly waived and released by the Assignor. The Assignee shall not be obligated to perform or discharge any obligation, duty or liability under the Leases, or under or by reason of this Assignment, and the Assignor shall and does hereby agree to indemnify the Assignee for, and to save and hold it harmless of and from, any and all liability, loss or damage which it may or might incur under the Leases or under or by reason of this Assignment and of and from any and all claims and demands whatsoever which may be asserted against it by reason of any obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in the Leases. Should the Assignee incur any such liability, loss or damage under the Leases or under or by reason of this Assignment, or in the defence any such claims or demands, the amount thereof, including costs, expenses and reasonable attorney's fees, shall be secured hereby, and the Assignor shall reimburse the Assignee therefore immediately upon demand.

Although it is the intention of the parties that this Assignment shall be a present assignment, it is expressly understood and agreed, anything herein contained to the contrary notwithstanding that the Assignee shall not exercise any of the rights or powers herein conferred upon it until a default shall occur under the terms and provisions of this Assignment or of the Charge, but upon the occurrence of any such default, the Assignee shall be entitled, upon notice to the Lessees, to all rents and other amounts then due under the Leases and thereafter accruing, and this Assignment shall constitute a direction to and full authority to the Lessees to pay all such amounts to the Assignee without proof of the default relied upon. The Lessees are hereby irrevocably authorized to rely upon and comply with any notice or demand by the Assignee for the payment to the Assignee of any rental or other sums which may be or thereafter become due under the Leases regardless whether any default under the Charge has actually occurred or is then existing.

In the event that the Assignee collects any payments of rent due to the Assignors default, the Assignee shall be entitled to receive from such rent a management fee of 5.0% of the gross receipts from such rent, it being understood for greater certainty that the Assignor and the Assignee have agreed that such management fee is a just and equitable fee having regard to the circumstances.

This Assignment is intended to be additional to and not in substitution for or in derogation of any assignment of rents contained in the Charge or in any other document.

This Assignment shall include any extensions and renewals of the Leases and any reference herein to the Leases shall be construed as including any such extensions and renewals.

In the event that any provision in this General Assignment of Rents and Leases shall be deemed void or invalid by a court of competent jurisdiction, the remaining provisions shall be and remain in full force and effect.

If the Assignor comprises more than one person, all covenants and liabilities entered into, by or imposed upon the Assignor shall be joint and several. Each Assignor, if more than one, is responsible both individually and together with the other Assignor(s) for all obligations of the Assignor to the Assignee pursuant to this Assignment.

This Assignment shall be binding upon and enure to the benefit of the respective successors and assigns of the parties. The words "Assignor", "Assignee" and "Lessees", wherever used herein, and designated as such and their respective heirs, administrators, successors and assigns, and all words and phrases shall be taken to include the singular or plural and masculine, feminine or neuter gender, as may fit the case.

IN WITNESS WHEREOF the Assignor has executed this Assignment of Rents and Leases.

SIGNED, SEALED AND DELIVERED

LAKE TRADING GODERICH INC.

Per: 

Sreekumar Vakeel, President
I have authority to bind the Corporation

ACKNOWLEDGEMENT AND DIRECTION

TO: Angelo R. DeMichele
(Insert lawyer's name)

AND TO: SIMMONS, DA SILVA LLP
(Insert firm name)

RE: Bank of Montreal Assignment of Rents to Lake Trading Goderich Inc. (the transaction*)
(BANO879)
(Insert brief description of transaction)

This will confirm that:

- I/We have reviewed the information set out in this Acknowledgement and Direction and in the documents described below (the "Documents"), and that this information is accurate.
- You, your agent or employee are authorized and directed to sign, deliver, and/or register electronically, on my/our behalf the Documents in the form attached.
- You are hereby authorized and directed to enter into an escrow closing arrangement substantially in the form attached hereto being a copy of the version of the Document Registration Agreement, which appears on the website of the Law Society of Upper Canada as of the date of the Agreement of Purchase and sale herein. I/We hereby acknowledge the said Agreement has been reviewed by me/us and that I/We shall be bound by its terms.
- The effect of the Documents has been fully explained to me/us, and I/we understand that I/we are parties to and bound by the terms and provisions of the Documents to the same extent as if I/we had signed them; and
- I/we are in fact the parties named in the Documents and I/we have not misrepresented our identities to you.
- I, _____, am the spouse of _____ the (Transferor/Chargor), and hereby consent to the transaction described in the Acknowledgment and Direction. I authorize you to indicate my consent on all the Documents for which it is required.

DESCRIPTION OF ELECTRONIC DOCUMENTS

The Document(s) described in the Acknowledgement and Direction are the document(s) selected below which are attached hereto as "Document in Preparation" and are:

- A Transfer of the land described above.
- A Charge of the land described above.
- Other documents set out in Schedule "B" attached hereto.

Dated at Brampton, this 8 day of June, 2015.

WITNESS

(As to all signatures, if required)



LAKE TRADING GODERICH INC.



Per: Sreekumar Vakeel, President
I have authority to bind the Corporation

This document has not been submitted and may be incomplete.

Properties

PIN 41128 - 0020 LT
Description LT 835 PL 457; PT LT 811 PL 457 AS IN R306418; TOWN OF GODERICH
Address 79 VICTORIA ST N
GODERICH

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 LAKE TRADING GODERICH INC.
Acting as a company
Address for Service 79 Victoria Street North, Goderich, Ontario N7A 2R9

I, Sreekumar Vakeel, President, have the authority to bind the corporation.

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

Party To(s)

Capacity

Share

Name BANK OF MONTREAL
Acting as a company
Address for Service 2 King Street West, Kitchener, Ontario N2G 1A3

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, BMO M/T LAKE TRADING GODERICH INC, to which this notice relates is deleted

Schedule:

File Number

Party To Client File Number : BANO879



[Handwritten signature]

EXHIBIT “S”

Enquiry Result

File Currency: 03APR 2022







[Show All Pages](#)

Note: All pages have been returned.

Type of Search	Business Debtor								
Search Conducted On	LAKE TRADING GODERICH INC.								
File Currency	03APR 2022								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	706692474	1	3	1	5	02JUN 2025			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
706692474		001	001		20150602 1613 1862 9677	P PPSA	5		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	LAKE TRADING GODERICH INC.								
	Address			City	Province	Postal Code			
	79 VICTORIA STREET NORTH			GODERICH	ON	N7A 2R9			
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								
	BANK OF MONTREAL								
	Address			City	Province	Postal Code			
	2 KING STREET WEST			KITCHENER	ON	N2G 1A3			
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								

Registering Agent	Registering Agent			
	SIMMONS, DA SILVA LLP (BD BANO879)			
Address	City	Province	Postal Code	
200-201 COUNTY COURT BOULEVARD	BRAMPTON	ON	L6W 4L2	

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CONTINUED

Type of Search	Business Debtor								
Search Conducted On	LAKE TRADING GODERICH INC.								
File Currency	03APR 2022								
	File Number	Family	of Families	Page					of Pages
	706692474	1	3	2					5
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT									
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number			Registered Under	
		01	001		20200525 1939 1531 2230				
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period			
	706692474		X	B RENEWAL	5				
Reference Debtor/ Transferor	First Given Name			Initial	Surname				
	Business Debtor Name								
	LAKE TRADING GODERICH INC.								
Other Change	Other Change								
Reason / Description	Reason / Description								
Debtor/ Transferee	Date of Birth	First Given Name			Initial	Surname			
	Business Debtor Name							Ontario Corporation Number	
	Address				City	Province	Postal Code		
Assignor Name	Assignor Name								
Secured Party	Secured party, lien claimant, assignee								
	Address				City	Province	Postal Code		
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 or Secured Party/ Lien Claimant								
	CANADIAN SECURITIES REGISTRATION SYSTEMS								

	Address	City	Province	Postal Code
	4126 NORLAND AVENUE	BURNABY	BC231	V5G 3S8

END OF FAMILY

Type of Search	Business Debtor							232	
Search Conducted On	LAKE TRADING GODERICH INC.								
File Currency	03APR 2022								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	706692519	2	3	3	5	02JUN 2025			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
706692519		001	001		20150602 1616 1862 9678	P PPSA	5		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	LAKE TRADING GODERICH INC.								
	Address				City	Province	Postal Code		
	79 VICTORIA STREET NORTH				GODERICH	ON	N7A 2R9		
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								
	BANK OF MONTREAL								
	Address				City	Province	Postal Code		
	2 KING STREET WEST				KITCHENER	ON	N2G 1A3		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
				X	X				
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	SIMMONS, DA SILVA LLP (BD BANO879)								
	Address				City	Province	Postal Code		
	200-201 COUNTY COURT BOULEVARD				BRAMPTON	ON	L6W 4L2		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	LAKE TRADING GODERICH INC.								
File Currency	03APR 2022								
	File Number	Family	of Families	Page					of Pages
	706692519	2	3	4					5
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT									
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number			Registered Under	
		01	001		20200525 1939 1531 2231				
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period			
	706692519		X	B RENEWAL	5				
Reference Debtor/ Transferor	First Given Name			Initial	Surname				
	Business Debtor Name								
	LAKE TRADING GODERICH INC.								
Other Change	Other Change								
Reason / Description	Reason / Description								
Debtor/ Transferee	Date of Birth	First Given Name			Initial	Surname			
	Business Debtor Name							Ontario Corporation Number	
	Address				City	Province	Postal Code		
Assignor Name	Assignor Name								
Secured Party	Secured party, lien claimant, assignee								
	Address				City	Province	Postal Code		
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 or Secured Party/ Lien Claimant								
	CANADIAN SECURITIES REGISTRATION SYSTEMS								

	Address	City	Province	Postal Code
	4126 NORLAND AVENUE	BURNABY	BC234	V5G 3S8

END OF FAMILY

Type of Search	Business Debtor							235	
Search Conducted On	LAKE TRADING GODERICH INC.								
File Currency	03APR 2022								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	707452425	3	3	5	5	25JUN 2022			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
707452425		001	001		20150625 1400 1862 1692	P PPSA	7		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	LAKE TRADING GODERICH INC.					002460471			
	Address				City	Province	Postal Code		
	79 VICTORIA STREET NORTH				GODERICH	ON	N7A 2R9		
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								
	PIONEER ENERGY LP								
	Address				City	Province	Postal Code		
	1122 INTERNATIONAL BLVD., SUITE 700				BURLINGTON	ON	L7L 6Z8		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X				
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	FELTMATE DELIBATO HEAGLE LLP (MGF)								
	Address				City	Province	Postal Code		
	200-3600 BILLINGS COURT				BURLINGTON	ON	L7N 3N6		

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EXHIBIT “T”



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PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

PAGE 1 OF 5
PREPARED FOR CPoliveira
ON 2022/04/04 AT 16:18:27

LAND
REGISTRY
OFFICE #22

41128-0020 (LT)

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

PROPERTY DESCRIPTION: LT 835 PL 457; PT LT 811 PL 457 AS IN R306418; TOWN OF GODERICH

PROPERTY REMARKS:
ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED
OWNERS' NAMES
LAKE TRADING GODERICH INC.
RECENTLY:
FIRST CONVERSION FROM BOOK
CAPACITY SHARE
PIN CREATION DATE:
2000/07/24

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
EFFECTIVE	2000/07/29	THE NOTATION OF THE	'BLOCK IMPLEMENTATION DATE' OF 2000/07/24 ON THIS PIN			
WAS REPLACED WITH THE	"PIN CREATION DATE" OF 2000/07/24					
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2000/07/21 **						
**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:						
**	SUBSECTION 4#(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: 2000/07/24 **						
R306418	1995/12/19	TRANSFER		*** COMPLETELY DELETED ***	700336 ONTARIO INC.	
R306419	1995/12/19	CHARGE		*** COMPLETELY DELETED ***	LAURENTIAN BANK OF CANADA	
R306420	1995/12/19	TRANSFER OF CHARGE		*** COMPLETELY DELETED ***	LAURENTIAN BANK OF CANADA	
REMARKS: R306419						
R306421	1995/12/19	NOTICE		*** COMPLETELY DELETED ***		
HC3221	2003/07/02	DISCH OF CHARGE		*** COMPLETELY DELETED *** LAURENTIAN BANK OF CANADA		
REMARKS: RE: R306419, R306420						

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
HC3240	2003/07/02	TRANSFER		*** COMPLETELY DELETED *** 700336 ONTARIO INC.	2027446 ONTARIO INC.	
		REMARKS: PLANNING ACT STATEMENTS				
HC3241	2003/07/02	CHARGE		*** COMPLETELY DELETED *** 2027446 ONTARIO INC.	KOREA EXCHANGE BANK OF CANADA	
HC3244	2003/07/02	CHARGE		*** COMPLETELY DELETED *** 2027446 ONTARIO INC.	KOREA EXCHANGE BANK OF CANADA	
HC23532	2005/09/30	TRANSFER		*** COMPLETELY DELETED *** 2027446 ONTARIO INC.	1655078 ONTARIO LTD.	
HC23533	2005/09/30	CHARGE		*** COMPLETELY DELETED *** 1655078 ONTARIO LTD.	KOREA EXCHANGE BANK OF CANADA	
HC23536	2005/10/03	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** 1655078 ONTARIO LTD.	KOREA EXCHANGE BANK OF CANADA	
		REMARKS: HC23533				
HC23545	2005/10/03	CHARGE		*** COMPLETELY DELETED *** 1655078 ONTARIO LTD.	SON, JUNG-HO	
HC24617	2005/11/10	DISCH OF CHARGE		*** COMPLETELY DELETED *** KOREA EXCHANGE BANK OF CANADA		
		REMARKS: RE: HC3241				
HC24618	2005/11/10	DISCH OF CHARGE		*** COMPLETELY DELETED *** KOREA EXCHANGE BANK OF CANADA		
		REMARKS: RE: HC3244				
HC28968	2006/05/05	NO SEC INTEREST		*** COMPLETELY DELETED *** IRWIN COMMERCIAL FINANCE CANADA CORPORATION		
HC52374	2008/09/18	NOTICE OF LEASE		*** COMPLETELY DELETED *** 1655078 ONTARIO LTD.	GODERICH SERVICE CENTRE LTD.	
HC53372	2008/10/23	DISCH OF CHARGE		*** COMPLETELY DELETED *** SON, JUNG-HO		
		REMARKS: RE: HC23545				
HC53451	2008/10/24	CHARGE		*** COMPLETELY DELETED ***		

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PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

* 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
HC53473	2008/10/27	DISCHARGE INTEREST		1655078 ONTARIO LTD. *** COMPLETELY DELETED ***	SINGH, SADHU	
HC54461	2008/11/28	DISCH OF CHARGE		*** COMPLETELY DELETED *** KOREA EXCHANGE BANK OF CANADA	IRWIN COMMERCIAL FINANCE CANADA CORPORATION	
HC68250	2010/07/08	TRANSFER		*** COMPLETELY DELETED *** 1655078 ONTARIO LTD.	SINGH, SADHU	
HC68322	2010/07/12	DISCH OF CHARGE		*** COMPLETELY DELETED *** SINGH, SADHU	2250172 ONTARIO INC.	
HC76870	2011/08/02	TRANSFER		*** COMPLETELY DELETED *** SINGH, SADHU	SINGH, SADHU	
HC76871	2011/08/02	CHARGE		*** COMPLETELY DELETED *** 2250172 ONTARIO INC.	ROYAL BANK OF CANADA	
HC80608	2012/01/09	CHARGE		*** COMPLETELY DELETED *** 2250172 ONTARIO INC.	ROYAL BANK OF CANADA	
HC80609	2012/01/09	POSTPONEMENT		*** COMPLETELY DELETED *** GODERICH SERVICE CENTRE LTD.		
HC80611	2012/01/09	DISCH OF CHARGE		*** COMPLETELY DELETED *** SINGH, SADHU		
HC80683	2012/01/12	CHARGE	\$200,000	2250172 ONTARIO INC.	PIONEER ENERGY MANAGEMENT INC.	C
HC95108	2013/09/12	CHARGE		*** COMPLETELY DELETED *** 2250172 ONTARIO INC.	1841628 ONTARIO INC.	
HC103977	2014/11/13	CHARGE		*** COMPLETELY DELETED *** 2250172 ONTARIO INC.	EXCELSIOR FINANCE GROUP LTD.	

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
HC104096	2014/11/17	CHARGE		*** COMPLETELY DELETED *** 2250172 ONTARIO INC.	BANK OF MONTREAL	
HC104097	2014/11/17	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** 2250172 ONTARIO INC.	BANK OF MONTREAL	
HC104153	2014/11/20	APL (GENERAL)		*** COMPLETELY DELETED *** 2250172 ONTARIO INC.		
HC104236	2014/11/25	POSTPONEMENT		*** COMPLETELY DELETED *** PIONEER ENERGY MANAGEMENT INC.	BANK OF MONTREAL	
HC104394	2014/12/01	DISCH OF CHARGE		*** COMPLETELY DELETED *** 1841628 ONTARIO INC.		
HC104422	2014/12/02	DISCH OF CHARGE		*** COMPLETELY DELETED *** EXCELSIOR FINANCE GROUP LTD.		
HC104532	2014/12/09	DISCH OF CHARGE		*** COMPLETELY DELETED *** ROYAL BANK OF CANADA		
HC108367	2015/06/18	TRANSFER	\$1,600,000	2250172 ONTARIO INC.	LAKE TRADING GODERICH INC.	C
HC108368	2015/06/18	CHARGE	\$1,600,000	LAKE TRADING GODERICH INC.	BANK OF MONTREAL	C
HC108369	2015/06/18	NO ASSGN RENT GEN		LAKE TRADING GODERICH INC.	BANK OF MONTREAL	C
HC108370	2015/06/18	POSTPONEMENT		PIONEER ENERGY MANAGEMENT INC.	BANK OF MONTREAL	C
HC108716	2015/07/02	TRANSFER OF CHARGE		PIONEER ENERGY MANAGEMENT INC.	PARKLAND INDUSTRIES LTD.	C
HC126298	2017/09/01	DISCH OF CHARGE		*** COMPLETELY DELETED *** BANK OF MONTREAL		

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ON 2022/04/04 AT 16:18:27

41128-0020 (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
HC134546	2018/09/21	CHARGE		*** COMPLETELY DELETED *** LAKE TRADING GODERICH INC.		
HC153496	2021/01/20	DISCH OF CHARGE		*** COMPLETELY DELETED *** WALIA, SURENDRA GREWAL, HARDEEP	WALIA, SURENDRA GREWAL, HARDEEP	
REMARKS: HC134546.						

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.

EXHIBIT “U”

SURENDRA WALLIA et al.
Plaintiffs

-and- LAKE TRADING GODERICH INC. et al.
Defendants

Court File No. CV-20-00642167-0000

December 17, 2020
Bidermiff Dwyer for the plaintiff
On reading the court and on
being advised of the court,

<input checked="" type="checkbox"/> Order to go in the form of the consent/draft order attached, <i>as</i> <input type="checkbox"/> Order to go as asked in paragraphs <i>1</i> of the <i>the</i> order <i>order</i> requested <input checked="" type="checkbox"/> I have signed the original order, <i>as</i>	<i>master</i> <i>master</i>
--	--------------------------------

G. McAfee

MASTER B. McAFEE

ONTARIO
SUPERIOR COURT OF JUSTICE
PROCEEDING COMMENCED AT
TORONTO

MOTION RECORD

Simmons da Silva LLP
Barristers & Solicitors
200-201 County Court Boulevard
Brampton ON L6W 4L2

Pathik Baxi (49502A)
Tel: (905) 457-1660
Fax: (905) 457-5641

Lawyers for the Plaintiffs

Court File No. CV-20-00642167-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE)
JUSTICE MASTER B. MCAFEE)

THURSDAY, THE 17TH
DAY OF DECEMBER, 2020

BETWEEN:

(Court Seal)

SURENDRA WALIA and HARDEEP GREWAL

Plaintiffs

and

LAKE TRADING GODERICH INC., LAKE TRADING NEWCASTLE INC.,
SREEKUMAR VAKEEL, ALLY EDHA AWADH, a.k.a. Allyedha Awadh and
SUMAIA SALEM YESLAM, a.k.a. Sumaia Salem Yeslam Bin Huwail

Defendants

JUDGMENT

THIS MOTION, made by the Plaintiffs for Summary Judgment as against the Defendants in the amount of \$837,477.05, due and owing under the Charge, together with interest at the rate of 15% from June 8, 2020 and possession of the mortgaged property as described in Schedule A, was heard this day at the court house, 330 University Avenue, 9th Floor, Toronto, Ontario, M5G 1R7.

ON READING the Notice of Motion and the consent to judgment of the lawyers for the parties and on hearing the submissions of the lawyer(s) for the parties, *plaintiff who advises that the parties consent, ✓*

1. IT IS ORDERED AND ADJUDGED that the Defendants deliver to the Plaintiff possession of the mortgaged property described herein in Schedule A.

2. IT IS ORDERED AND ADJUDGED that the Defendants pay to the Plaintiff the sum of \$860,187.50 inclusive of interest up to and including September 17, 2020.

This Judgment bears interest at the rate of 15.00 percent per year from September 17, 2021, and costs of this action of \$11,300.00 bear interest at the rate of 3.00 percent per year from its date.


(Signature of Judge)

MASTER B. MCAFEE

SCHEDULE A

Property:

	11382 - 0528 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	UNIT 5, LEVEL 42, YORK CONDOMINIUM PLAN NO. 382, PT LOT 24 PLAN 1176 & PT WATER LOT IN FRONT OF LOT F BROKEN FRONT RANGE E ON LAKE ONTARIO PTS 1 TO 3, 8, 19, 20, 29, 30, 31A, 31C, 32A, 32C, 33, 34, 35B 66R9423 AS IN SCHEDULE 'A' OF DECLARATION B577469 AMENDED BY B807719; S/T B995378 TO B995380, T/VV B995374 TO B995377 ETOBICOKE , CITY OF TORONTO		
<i>Address</i>	4305 2045 LAKE SHORE BOULEVARD WEST TORONTO		
<i>PIN</i>	11382 - 0695 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	UNIT 38, LEVEL B, YORK CONDOMINIUM PLAN NO. 382, PT LOT 24 PLAN 1176 & PT WATER LOT IN FRONT OF LOT F BROKEN FRONT RANGE E ON LAKE ONTARIO PTS 1 TO 3, 8, 19, 20, 29, 30, 31A, 31C, 32A, 32C, 33, 34, 35B 66R9423 AS IN SCHEDULE 'A' OF DECLARATION B577469 AMENDED BY B807719; S/T B995378 TO B995380; T/VV B995374 TO B995377 ETOBICOKE , CITY OF TORONTO		
<i>Address</i>	4305 2045 LAKE SHORE BOULEVARD WEST TORONTO		
<i>PIN</i>	11382 - 0703 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	UNIT 46, LEVEL B, YORK CONDOMINIUM PLAN NO. 382, PT LOT 24 PLAN 1176 & PT WATER LOT IN FRONT OF LOT F BROKEN FRONT RANGE E ON LAKE ONTARIO PTS 1 TO 3, 8, 19, 20, 29, 30, 31A, 31C, 32A, 32C, 33, 34, 35B 66R9423 AS IN SCHEDULE 'A' OF DECLARATION B577469 AMENDED BY B807719; S/T B995378 TO B995380; T/W B995374 TO B995377 ETOBICOKE , CITY OF TORONTO		
<i>Address</i>	4305 2045 LAKE SHORE BOULEVARD WEST TORONTO		
<i>PIN</i>	11382 - 0704 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	UNIT 47, LEVEL B, YORK CONDOMINIUM PLAN NO. 382, PT LOT 24 PLAN 1176 & PT WATER LOT IN FRONT OF LOT F BROKEN FRONT RANGE E ON LAKE ONTARIO PTS 1 TO 3, 8, 19, 20, 29, 30, 31A, 31C, 32A, 32C, 33, 34, 3513 66R9423 AS IN SCHEDULE 'A' OF DECLARATION B577469 AMENDED BY B807719; S/T B995378 TO B995380; T/W B995374 TO B995377 ETOBICOKE , CITY OF TORONTO		
<i>Address</i>	4305 2045 LAKE SHORE BOULEVARD WEST TORONTO		

SURENDRA WALLIA et al.
Plaintiffs

-and- LAKE TRADING GODERICH INC. et al.
Defendants

Court File No. CV-20-00642167-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
PROCEEDING COMMENCED AT
TORONTO

JUDGMENT

Simmons da Silva LLP
Barristers & Solicitors
200-201 County Court Boulevard
Brampton ON L6W 4L2

Pathik Baxi (49502A)
Tel: (905) 457-1660
Fax: (905) 457-5641

Lawyers for the Plaintiffs

EXHIBIT “V”



MILLER THOMSON
AVOCATS | LAWYERS

MILLER THOMSON LLP
ONE LONDON PLACE
255 QUEENS AVENUE, SUITE 2010
LONDON, ON N6A 5R8
CANADA

T 519.931.3500
F 519.858.8511

MILLERTHOMSON.COM

January 14, 2021

Delivered via Registered Mail and Email
(Sreekumar.vakeel@lakeoilgroup.com. and ally.awadh@lakeoilgroup.com)

Tony Van Klink
Direct Line: 519.931.3509
tvanklink@millerthomson.com

File: 0082754.0720

Lake Trading Newcastle Inc.
33 Poplar Plains Road
Brampton, ON L7A 1Z5

Attention: Sreekumar Vakeel and Ally Awadh

Dear Sirs:

Re: Credit Facilities with Bank of Montreal (“BMO”)

We are the lawyers for BMO.

We refer to the (the “**Credit Facilities**”) being made available by BMO to Lake Trading Newcastle Inc. (the “**Borrower**”) as described on schedule “A” to this letter.

As of January 12, 2021, the Borrower was indebted to BMO under the Demand Loans and MasterCard Facility (each as defined on schedule “A”) in the amount of \$979,984.11, the breakdown of which is on schedule “B” to this letter, together with accruing interest and accrued and accruing costs.

BMO is not satisfied with the operation of the Credit Facilities, including,

- (a) the Borrower has obtained secondary financing against the gas station property located at 216 King Avenue, Newcastle (the “**Gas Station Property**”) without BMO’s prior consent. Despite assurances that the mortgage registered against the Gas Station Property for the secondary financing would be removed, the mortgage remains in place; and
- (b) on December 17, 2020 a judgment in the amount of \$860,187.50, plus costs, was obtained against the Borrower by the secondary lenders; and
- (c) the Borrower has failed to communicate with BMO and provide information on a timely basis.

The Demand Loans are payable on demand.

On behalf of BMO, we hereby demand payment of the Demand Loans. The Demand Loans must be made repaid in full by no later than January 25, 2021 (the “**Repayment Date**”).

Unless otherwise advised by BMO in writing, the Operating Loan (as defined on schedule “A”) will remain available to the Borrower (subject to the maximum limit) until 4:30 p.m. on

the Repayment Date. Unless otherwise agreed by BMO in writing, after the Repayment Date the Operating Loan will be cancelled and no longer available for use.

The MasterCard Facility may be cancelled by BMO on 30 days' notice to the Borrower. On behalf of BMO, we hereby advise the Borrower that the MasterCard Facility will be cancelled on February 15, 2021 and will not be available for use after that date. The outstanding balance on the MasterCard Facility must be repaid in full by February 15, 2021.

Interest continues to accrue on the outstanding balance on the Demand Loans and MasterCard Facility at the rates set out on schedule "B". This letter constitutes a demand for payment of the outstanding balance on the Demand Loans and MasterCard Facility, further interest which accrues thereon to the date of payment plus all costs incurred by BMO. As the amounts shown on schedule "B" are subject to change, schedule "B" may not be used for payout purposes. A formal payout statement will be required and will be provided to you upon request.

Pursuant to a guarantee dated June 8, 2015 (the "**Guarantee**"), the Borrower guaranteed payment to BMO of the liabilities of Lake Trading Goderich Inc. ("**LTG**") in the amount of \$1,084,000, plus interest from the date of demand for payment under the Guarantee. BMO has demanded payment of the loans made by it to LTG. A copy of our letter to LTG is enclosed for the Borrower's reference. On behalf of BMO, we hereby demand payment from the Borrower under the Guarantee of the amounts owing by LTG to BMO as set out in the enclosed copy of our letter to LTG. Payment of the amount owing under the Guarantee must be made by the Repayment Date.

A non-renewal notice will be issued by BMO with respect to the Letter of Credit (as defined on schedule "A"). In the event that the beneficiary draws on the Letter of Credit, the Borrower is required to indemnify BMO with respect to same.

Unless the Demand Loans, MasterCard Facility and the Guarantee are repaid as demanded, BMO intends to enforce the security which it holds for such indebtedness, including seeking the appointment of a receiver and manager in respect of the Gas Station Property.

Enclosed is a notice pursuant to section 244 of the *Bankruptcy and Insolvency Act* (the "**BIA Notice**") which is hereby being served upon the Borrower.

Without prejudice to BMO's rights under this demand and the *BIA Notice*, BMO is prepared to discuss with the Borrower terms of a forbearance agreement to allow the Borrower time to pursue the refinancing or sale of the Gas Station Property, subject to terms to be agreed. Failing such an agreement, the Demand Loans, MasterCard Facility and Guarantee must be repaid as demanded herein. Any discussions or negotiations after the date of this letter regarding the terms of a forbearance agreement shall not operate as a waiver of this demand or the *BIA Notice* or an extension of the time period provided for in this demand or the *BIA Notice* unless otherwise confirmed by BMO in writing.

Yours truly,



Tony Van Klink
TVK/jf

Enclosure

c. Vanessa Thomas

SCHEDULE "A"

(Loans)

Demand Loans

1. A \$75,000 operating loan under account number 2987-1997-546 (the "**Operating Loan**"); and
2. A demand loan, non-revolving under account number 2987-6989-748 (the "**DLNR**").

CEBA Loan

1. A \$60,000 loan under account number 5112-4200-0016-4355 pursuant to the Canada Emergency Business Account program (the "**CEBA Loan**").

MasterCard Facility

1. A \$15,000 corporate MasterCard facility under account number 5264-5500-0012-7625 (the "**MasterCard Facility**").

Letter of Credit

1. A \$50,000 letter of credit under account number 2987-6991-805 (the "**Letter of Credit**").

Note: The Operating Loan and DLNR are referred to together as the "**Demand Loans**".

SCHEDULE "B"

(Outstanding balances as of January 12, 2021)

Operating Loan

- Principal \$ 65,427.03
- Interest \$ 103.19
- Interest Rate Prime + 2.25%

DLNR

- Principal \$ 910,884.87
- Interest \$ 1,781.84
- Interest Rate Prime + 3.5%

CEBA Loan

- Principal \$ 60,000.00
- Interest \$ NIL
- Interest Rate 0%

Mastercard Facility

- outstanding balance \$ 1,787.18
- Interest Rate 18.4%

Letter of Credit

- Principal \$ 50,000.00

Note: The principal balance shown for the Letter of Credit (\$50,000) is the face amount of the Letter of Credit. This is a contingent liability for which the Borrower will become liable in the event of a draw under the Letter of Credit.

**NOTICE OF INTENTION TO ENFORCE SECURITY
(SUBSECTION 244(1) OF THE BANKRUPTCY AND INSOLVENCY ACT)**

TO: Lake Trading Newcastle Inc.,
an Insolvent Person

TAKE NOTICE THAT:

1. **Bank of Montreal**, a secured creditor, intends to enforce its security on the property of the insolvent person, being:
 - (a) all present and future personal property, whether tangible or intangible and including, without limitation, all inventory, equipment, machinery, fixtures, accounts receivable, monies, choses in action, documents of title, securities and any and all proceeds derived from any dealing therewith; and
 - (b) the real property legally described as PT LT 27 CON 2 CLARKE (NEWCASTLE) AS IN N122327; MUNICIPALITY OF CLARINGTON (PIN 26655-0066) in the Durham (Whitby) Land Registry office # 40, and municipally known as 216 King Avenue East, Newcastle.

2. The security that is to be enforced is in the form of:
 - (a) General Security Agreement dated July 22, 2014;
 - (b) Charge/mortgage registered in the Durham (Whitby) Land Registry Office as number DR1297507; and
 - (c) Assignment of Rents registered in the Durham (Whitby) Land Registry Office as number DR1297522.

3. The total amount of indebtedness secured by the security as at the present time is \$1,827,405.59 on account of principal and interest as at January 12, 2021, together with accruing interest and costs.

4. The secured creditor will not have the right to enforce the security until after the expiry of the ten day period following the sending of this Notice, unless the insolvent person consents to an earlier enforcement.

DATED at London, Ontario this 14th day of January, 2021.

BANK OF MONTREAL
By its Solicitors
Miller Thomson LLP
2010 – 255 Queens Avenue
London, ON N6A 5R8

Per: _____


Tony Van Klink



MILLER THOMSON
AVOCATS | LAWYERS

MILLER THOMSON LLP
ONE LONDON PLACE
255 QUEENS AVENUE, SUITE 2010
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F 519.858.8511

MILLERTHOMSON.COM

January 14, 2021

Delivered via Registered Mail and Email
(Sreekumar.vakeel@lakeoilgroup.com. and ally.awadh@lakeoilgroup.com)

Tony Van Klink
Direct Line: 519.931.3509
tvanklink@millerthomson.com

File: 0082754.0721

Lake Trading Goderich Inc.
33 Poplar Plains Road
Brampton, ON L7A 1Z5

Attention: Sreekumar Vakeel and Ally Awadh

Dear Sirs:

Re: Loans with Bank of Montreal (“BMO”)

We are the lawyers for BMO.

We refer to the loans (the “**Loans**”) made by BMO to Lake Trading Goderich Inc. (the “**Borrower**”) as described on schedule “A” to this letter.

As of January 12, 2021, the Borrower was indebted to BMO under the Loans in the amount of \$857,421.48, the breakdown of which is on schedule “B” to this letter, together with accruing interest and accrued and accruing costs.

BMO is not satisfied with the operation of the Loans, including,

- (a) the Borrower has obtained secondary financing against the gas station property located at 79 Victoria Street North, Goderich (the “**Gas Station Property**”) without BMO’s prior consent. Despite assurances that the mortgage registered against the Gas Station Property for the secondary financing would be removed, the mortgage remains in place;
- (b) on December 17, 2020 a judgment in the amount of \$860,187.50, plus costs, was obtained against the Borrower by the secondary lenders;
- (c) the Borrower has failed to communicate with BMO and provide information on a timely basis; and
- (d) poor financial performance.

The Demand Loans (as defined on schedule “A”) are payable on demand.

On behalf of BMO, we hereby demand payment of the Demand Loans. The Demand Loans must be made repaid in full by no later than January 25, 2021 (the “**Repayment Date**”).

Unless otherwise advised by BMO in writing, the Operating Loan (as defined on schedule "A") will remain available to the Borrower (subject to the maximum limit) until 4:30 p.m. on the Repayment Date. Unless otherwise agreed by BMO in writing, after the Repayment Date the Operating Loan will be cancelled and no longer available for use.

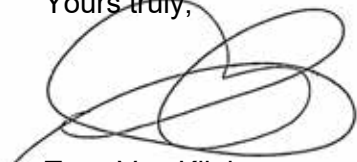
Interest continues to accrue on the outstanding balance on the Demand Loans at the rates set out on schedule "B". This letter constitutes a demand for payment of the outstanding balance on the Demand Loans, further interest which accrues thereon to the date of payment plus all costs incurred by BMO. As the amounts shown on schedule "B" are subject to change, schedule "B" may not be used for payout purposes. A formal payout statement will be required and will be provided to you upon request.

Unless the Demand Loans are repaid as demanded, BMO intends to enforce the security which it holds for the Demand Loans, including seeking the appointment of a receiver and manager in respect of the Gas Station Property.

Enclosed is a notice pursuant to section 244 of the *Bankruptcy and Insolvency Act* (the "**BIA Notice**") which is hereby being served upon the Borrower.

Without prejudice to BMO's rights under this demand and the *BIA Notice*, BMO is prepared to discuss with the Borrower terms of a forbearance agreement to allow the Borrower time to pursue the refinancing or sale of the Gas Station Property, subject to terms to be agreed. Failing such an agreement, the Demand Loans must be repaid as demanded herein. Any discussions or negotiations after the date of this letter regarding the terms of a forbearance agreement shall not operate as a waiver of this demand or the *BIA Notice* or an extension of the time period provided for in this demand or the *BIA Notice* unless otherwise confirmed by BMO in writing.

Yours truly,



Tony Van Klink
TVK/jf

Enclosure

c. Vanessa Thomas

SCHEDULE "A"

(Loans)

Demand Loans

1. A \$75,000 operating loan under account number 2987-1997-191 (the "**Operating Loan**"); and
2. A demand loan, non-revolving under account number 2987-6989-756 (the "**DLNR**").

CEBA Loan

1. A \$60,000 loan under account number 5112-4200-0050-5788 pursuant to the Canada Emergency Business Account program (the "**CEBA Loan**").

Note: The Operating Loan and DLNR are referred to together as the "**Demand Loans**".

SCHEDULE "B"

(Outstanding balances as of January 12, 2021)

Operating Loan

- Principal \$ 73,876.12
- Interest \$ 108.63
- Interest Rate Prime + 2.25%

DLNR

- Principal \$ 722,024.33
- Interest \$ 1,412.40
- Interest Rate Prime + 3.5%

CEBA Loan

- Principal \$ 60,000.00
- Interest \$ NIL
- Interest Rate 0%

EXHIBIT “W”



MILLER THOMSON
AVOCATS | LAWYERS

MILLER THOMSON LLP
ONE LONDON PLACE
255 QUEENS AVENUE, SUITE 2010
LONDON, ON N6A 5R8
CANADA

T 519.931.3500
F 519.858.8511

MILLERTHOMSON.COM

January 14, 2021

Delivered via Registered Mail and Email
(Sreekumar.vakeel@lakeoilgroup.com. and ally.awadh@lakeoilgroup.com)

Tony Van Klink
Direct Line: 519.931.3509
tvanklink@millerthomson.com

File: 0082754.0721

Lake Trading Goderich Inc.
33 Poplar Plains Road
Brampton, ON L7A 1Z5

Attention: Sreekumar Vakeel and Ally Awadh

Dear Sirs:

Re: Loans with Bank of Montreal (“BMO”)

We are the lawyers for BMO.

We refer to the loans (the “**Loans**”) made by BMO to Lake Trading Goderich Inc. (the “**Borrower**”) as described on schedule “A” to this letter.

As of January 12, 2021, the Borrower was indebted to BMO under the Loans in the amount of \$857,421.48, the breakdown of which is on schedule “B” to this letter, together with accruing interest and accrued and accruing costs.

BMO is not satisfied with the operation of the Loans, including,

- (a) the Borrower has obtained secondary financing against the gas station property located at 79 Victoria Street North, Goderich (the “**Gas Station Property**”) without BMO’s prior consent. Despite assurances that the mortgage registered against the Gas Station Property for the secondary financing would be removed, the mortgage remains in place;
- (b) on December 17, 2020 a judgment in the amount of \$860,187.50, plus costs, was obtained against the Borrower by the secondary lenders;
- (c) the Borrower has failed to communicate with BMO and provide information on a timely basis; and
- (d) poor financial performance.

The Demand Loans (as defined on schedule “A”) are payable on demand.

On behalf of BMO, we hereby demand payment of the Demand Loans. The Demand Loans must be made repaid in full by no later than January 25, 2021 (the “**Repayment Date**”).

Unless otherwise advised by BMO in writing, the Operating Loan (as defined on schedule "A") will remain available to the Borrower (subject to the maximum limit) until 4:30 p.m. on the Repayment Date. Unless otherwise agreed by BMO in writing, after the Repayment Date the Operating Loan will be cancelled and no longer available for use.

Interest continues to accrue on the outstanding balance on the Demand Loans at the rates set out on schedule "B". This letter constitutes a demand for payment of the outstanding balance on the Demand Loans, further interest which accrues thereon to the date of payment plus all costs incurred by BMO. As the amounts shown on schedule "B" are subject to change, schedule "B" may not be used for payout purposes. A formal payout statement will be required and will be provided to you upon request.

Unless the Demand Loans are repaid as demanded, BMO intends to enforce the security which it holds for the Demand Loans, including seeking the appointment of a receiver and manager in respect of the Gas Station Property.

Enclosed is a notice pursuant to section 244 of the *Bankruptcy and Insolvency Act* (the "**BIA Notice**") which is hereby being served upon the Borrower.

Without prejudice to BMO's rights under this demand and the *BIA Notice*, BMO is prepared to discuss with the Borrower terms of a forbearance agreement to allow the Borrower time to pursue the refinancing or sale of the Gas Station Property, subject to terms to be agreed. Failing such an agreement, the Demand Loans must be repaid as demanded herein. Any discussions or negotiations after the date of this letter regarding the terms of a forbearance agreement shall not operate as a waiver of this demand or the *BIA Notice* or an extension of the time period provided for in this demand or the *BIA Notice* unless otherwise confirmed by BMO in writing.

Yours truly,



Tony Van Klink
TVK/jf

Enclosure

c. Vanessa Thomas

SCHEDULE "A"

(Loans)

Demand Loans

1. A \$75,000 operating loan under account number 2987-1997-191 (the "**Operating Loan**"); and
2. A demand loan, non-revolving under account number 2987-6989-756 (the "**DLNR**").

CEBA Loan

1. A \$60,000 loan under account number 5112-4200-0050-5788 pursuant to the Canada Emergency Business Account program (the "**CEBA Loan**").

Note: The Operating Loan and DLNR are referred to together as the "**Demand Loans**".

SCHEDULE "B"

(Outstanding balances as of January 12, 2021)

Operating Loan

- Principal \$ 73,876.12
- Interest \$ 108.63
- Interest Rate Prime + 2.25%

DLNR

- Principal \$ 722,024.33
- Interest \$ 1,412.40
- Interest Rate Prime + 3.5%

CEBA Loan

- Principal \$ 60,000.00
- Interest \$ NIL
- Interest Rate 0%

**NOTICE OF INTENTION TO ENFORCE SECURITY
(SUBSECTION 244(1) OF THE BANKRUPTCY AND INSOLVENCY ACT)**

TO: Lake Trading Goderich Inc.,
an Insolvent Person

TAKE NOTICE THAT:

1. **Bank of Montreal**, a secured creditor, intends to enforce its security on the property of the insolvent person, being:
 - (a) all present and future personal property, whether tangible or intangible and including, without limitation, all inventory, equipment, machinery, fixtures, accounts receivable, monies, choses in action, documents of title, securities and any and all proceeds derived from any dealing therewith; and
 - (b) the real property legally described as LT 835 PL 457; PT LT 811 PL 457 AS IN R306418; TOWN OF GODERICH (PIN 41128-0020) in the Huron (Goderich) Land Registry office # 22, and municipally known as 79 Victoria Street North, Goderich.
2. The security that is to be enforced is in the form of:
 - (a) General Security Agreement dated June 8, 2015;
 - (b) Charge/mortgage registered in the Huron (Goderich) Land Registry Office as number HC108368; and
 - (c) Assignment of Rents registered in the Huron (Goderich) Land Registry Office as number HC108369.
3. The total amount of indebtedness secured by the security as at the present time is \$797,421.48 on account of principal and interest as at January 12, 2021, together with accruing interest and costs.
4. The secured creditor will not have the right to enforce the security until after the expiry of the ten day period following the sending of this Notice, unless the insolvent person consents to an earlier enforcement.

DATED at London, Ontario this 14th day of January, 2021.

BANK OF MONTREAL
By its Solicitors
Miller Thomson LLP
2010 – 255 Queens Avenue
London, ON N6A 5R8

Per: _____


Tony Van Klink

EXHIBIT “X”

FORBEARANCE AGREEMENT

THIS AGREEMENT made as of January ____, 2021.

AMONG:

BANK OF MONTREAL, a Canadian chartered bank having an office at 150 King Street West, 11th Floor, Toronto, Ontario

(hereinafter called the "**Bank**")

OF THE FIRST PART

- AND -

LAKE TRADING NEWCASTLE INC., an Ontario corporation carrying on a motor vehicle fuelling station business in Newcastle, Ontario

(hereinafter called the "**Borrower**")

OF THE SECOND PART

- AND -

ALLY EDHA AWADH, SUMAIA SALEM YESLAM BIN HUWAIL and **SREEKUMAR VAKEEL**, the principals of the Borrower

(hereinafter called "**Ally**", "**Sumaia**", and "**Sreekumar**" respectively and collectively, the "**Guarantors**")

OF THE THIRD PART

RECITALS

1. The Borrower owns and operates a motor vehicle fuelling station business (the "**Business**") from the real property located at 216 King Avenue, Newcastle, Ontario (the "**Property**");
2. The Bank is making available to the Borrower the credit facilities described on schedule "A" (together, the "**Credit Facilities**") to finance the Business;
3. In addition to the Credit Facilities, the Bank has made a \$60,000 loan to the Borrower under account number 5112-4200-0016-4355 pursuant to the provisions of the Canada Emergency Business Account program (the "**CEBA Loan**");

4. The Borrower has provided to the Bank the documents described on schedule "B" (the "**Credit Facilities Documents**") with respect to the Credit Facilities;
5. The Guarantors have provided to the Bank the guarantees described on schedule "C" (the "**Guarantees**") for the liabilities of the Borrower to the Bank;
6. The amounts on schedule "D" were outstanding on the Credit Facilities as of January 27, 2021;
7. The Borrower has secured its obligations to the Bank by way of the security documents described on schedule "E" (the "**Security**");
8. Events of Default (the "**Events of Default**") have occurred under the Credit Facilities Documents and the Security, including,
 - a) the Borrower obtained secondary financing against the Property without the Bank's prior consent;
 - b) the Borrower failed to provide required financial reporting;
 - c) on December 17, 2020 a judgment in the amount of \$860,187.50, plus costs, was entered against the Borrower and Goderich.
9. Responsibility for the management of the Credit Facilities was transferred to the Bank's special accounts management unit because of certain of the Events of Default, among other reasons;
10. On January 14, 2021 the Bank demanded payment of the Credit Facilities from the Borrower and the Guarantors and gave notice to the Borrower pursuant to section 244(1) of the *Bankruptcy and Insolvency Act* ("**BIA**") of the Bank's intention to enforce the Security;
11. The Borrower is pursuing efforts to sell or refinance the Business and the Property (the "**Sale and Refinancing Efforts**") to allow it to fully repay the Credit Facilities; and
12. The Borrower and the Guarantors have requested that the Bank forbear from exercising its rights and remedies against them and under the Security to allow them to continue to

pursue the Sale and Refinancing Efforts and repay the Credit Facilities in an orderly fashion.

NOW THEREFORE THIS AGREEMENT WITNESSES that for good and valuable consideration, the receipt and sufficiency of which is acknowledged, and in consideration of the mutual terms herein set forth, the parties hereto agree as follows:

1.0 Acknowledgment of Amounts Outstanding on the Credit Facilities and Liability to Pay

1.1 The Borrower acknowledges and confirms to the Bank as follows:

- (a) that as of January 27, 2021, it was indebted to the Bank on the Credit Facilities for the amounts on schedule "D" and that such amounts were unconditionally owing to the Bank without set off or counterclaim;
- (b) that it has received the demand for payment dated January 14, 2021 (the "**Borrower Demand for Payment**") sent to it on behalf of the Bank for repayment of the Credit Facilities;
- (c) that it does not dispute on any grounds whatsoever its liability to pay to the Bank the amounts outstanding on the Credit Facilities as set forth on schedule "D" and in the event of an Enforcement Action (as defined in Section 5.1) by the Bank, will not dispute its liability to pay the amounts outstanding on the Credit Facilities (together with further interest which accrues thereon);
- (d) that it has received the Notice of Intention to Enforce Security dated January 14, 2021 pursuant to section 244(1) of the *BIA*, (the "**Enforcement Notice**") issued to the Borrower on behalf of the Bank;
- (e) the Credit Facilities are presently due and payable in full and, but for this Agreement, the Bank is entitled to enforce the Borrower Security; and
- (f) its liability to the Bank shall not be reduced, released, diminished or in any manner affected by the terms of this Agreement or any actual forbearance by the Bank in taking any Enforcement Action.

1.2 The Guarantors acknowledge and confirm to the Bank as follows:

- (a) that as of January 27, 2021, the Borrower was indebted to the Bank on the Credit Facilities for the amounts on schedule "D" and that such amounts were unconditionally owing to the Bank by the Borrower without set off or counterclaim;
- (b) that they have each received a demand for payment dated January 14, 2021 (such demands for payment together with the Borrower Demand for Payment being hereafter referred to collectively as the "**Demands for Payment**") issued to each of them on behalf of the Bank for payment of the amount outstanding under the Credit Facilities pursuant to the Guarantees;
- (c) that they do not dispute on any grounds whatsoever their liability to pay to the Bank, as guarantors under the Guarantees, the amounts outstanding on the Credit Facilities as set forth on schedule "D", and in the event of an Enforcement Action by the Bank, will not dispute their liability to pay the amounts outstanding on the Credit Facilities (together with further interest which accrues thereon); and
- (d) their liability to the Bank pursuant to the Guarantees shall not be reduced, released, diminished or in any manner affected by the terms of this Agreement or any actual forbearance by the Bank in taking any Enforcement Action.

2.0 Release

- 2.1 The Borrower and the Guarantors acknowledge and agree that they have no causes of action, disputes or claims for damages, set off or counterclaim (collectively, the "**Claims**") against the Bank, its officers, directors, employees and agents on any basis whatsoever including, without limitation, any Claims related to or in any manner connected with the Credit Facilities, the administration of the Borrower's account with the Bank, or the Security and if there are any Claims, they are hereby forever released and discharged.

3.0 Confirmation of Credit Facilities Documents, Guarantees and Security

- 3.1 The Borrower acknowledges and confirms that,
 - a) the Bank holds the Credit Facilities Documents and Security;

- b) the Credit Facilities Documents and the Security have not been released, discharged, waived or varied; and
- c) it does not and will not in the event of an Enforcement Action by the Bank, dispute that the Credit Facilities Documents and the Security are binding and enforceable in accordance with their written terms.

3.2 The Guarantors acknowledge and confirm that,

- a) the Bank holds the Guarantees;
- b) the Guarantees have not been released, discharged, waived or varied; and
- c) they do not and will not in the event of an Enforcement Action by the Bank, dispute that the Guarantees are binding and enforceable in accordance with their written terms.

4.0 **Accuracy of Recitals**

4.1 The parties acknowledge and confirm that the recitals to this Agreement are true and accurate in all respects.

5.0 **Forbearance**

5.1 Subject to and on the terms and conditions in this Agreement, the Bank agrees to forbear from any Enforcement Action from the Forbearance Effective Time (as defined in section 20.1 below) until the earlier of (a) 5:00 p.m. on April 30, 2021, and (b) the occurrence of one or more Forbearance Termination Events (such period, including any extension of such period which may be given by the Bank pursuant to Section 6.6 below, being hereafter referred to as the “**Forbearance Period**”). “**Enforcement Action**” means the commencement of power of sale, foreclosure or other judicial or private sale proceedings, appointing or obtaining the appointment of a receiver, a manager or a receiver and manager, or other person having similar powers, the taking possession or control of any property or undertaking, commencing any action or proceeding seeking payment or recovery of all or any part of any indebtedness or damages in lieu thereof, or accepting a transfer of any property in lieu of foreclosure, or the exercise of any other

rights or remedies available to the Bank under the Security or otherwise at law or in equity, including without limitation, any bankruptcy proceedings.

- 5.2 The Borrower and the Guarantors acknowledge that notwithstanding the grant of forbearance by the Bank,
- (a) the Demands for Payment and the Enforcement Notice have not been withdrawn;
 - (b) nothing contained in this Agreement shall have the effect of or shall be construed as extending the time period for satisfaction of the Demands for Payment or extending the notice period provided for in the Enforcement Notice; and
 - (c) the time period to satisfy the Demands for Payment and notice period provided for in the Enforcement Notice has expired.

6.0 Repayment of Credit Facilities and Cancellation of Letter of Credit

- 6.1 The Borrower agrees that by the conclusion of the Forbearance Period it will repay the Credit Facilities (but not including the CEBA Loan), in full, and deliver up the original Letter of Credit (as defined in schedule "A") for cancellation. In the event of any draw(s) being made by the beneficiary under the Letter of Credit before the Letter of Credit is delivered up to the Bank, the Borrower shall indemnify and pay to the Bank the amount of such draw(s), together with interest thereon, in accordance with the Indemnity Agreement (as defined on schedule "B").
- 6.2 The Borrower acknowledges that the Bank will be issuing a non-renewal notice to the beneficiary under the Letter of Credit
- 6.3 If the MasterCard Account (as defined on schedule "A") is not cancelled at least 45 days prior to the payout date for the Credit Facilities, in addition to payment of the amount required to repay the Credit Facilities in full, the Bank shall be provided with an additional sum equal to the maximum limit of the MasterCard Account, such sum to be held by the Bank as a reserve (the "**MasterCard Reserve**") for any liabilities that may arise on the MasterCard Account after the payout date. The MasterCard Reserve will be held by the Bank in a non-interest bearing settlement account for a period of 45 days following the payout date and may be used by the Bank to satisfy any liabilities arising on the MasterCard Account after the payout date. After such 45 day period, the balance

remaining in the MasterCard Reserve, if any, shall be returned by the Bank to the Borrower.

- 6.4 During the Forbearance Period the Borrower shall make the payments on the Credit Facilities as set forth on schedule "F". The receipt by the Bank of such payments is not a waiver of the Demands for Payment and shall not bring the Credit Facilities into good standing. The Borrower and the Guarantors understand and agree that notwithstanding such payments, the Credit Facilities remain due and payable in full in accordance with the Demands for Payment and must be repaid in full by the conclusion of the Forbearance Period as provided for in section 6.1 above.
- 6.5 It is contemplated that the Credit Facilities will be repaid by the Borrower selling or refinancing the Business and the Property. During the Forbearance Period, the Borrower will diligently pursue the Sale and Refinancing Efforts. The Borrower agrees to keep the Bank updated on the status of the Sale and Refinancing Efforts, including bi-weekly written updates commencing March 1, 2021, providing the Bank with copies of all commitment letters/term sheets and discussion papers as and when received from prospective lenders and copies of the listing agreement and all offers received for the Property.
- 6.6 Provided the Forbearance Period has not concluded as a result of the occurrence of a Forbearance Termination Event, if by 5:00 p.m. on April 30, 2021 the Borrower has been unable to fully repay the Loans but has obtained a financing commitment (the "**Financing Commitment**") or a sale agreement for the Property (the "**Sale Agreement**") satisfactory to the Bank and which, when completed, will enable the Borrower to fully repay the Credit Facilities, the Bank agrees to extend the Forbearance Period for up to 30 days to allow the Borrower the opportunity to complete the Financing Commitment/Sale Agreement, the length of any such extension to be communicated by the Bank in writing.
- 7.0 Operating Loan**
- 7.1 The Operating Loan (as defined on Schedule "A") will remain available to the Borrower during the Forbearance Period with a maximum limit of \$75,000 (the "**Maximum Limit**"). At all times during the Forbearance Period, the amount outstanding on the Operating Loan must not exceed the Maximum Limit. If at any time during the Forbearance Period

any cheque(s), or other items are presented for payment which, if honoured by the Bank, would cause the amount outstanding on the Operating Loan at the time of presentation to exceed the Maximum Limit, all cheques and other items presented on the date the excess is created will be returned by the Bank and marked "NSF" without any further or prior notice to the Borrower. The Borrower agrees to monitor its cash flow accordingly and to only issue cheques on its operating account having regard to the amount of credit available thereon.

8.0 Interest Rates on the Loans

8.1 During the Forbearance Period the interest rates on the Operating Loan and Demand Loan (as defined on schedule "A") shall be increased by 300 basis points and shall be as set forth on schedule "G".

9.0 Acknowledgment Regarding Future Credit

9.1 The Borrower acknowledges and agrees that other than the continued availability of the Credit Facilities during the Forbearance Period on the terms in this Agreement, the Bank is not obligated to extend any further or additional credit to the Borrower, whether during or after the conclusion of the Forbearance Period.

10.0 Use of Account after Repayment of Credit Facilities

10.1 Following the repayment of the Credit Facilities, the Borrower may, if it wishes to do so, continue to use its operating account number 2987-1997-546 (the "Account") as a regular operating account without borrowing or overdraft privileges. Regular account fees and service charges will apply to the Account. Following the repayment of the Credit Facilities, the Account must operate on a cleared funds basis. Any cheques or other items presented on the Account without sufficient cleared funds available to cover same at the time of presentation will be returned "NSF" without further or prior notice to the Borrower.

10.2 Upon the closure of the Account, the CEBA Loan must be repaid in full.

11.0 Events of Default

11.1 The Borrower acknowledges the Events of Default and agrees that the Bank has not waived the Events of Default or any and all rights that flow from or arise by virtue of such Events of Default and nothing in this Agreement constitutes or shall be deemed or implied to be a waiver by the Bank of the Events of Default or any and all rights which flow from same.

12.0 Covenants

12.1 In addition to all other covenants in the Loan Documents, the Borrower covenants with the Bank that during the Forbearance Period it will:

- (a) insure and keep insured the Property (including insurance for environmental liability) in an amount satisfactory to the Bank with the loss payable under such insurance being payable to the Bank and provide to the Bank a copy of the most recent insurance policy or policies evidencing such insurance upon request;
- (b) pay on a current basis all salaries, wages, vacation pay, realty taxes, utilities, HST, withholding taxes and source deductions for income tax, employment insurance and Canada Pension Plan, as applicable, and any other amounts which if left unpaid may give rise to an encumbrance against the Property or other collateral subject to the Borrower Security in priority to the Borrower Security and provide to the Bank evidence of the payment of same upon request;
- (c) carry on the Business in a commercially reasonable and prudent manner;
- (d) maintain and preserve the Property and all other collateral subject to the Borrower Security in good condition and repair, reasonable wear and tear excepted;
- (e) perform in all material respects all of its obligations under any leases, licenses or other agreements to which the Borrower is a party in order to preserve and protect the assets and the income therefrom;
- (f) keep proper books of accounts and records with respect to the Business;

- (g) permit the Bank, and its agents, to inspect the Property and other collateral subject to the Borrower Security and the books and records of the Borrower upon no less than three (3) business days advance written notice;
- (h) provide to the Bank such financial information as it is presently required to provide to the Bank together with such other financial information as the Bank may from time to time reasonably request;
- (i) promptly give written notice to the Bank of,
 - (i) any material loss of or damage to the Property or other collateral subject to the Security; and
 - (ii) any material adverse change (financial or otherwise) in the Business.
- (j) promptly advise the Bank, in writing, in the event that it reasonably believes that it will be unable to fully repay the Credit Facilities by the conclusion of the Forbearance Period, including the reasons therefor and the date by which it anticipates being able to fully repay the Credit Facilities.

13.0 Conclusion of Forbearance Period

13.1 Upon the conclusion of the Forbearance Period, the Bank shall be under no obligation to continue to forbear from any Enforcement Action. Upon the conclusion of the Forbearance Period, the Bank shall be entitled, in its sole discretion, to immediately and without further notice exercise its rights and remedies against the Borrower, the Guarantors and under the Security for repayment of the Credit Facilities, including any Enforcement Action. The Borrower and the Guarantors agree that they will not oppose any Enforcement Action by the Bank, including, without limitation, any application (a "**Receivership Application**") by the Bank to the Ontario Superior Court of Justice for the appointment of a receiver or receiver and manager in respect of the Business or the Borrower's property and assets, including the Property. The Borrower and the Guarantors irrevocably consent to an order appointing a receiver and manager upon the conclusion of the Forbearance Period in the form of the model receivership order established by the Commercial Court users committee.

- 13.2 The Borrower and the Guarantors irrevocably waive any requirement for service of the Receivership Application.
- 13.3 In the event of the taking of any Enforcement Action by the Bank following the conclusion of the Forbearance Period, the Borrower and the Guarantors agree to cooperate with and fully assist the Bank, or any receiver or receiver and manager appointed at the instance of the Bank, in the enforcement of the Security and the realization of the assets subject to the Security.
- 13.4 In the event that the Bank does not take any Enforcement Action immediately upon the conclusion of the Forbearance Period, by continuing to forbear the Bank shall not be deemed to have (a) waived the Bank's rights to take Enforcement Action at any time after the conclusion of the Forbearance Period, or (b) waived any Forbearance Termination Event which gave rise to the conclusion of the Forbearance Period.

14.0 Forbearance Termination Events

- 14.1 The following shall be Forbearance Termination Events hereunder:
- (a) if the Borrower defaults in the performance of any obligation or covenant in this Agreement or any other agreement between the Borrower and the Bank, other than the continuation of any existing defaults as at the date of this Agreement of which the Bank has knowledge;
 - (b) there occurs an event of default under the Credit Facilities Documents or the Security, other than the continuation of any existing default as at the date of this Agreement of which the Bank has knowledge; and
 - (c) a material adverse change in the Business or the assets, liabilities or condition (financial or otherwise) of the Borrower has occurred.

15.0 Forbearance Fee

- 15.1 In consideration of the Bank's agreement to forbear on the terms and conditions provided for in this Agreement and in recognition of and to help offset the additional costs associated with the administration of the Credit Facilities and the management of the Borrower's account following the transfer to the Bank's Special Account

Management Unit, the Borrower shall pay to the Bank an administration/forbearance fee in the amount of \$5,000 (the "Fee"). The Fee shall be fully earned on the signing of this Agreement and shall be payable upon the signing of this Agreement. The Bank shall be entitled to debit the Account for the amount of the Fee.

16.0 Environmental Compliance

16.1 The Borrower agrees that it will at all times carry on the Business in compliance with all environmental statutes, rules and regulations and shall obtain or maintain all required or desirable permits and insurance in connection with same. Any correspondence received by the Borrower from the Ministry of the Environment and Climate Change or any other regulatory authority in connection with environmental matters shall be provided to the Bank immediately upon receipt thereof.

17.0 Waiver of Right to Seek Creditor Protection

17.1 The Borrower and the Guarantors acknowledge and agree that the purpose and intent of this Agreement is to provide the Borrower with an opportunity to repay the Credit Facilities in an orderly fashion on the terms and conditions provided for in this Agreement. The Borrower and the Guarantors acknowledge and agree that if the Credit Facilities have not been repaid in full by the conclusion of the Forbearance Period, unless otherwise hereafter agreed by the Bank in writing, the Bank should not be further delayed in the exercise of the rights and remedies available to it under the Security (including the taking of any Enforcement Action) by the Borrower making a filing or seeking any protection (including a stay of proceedings) pursuant to the *BIA* or otherwise at law or in equity (a "Filing"). For so long as they are indebted to the Bank for any amount, the Borrower agrees that in the event of a Filing:

- (a) the Bank shall be an unaffected creditor in such Filing;
- (b) it shall not seek a stay of proceedings as against the Bank and the Bank will not be affected by any stay or any other order made in such proceedings unless otherwise expressly agreed by the Bank in writing;
- (c) this Agreement will continue to bind the Borrower;

- (d) it irrevocably consents to the variation of any stay or order in the Filing which would purport to affect the Bank; and
- (e) it will not make or support any application which would have the effect of altering the terms of this Agreement or the Security or creating any charge ranking in priority to the Security or in priority to any other rights of the Bank.

18.0 Tolling of Limitation Period

- 18.1 Continuing until the conclusion of the Forbearance Period, the Bank, the Borrower and the Guarantors hereby agree to toll and suspend the running of the applicable statutes of limitations, laches or other doctrines related to the passage of time in relation to the Credit Facilities, the Security, and any entitlements arising from the Credit Facilities or the Security and any other related matters, and each of the parties confirm that this Agreement is intended to be an agreement to suspend or extend the basic limitation period provided by s. 4 of the *Limitations Act, 2002 (Ontario)* as well as the ultimate limitation period provided by s. 15 of the *Limitations Act, 2002 (Ontario)* in accordance with the provisions of s. 22(3) of the *Limitations Act, 2002 (Ontario)* and is a business agreement in accordance with the provisions of s. 22(5) of the *Limitations Act, 2002 (Ontario)* and any contractual time limitations on the commencement of proceedings, any claims or defences based upon the application of any statute of limitations, contractual limitations, or any time related doctrine including waiver, estoppel or laches are hereby suspended.
- 18.2 The tolling provisions of this Forbearance Agreement will terminate upon either party providing the other with 60 days written notice of an intention to terminate the tolling provisions hereof, or upon the delivery by the Bank to the Borrower and the Guarantors of a fresh demand for payment of the Credit Facilities following the expiry of the Forbearance Period (and for greater certainty the tolling provisions shall not automatically expire upon the expiry or termination of the Forbearance Period) and upon termination of the tolling provisions, and the time provided for under any statutes of limitations, laches, or any other doctrines related to the passage of time in relation to the Credit Facilities, the Security or any entitlements arising from the Credit Facilities or the Security and any other related matters, will recommence running as of the effective date of the termination of these tolling provisions, and for greater certainty the time during

which the limitation period is suspended pursuant to the tolling provisions of this Forbearance Agreement shall not be included in the computation of any limitation period.

19.0 Operation of Accounts at Other Financial Institutions

19.1 During the Forbearance Period the Borrower shall not operate any account(s) at another financial institution without the Bank's prior written consent and shall deposit all monies, cheques and other receipts from the Business to its operating account at the Bank.

20.0 Conditions Precedent

20.1 This Agreement shall become effective upon the satisfaction (or waiver in writing by the Bank) of the following condition precedent (the "**Forbearance Effective Time**"):

- a) the Bank shall have received counterparts of this Agreement, duly executed and delivered by each of the Borrower and the Guarantors.

21.0 Independent Legal Advice

21.1 The Borrower and the Guarantors acknowledge that they have obtained, or had the opportunity to obtain, independent legal advice with respect to entering into this Agreement and have read this Agreement in its entirety, understand its contents and are signing this Agreement freely and voluntarily, without duress or undue influence from any party.

22.0 Miscellaneous

22.1 This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof. The Borrower and the Guarantors acknowledge and agree that except as herein expressly stated, no representation, statement, understanding, promise, warranty or collateral agreement, either oral or in writing, has been made or exists relating to this Agreement or to induce the Borrower and the Guarantors to enter into this Agreement.

22.2 No modification or amendment of this Agreement shall be effective unless in writing and signed by all parties to this Agreement.

- 22.3 The Borrower and the Guarantors agree that they will from time to time upon every reasonable request of the Bank do, execute or cause to be made, done or executed all such further and other lawful acts, deeds, things, devices, documents and assurances whatsoever for the better effecting of the provisions of this Agreement in accordance with its true intent.
- 22.4 If any provision of this Agreement is determined to be invalid, illegal or unenforceable by any court of competent jurisdiction, that provision will be severed from this Agreement, and the remaining provisions will remain in full force and effect.
- 22.5 This Agreement shall be binding upon the parties and each of their respective successors and assigns.
- 22.6 Time will, in all respects, be of the essence in this Agreement, and no extension of time or variation of any term of this Agreement will operate as a waiver of this provision.
- 22.7 Save and except as amended hereby, all terms and conditions of the Credit Facilities Documents, Security and Credit Facilities remain in full force and effect.
- 22.8 The Borrower agrees that the Bank shall have no obligation to discharge the Borrower Security or any part thereof until (a) all liabilities and obligations secured by the Borrower Security have been indefeasibly paid and satisfied in full, (b) the Borrower shall have delivered to the Bank a Release in the form attached as schedule "H", signed and dated as of a date after the date on which the Loans are fully repaid, and (c) the Borrower has paid to the Bank a discharge fee of \$1,000.
- 22.9 All references in this Agreement to dollars or to "\$" are references to Canadian currency unless otherwise specifically indicated.
- 22.10 The Borrower agrees to pay all reasonable legal, consultant, appraisal and other professional fees and disbursements (collectively, "**Professional Fees**") incurred and to be incurred by the Bank with respect to the Credit Facilities and the Borrower's account, including the legal costs incurred by the Bank in the preparation of this Agreement and completing the discharge of the Security upon full payment and satisfaction of the liabilities secured thereby. The Professional Fees shall be paid by the Borrower on the earlier of (a) the conclusion of the Forbearance Period, and (b) the full repayment of the Credit Facilities, and shall be secured by the Security until paid.

22.11 This Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Transmission by facsimile or electronic transmission in PDF format of an executed copy of this Agreement shall be deemed to and constitute due and sufficient delivery of such counterpart.

[signature page follows]

IN WITNESS WHEREOF the parties hereto have executed this agreement as of the date first above written.

BANK OF MONTREAL

Per: *Vanessa Thomas*
Name: Vanessa Thomas
Title: Account Manager
I have authority to bind the Bank

LAKE TRADING NEWCASTLE INC.

Per: *Sreekumar Vakeel*
Name: Sreekumar Vakeel
Title:
I have authority to bind the Company

LAKE TRADING GODERICH INC.

Per: *Sreekumar Vakeel*
Name: Sreekumar Vakeel
Title:
I have authority to bind the Company

ALLY EDHA AWADH, in his personal capacity

SUMAIA SALEM YESLAM BIN HUWAIL, in her personal capacity

Sreekumar Vakeel
SREEKUMAR VAKEEL, in his personal capacity

SCHEDULE "A"

(Credit Facilities)

1. operating loan under account number 2987-1997-546 with a maximum limit of \$75,000 (the "**Operating Loan**")
2. demand loan, non-revolving under account number 2987-6989-748 (the "**Demand Loan**")
3. corporate MasterCard account under account number 5264-5500-0012-7625 in the amount of \$15,000 (the "**MasterCard Account**")
4. \$50,000 letter of credit under account number 2987-6991-805 (the "**Letter of Credit**")

SCHEDULE "B"

(Credit Facilities Documents)

1. Commitment Letter dated July 7, 2014
2. Operating Loan Agreement dated July 22, 2014
3. Corporate MasterCard Account Agreement (Commercial) dated July 9, 2015
(**"MasterCard Account Agreement"**)
4. Standby Letter of Credit/Demand Guarantee Indemnity Agreement dated September 5, 2014 (the **"Indemnity Agreement"**)

SCHEDULE "C"

(Guarantees)

1. Guarantee dated July 22, 2014 in the principal sum of \$2,107,500 signed by Ally and Sumaia
2. Guarantee dated July 22, 2014 in the principal sum of \$2,107,500 signed by Sreekumar

SCHEDULE "D"

(Amounts outstanding on the Credit Facilities as of January 27, 2021)

Operating Loan

• Principal	\$	54,768.68
• Interest	\$	230.27

Demand Loan

• Principal	\$	910,884.87
• Interest	\$	4,009.14

MasterCard Account

• Balance	\$	935.48
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Letter of Credit

• Principal	\$	50,000.00
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SCHEDULE "E"

(Security)

1. General Security Agreement dated July 22, 2014
2. Collateral Mortgage in the principal sum of \$2,107,500 registered in the Durham Region Land Registry Office as number DR1297507 over the Property (PIN 26655-0066)
3. General Assignment of Rents with respect to the Property registered in the Durham Region Land Registry Office as number DR1297522

SCHEDULE "F"

(Summary of Required Payments on Credit Facilities)

Operating Loan

- interest only on the last day of each month

Demand Loan

- Blended principal and interest payment of \$11,372.67 on the last day of each month

MasterCard Facility

- as per MasterCard Facility Agreement

Letter of Credit

- as per Indemnity Agreement

SCHEDULE "G"

(Interest Rates)

Operating Loan

- Interest Rate Prime Rate + 5.25%

Demand Loan

- Interest Rate Prime Rate + 6.5%

MasterCard Account

- Interest Rate As per MasterCard Account Agreement

Letter of Credit

- Interest Rate As per Indemnity Agreement

Note: "Prime Rate" is the floating rate of interest established from time to time by the Bank as the base rate it will use to determined rates of interest on Canadian dollar loans to customers in Canada and designated as Prime Rate.

SCHEDULE "H"

(Release)

RELEASE

This Release witnesses that **LAKE TRADING NEWCASTLE INC. ("LTNI")**, **LAKE TRADING GODERICH INC.**, **ALLY EDHA**, **SUMAIA SALEM YESLAM BIN HUWAIL** and **SREEKUMAR VAKEEL** for themselves and each of their heirs, executors, administrators and assigns (collectively, the "**Releasors**"), for the sum of ONE DOLLAR (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, do hereby irrevocably and forever release and discharge Bank of Montreal ("**BMO**") and each of BMO's affiliates, subsidiaries, successors, agents, assigns, employees, officers, directors and shareholders and, as applicable, each of their heirs, executors, administrators and assigns (collectively, the "**Releasees**") from all claims, suits, debts, contracts, complaints, demands, rights, actions, and causes of action (collectively, the "**Claims**") of any kind or nature whatsoever existing up to the present time, whether or not known or anticipated at the present time or discovered in the future, which the Releasors, or any of them, ever had, presently have or may in the future have against the Releasees, or any of them, based on facts in existence as of the date of this Release including, without limitation, all Claims relating to or in any manner connected with the operation of the accounts and loans of the LTNI with BMO;

AND FOR THE SAID CONSIDERATION the Releasors, and each of them, agree not to make any claim, take or continue any proceedings against any other person or corporation who might claim contribution or indemnity from the Releasees, or any of them, in respect of any matters connected in any way with the Claims released by virtue of this Release.

AND FOR THE SAID CONSIDERATION the Releasors, and each of them, represent and warrant that they have not assigned to any person, firm, corporation or legal entity any of the Claims which are being released by this Release or with respect to which they agree herein not to make any claims, take or continue any proceedings.

AND FOR THE SAID CONSIDERATION the Releasors, and each of them, hereby agree that this Release shall operate conclusively as an estoppel in the event of any such claims or proceedings and may be pleaded accordingly.

AND FOR THE SAID CONSIDERATION the undersigned acknowledge and confirm that they have received, or have had the opportunity to receive, independent legal advice with respect to the terms of this Release and that the undersigned have read this Release carefully and have signed it voluntarily and freely and without any form of duress being exerted upon the Releasors, or anyone acting on behalf of the Releasors and with the express purpose of making a full and final compromise, adjustment and settlement with respect to all of the matters to which this Release applies.

IN WITNESS WHEREOF the undersigned have executed this Release this _____ day of _____, 202__.

LAKE TRADING NEWCASTLE INC.

Per:

Name: Sreekumar Vakeel
Title:
I have authority to bind the Company

LAKE TRADING GODERICH INC.

Per:

Name: Sreekumar Vakeel
Title:
I have authority to bind the Company

ALLYEDHA AWADH, in his personal capacity

SUMAIA SALEM YESLAM BIN HUWAIL, in her personal capacity

Sreekumar Vakeel

SREEKUMAR VAKEEL, in his personal capacity

EXHIBIT “Y”

FORBEARANCE AGREEMENT

THIS AGREEMENT made as of January ____, 2021.

AMONG:

BANK OF MONTREAL, a Canadian chartered bank having an office at 150 King Street West, 11th Floor, Toronto, Ontario

(hereinafter called the "**Bank**")

OF THE FIRST PART

- AND -

LAKE TRADING GODERICH INC., an Ontario corporation carrying on a motor vehicle fuelling station business in Goderich, Ontario

(hereinafter called the "**Borrower**")

OF THE SECOND PART

- AND -

ALLY EDHA AWADH and **SUMAIA SALEM YESLAM BIN HUWAIL**, the principals of the Borrower and **LAKE TRADING NEWCASTLE INC.**, an Ontario corporation affiliated with the Borrower

(hereinafter called "**Ally**", "**Sumaia**", and "**Newcastle**" respectively and collectively, the "**Guarantors**")

OF THE THIRD PART

RECITALS

1. The Borrower owns and operates a motor vehicle fuelling station business (the "**Business**") from the real property located at 79 Victoria Street North, Goderich, Ontario (the "**Property**");
2. The Bank is making available to the Borrower the loans described on schedule "A" (together, the "**Loans**") to finance the Business;
3. In addition to the Loans, the Bank has made a \$60,000 loan to the Borrower under account number 5112-4200-0050-5788 pursuant to the provisions of the Canada Emergency Business Account program (the "**CEBA Loan**");

4. The Borrower has provided to the Bank the documents described on schedule "B" (the "**Loan Documents**") with respect to the Loans;
5. The Guarantors have provided to the Bank the guarantees described on schedule "C" (the "**Guarantees**") for the liabilities of the Borrower to the Bank;
6. The amounts on schedule "D" were outstanding on the Loans as of January 27, 2021;
7. The Borrower and Newcastle have secured their obligations to the Bank by way of the security documents described on schedule "E" (the "**Borrower Security**", the "**Newcastle Security**" and together the "**Security**");
8. Events of Default (the "**Events of Default**") have occurred under the Loan Documents and the Borrower Security, including,
 - a) the Borrower obtained secondary financing against the Property without the Bank's prior consent;
 - b) the Borrower failed to provide required financial reporting;
 - c) on December 17, 2020 a judgment in the amount of \$860,187.50, plus costs, was entered against the Borrower and Newcastle.
9. Responsibility for the management of the Loans was transferred to the Bank's special accounts management unit because of certain of the Events of Default, among other reasons;
10. On January 14, 2021 the Bank demanded payment of the Loans from the Borrower and the Guarantors and gave notice to the Borrower and Newcastle pursuant to section 244(1) of the *Bankruptcy and Insolvency Act* ("**BIA**") of the Bank's intention to enforce the Security;
11. The Borrower is pursuing efforts to sell or refinance the Business and the Property (the "**Sale and Refinancing Efforts**") to allow it to fully repay the Loans; and
12. The Borrower and the Guarantors have requested that the Bank forbear from exercising its rights and remedies against them and under the Security to allow them to continue to pursue the Sale and Refinancing Efforts and repay the Loans in an orderly fashion.

NOW THEREFORE THIS AGREEMENT WITNESSES that for good and valuable consideration, the receipt and sufficiency of which is acknowledged, and in consideration of the mutual terms herein set forth, the parties hereto agree as follows:

1.0 Acknowledgment of Amounts Outstanding on the Loans and Liability to Pay

1.1 The Borrower acknowledges and confirms to the Bank as follows:

- (a) that as of January 27, 2021, it was indebted to the Bank on the Loans for the amounts on schedule "D" and that such amounts were unconditionally owing to the Bank without set off or counterclaim;
- (b) that it has received the demand for payment dated January 14, 2021 (the "**Borrower Demand for Payment**") sent to it on behalf of the Bank for repayment of the Loans;
- (c) that it does not dispute on any grounds whatsoever its liability to pay to the Bank the amounts outstanding on the Loans as set forth on schedule "D" and in the event of an Enforcement Action (as defined in Section 5.1) by the Bank, will not dispute its liability to pay the amounts outstanding on the Loans (together with further interest which accrues thereon);
- (d) that it has received the Notice of Intention to Enforce Security dated January 14, 2021 pursuant to section 244(1) of the *BIA*, (the "**Enforcement Notice**") issued to the Borrower on behalf of the Bank;
- (e) the Loans are presently due and payable in full and, but for this Agreement, the Bank is entitled to enforce the Borrower Security; and
- (f) its liability to the Bank shall not be reduced, released, diminished or in any manner affected by the terms of this Agreement or any actual forbearance by the Bank in taking any Enforcement Action.

1.2 The Guarantors acknowledge and confirm to the Bank as follows:

- (a) that as of January 27, 2021, the Borrower was indebted to the Bank on the Loans for the amounts on schedule "D" and that such amounts were unconditionally owing to the Bank by the Borrower without set off or counterclaim;

- (b) that they have each received a demand for payment dated January 14, 2021 (such demands for payment together with the Borrower Demand for Payment being hereafter referred to collectively as the “**Demands for Payment**”) issued to each of them on behalf of the Bank for payment of the amount outstanding under the Loans pursuant to the Guarantees;
- (c) that they do not dispute on any grounds whatsoever their liability to pay to the Bank, as guarantors under the Guarantees, the amounts outstanding on the Loans as set forth on schedule “D” and in the event of an Enforcement Action by the Bank, will not dispute their liability to pay the amounts outstanding on the Loans (together with further interest which accrues thereon); and
- (d) their liability to the Bank pursuant to the Guarantees shall not be reduced, released, diminished or in any manner affected by the terms of this Agreement or any actual forbearance by the Bank in taking any Enforcement Action.

2.0 Release

- 2.1 The Borrower and the Guarantors acknowledge and agree that they have no causes of action, disputes or claims for damages, set off or counterclaim (collectively, the “**Claims**”) against the Bank, its officers, directors, employees and agents on any basis whatsoever including, without limitation, any Claims related to or in any manner connected with the Loans, the administration of the Borrower’s account with the Bank, or the Security and if there are any Claims, they are hereby forever released and discharged.

3.0 Confirmation of Loan Documents, Guarantees and Security

- 3.1 The Borrower acknowledges and confirms that,
 - a) the Bank holds the Loan Documents and Borrower Security;
 - b) the Loan Documents and the Borrower Security have not been released, discharged, waived or varied; and

- c) it does not and will not in the event of an Enforcement Action by the Bank, dispute that the Loan Documents and the Borrower Security are binding and enforceable in accordance with their written terms.

3.2 The Guarantors acknowledge and confirm that,

- a) the Bank holds the Guarantees;
- b) the Guarantees have not been released, discharged, waived or varied; and
- c) they do not and will not in the event of an Enforcement Action by the Bank, dispute that the Guarantees are binding and enforceable in accordance with their written terms

3.3 Newcastle acknowledges and confirms that,

- a) the Newcastle Security has not been released, discharged, waived or varied; and
- b) it does not and, in the event of an Enforcement Action by the Bank, will not dispute that the Newcastle Security is binding and enforceable in accordance with its terms.

4.0 Accuracy of Recitals

4.1 The parties acknowledge and confirm that the recitals to this Agreement are true and accurate in all respects.

5.0 Forbearance

5.1 Subject to and on the terms and conditions in this Agreement, the Bank agrees to forbear from any Enforcement Action from the Forbearance Effective Time (as defined in section 20.1 below) until the earlier of (a) 5:00 p.m. on April 30, 2021, and (b) the occurrence of one or more Forbearance Termination Events (such period, including any extension of such period which may be given by the Bank pursuant to Section 6.4 below, being hereafter referred to as the "**Forbearance Period**"). "**Enforcement Action**" means the commencement of power of sale, foreclosure or other judicial or private sale proceedings, appointing or obtaining the appointment of a receiver, a manager or a receiver and manager, or other person having similar powers, the taking possession or

control of any property or undertaking, commencing any action or proceeding seeking payment or recovery of all or any part of any indebtedness or damages in lieu thereof, or accepting a transfer of any property in lieu of foreclosure, or the exercise of any other rights or remedies available to the Bank under the Security or otherwise at law or in equity, including without limitation, any bankruptcy proceedings.

5.2 The Borrower and the Guarantors acknowledge that notwithstanding the grant of forbearance by the Bank,

- (a) the Demands for Payment and the Enforcement Notice have not been withdrawn;
- (b) nothing contained in this Agreement shall have the effect of or shall be construed as extending the time period for satisfaction of the Demands for Payment or extending the notice period provided for in the Enforcement Notice; and
- (c) the time period to satisfy the Demands for Payment and notice period provided for in the Enforcement Notice has expired.

6.0 Repayment of Loans

6.1 The Borrower agrees to repay the Loans (but not including the CEBA Loan), in full, by the conclusion of the Forbearance Period.

6.2 During the Forbearance Period the Borrower shall make the payments on the Loans as set forth on schedule "F". The receipt by the Bank of such payments is not a waiver of the Demands for Payment and shall not bring the Loans into good standing. The Borrower and the Guarantors understand and agree that notwithstanding such payments, the Loans remain due and payable in full in accordance with the Demands for Payment and must be repaid in full by the conclusion of the Forbearance Period as provided for in section 6.1 above.

6.3 It is contemplated that the Loans will be repaid by the Borrower selling or refinancing the Business and the Property. During the Forbearance Period, the Borrower will diligently pursue the Sale and Refinancing Efforts. The Borrower agrees to keep the Bank updated on the status of the Sale and Refinancing Efforts, including bi-weekly written updates commencing March 1, 2021, providing the Bank with copies of all commitment

letters/term sheets and discussion papers as and when received from prospective lenders and copies of the listing agreement and all offers received for the Property.

6.4 Provided the Forbearance Period has not concluded as a result of the occurrence of a Forbearance Termination Event, if by 5:00 p.m. on April 30, 2021 the Borrower has been unable to fully repay the Loans but has obtained a financing commitment (the "**Financing Commitment**") or a sale agreement for the Property (the "**Sale Agreement**") satisfactory to the Bank and which, when completed, will enable the Borrower to fully repay the Loans, the Bank agrees to extend the Forbearance Period for up to 30 days to allow the Borrower the opportunity to complete the Financing Commitment/Sale Agreement, the length of any such extension to be communicated by the Bank in writing.

7.0 Operating Loan

7.1 The Operating Loan (as defined on Schedule "A") will remain available to the Borrower during the Forbearance Period with a maximum limit of \$75,000 (the "**Maximum Limit**"). At all times during the Forbearance Period, the amount outstanding on the Operating Loan must not exceed the Maximum Limit. If at any time during the Forbearance Period any cheque(s), or other items are presented for payment which, if honoured by the Bank, would cause the amount outstanding on the Operating Loan at the time of presentation to exceed the Maximum Limit, all cheques and other items presented on the date the excess is created will be returned by the Bank and marked "NSF" without any further or prior notice to the Borrower. The Borrower agrees to monitor its cash flow accordingly and to only issue cheques on its operating account having regard to the amount of credit available thereon.

8.0 Interest Rates on the Loans

8.1 During the Forbearance Period the interest rates on the Loans shall be increased by 300 basis points and shall be as set forth on schedule "G".

9.0 Acknowledgment Regarding Future Credit

9.1 The Borrower acknowledges and agrees that other than the continued availability of the Loans during the Forbearance Period on the terms in this Agreement, the Bank is not

obligated to extend any further or additional credit to the Borrower, whether during or after the conclusion of the Forbearance Period.

10.0 Use of Account after Repayment of Loans

10.1 Following the repayment of the Loans, the Borrower may, if it wishes to do so, continue to use its operating account number 2987-1997-191 (the "**Account**") as a regular operating account without borrowing or overdraft privileges. Regular account fees and service charges will apply to the Account. Following the repayment of the Loans, the Account must operate on a cleared funds basis. Any cheques or other items presented on the Account without sufficient cleared funds available to cover same at the time of presentation will be returned "NSF" without further or prior notice to the Borrower.

10.2 Upon the closure of the Account, the CEBA Loan must be repaid in full.

11.0 Events of Default

11.1 The Borrower acknowledges the Events of Default and agrees that the Bank has not waived the Events of Default or any and all rights that flow from or arise by virtue of such Events of Default and nothing in this Agreement constitutes or shall be deemed or implied to be a waiver by the Bank of the Events of Default or any and all rights which flow from same.

12.0 Covenants

12.1 In addition to all other covenants in the Loan Documents, the Borrower covenants with the Bank that during the Forbearance Period it will:

- (a) insure and keep insured the Property (including insurance for environmental liability) in an amount satisfactory to the Bank with the loss payable under such insurance being payable to the Bank and provide to the Bank a copy of the most recent insurance policy or policies evidencing such insurance upon request;
- (b) pay on a current basis all salaries, wages, vacation pay, realty taxes, utilities, HST, withholding taxes and source deductions for income tax, employment insurance and Canada Pension Plan, as applicable, and any other amounts which if left unpaid may give rise to an encumbrance against the Property or

- other collateral subject to the Borrower Security in priority to the Borrower Security and provide to the Bank evidence of the payment of same upon request;
- (c) carry on the Business in a commercially reasonable and prudent manner;
 - (d) maintain and preserve the Property and all other collateral subject to the Borrower Security in good condition and repair, reasonable wear and tear excepted;
 - (e) perform in all material respects all of its obligations under any leases, licenses or other agreements to which the Borrower is a party in order to preserve and protect the assets and the income therefrom;
 - (f) keep proper books of accounts and records with respect to the Business;
 - (g) permit the Bank, and its agents, to inspect the Property and other collateral subject to the Borrower Security and the books and records of the Borrower upon no less than three (3) business days advance written notice;
 - (h) provide to the Bank such financial information as it is presently required to provide to the Bank together with such other financial information as the Bank may from time to time reasonably request;
 - (i) promptly give written notice to the Bank of,
 - (i) any material loss of or damage to the Property or other collateral subject to the Security; and
 - (ii) any material adverse change (financial or otherwise) in the Business.
 - (j) promptly advise the Bank, in writing, in the event that it reasonably believes that it will be unable to fully repay the Loans by the conclusion of the Forbearance Period, including the reasons therefor and the date by which it anticipates being able to fully repay the Loans.

13.0 Conclusion of Forbearance Period

- 13.1 Upon the conclusion of the Forbearance Period, the Bank shall be under no obligation to continue to forbear from any Enforcement Action. Upon the conclusion of the Forbearance Period, the Bank shall be entitled, in its sole discretion, to immediately and without further notice exercise its rights and remedies against the Borrower, the Guarantors and under the Security for repayment of the Loans, including any Enforcement Action. The Borrower and the Guarantors agree that they will not oppose any Enforcement Action by the Bank, including, without limitation, any application (a **“Receivership Application”**) by the Bank to the Ontario Superior Court of Justice for the appointment of a receiver or receiver and manager in respect of the Business or the Borrower’s property and assets, including the Property. The Borrower and the Guarantors irrevocably consent to an order appointing a receiver and manager upon the conclusion of the Forbearance Period in the form of the model receivership order established by the Commercial Court users committee.
- 13.2 The Borrower and the Guarantors irrevocably waive any requirement for service of the Receivership Application.
- 13.3 In the event of the taking of any Enforcement Action by the Bank following the conclusion of the Forbearance Period, the Borrower and the Guarantors agree to cooperate with and fully assist the Bank, or any receiver or receiver and manager appointed at the instance of the Bank, in the enforcement of the Security and the realization of the assets subject to the Security.
- 13.4 In the event that the Bank does not take any Enforcement Action immediately upon the conclusion of the Forbearance Period, by continuing to forbear the Bank shall not be deemed to have (a) waived the Bank’s rights to take Enforcement Action at any time after the conclusion of the Forbearance Period, or (b) waived any Forbearance Termination Event which gave rise to the conclusion of the Forbearance Period.

14.0 Forbearance Termination Events

- 14.1 The following shall be Forbearance Termination Events hereunder:
- (a) if the Borrower defaults in the performance of any obligation or covenant in this Agreement or any other agreement between the Borrower and the Bank, other

than the continuation of any existing defaults as at the date of this Agreement of which the Bank has knowledge;

- (b) there occurs an event of default under the Loan Documents or the Security, other than the continuation of any existing default as at the date of this Agreement of which the Bank has knowledge; and
- (c) a material adverse change in the Business or the assets, liabilities or condition (financial or otherwise) of the Borrower has occurred.

15.0 Forbearance Fee

15.1 In consideration of the Bank's agreement to forbear on the terms and conditions provided for in this Agreement and in recognition of and to help offset the additional costs associated with the administration of the Loans and the management of the Borrower's account following the transfer to the Bank's Special Account Management Unit, the Borrower shall pay to the Bank an administration/forbearance fee in the amount of \$5,000 (the "Fee"). The Fee shall be fully earned on the signing of this Agreement and shall be payable upon the signing of this Agreement. The Bank shall be entitled to debit the Account for the amount of the Fee.

16.0 Environmental Compliance

16.1 The Borrower agrees that it will at all times carry on the Business in compliance with all environmental statutes, rules and regulations and shall obtain or maintain all required or desirable permits and insurance in connection with same. Any correspondence received by the Borrower from the Ministry of the Environment and Climate Change or any other regulatory authority in connection with environmental matters shall be provided to the Bank immediately upon receipt thereof.

17.0 Waiver of Right to Seek Creditor Protection

17.1 The Borrower and the Guarantors acknowledge and agree that the purpose and intent of this Agreement is to provide the Borrower with an opportunity to repay the Loans in an orderly fashion on the terms and conditions provided for in this Agreement. The Borrower and the Guarantors acknowledge and agree that if the Loans have not been repaid in full by the conclusion of the Forbearance Period, unless otherwise hereafter

agreed by the Bank in writing, the Bank should not be further delayed in the exercise of the rights and remedies available to it under the Security (including the taking of any Enforcement Action) by the Borrower making a filing or seeking any protection (including a stay of proceedings) pursuant to the *BIA* or otherwise at law or in equity (a "Filing"). For so long as they are indebted to the Bank for any amount, the Borrower agrees that in the event of a Filing:

- (a) the Bank shall be an unaffected creditor in such Filing;
- (b) it shall not seek a stay of proceedings as against the Bank and the Bank will not be affected by any stay or any other order made in such proceedings unless otherwise expressly agreed by the Bank in writing;
- (c) this Agreement will continue to bind the Borrower;
- (d) it irrevocably consents to the variation of any stay or order in the Filing which would purport to affect the Bank; and
- (e) it will not make or support any application which would have the effect of altering the terms of this Agreement or the Security or creating any charge ranking in priority to the Security or in priority to any other rights of the Bank.

18.0 Tolling of Limitation Period

18.1 Continuing until the conclusion of the Forbearance Period, the Bank, the Borrower and the Guarantors hereby agree to toll and suspend the running of the applicable statutes of limitations, laches or other doctrines related to the passage of time in relation to the Loans, the Security, and any entitlements arising from the Loans or the Security and any other related matters, and each of the parties confirm that this Agreement is intended to be an agreement to suspend or extend the basic limitation period provided by s. 4 of the *Limitations Act, 2002 (Ontario)* as well as the ultimate limitation period provided by s. 15 of the *Limitations Act, 2002 (Ontario)* in accordance with the provisions of s. 22(3) of the *Limitations Act, 2002 (Ontario)* and is a business agreement in accordance with the provisions of s. 22(5) of the *Limitations Act, 2002 (Ontario)* and any contractual time limitations on the commencement of proceedings, any claims or defences based upon the application of any statute of limitations, contractual limitations, or any time related doctrine including waiver, estoppel or laches are hereby suspended.

18.2 The tolling provisions of this Forbearance Agreement will terminate upon either party providing the other with 60 days written notice of an intention to terminate the tolling provisions hereof, or upon the delivery by the Bank to the Borrower and the Guarantors of a fresh demand for payment of the Loans following the expiry of the Forbearance Period (and for greater certainty the tolling provisions shall not automatically expire upon the expiry or termination of the Forbearance Period) and upon termination of the tolling provisions, and the time provided for under any statutes of limitations, laches, or any other doctrines related to the passage of time in relation to the Loans, the Security or any entitlements arising from the Loans or the Security and any other related matters, will recommence running as of the effective date of the termination of these tolling provisions, and for greater certainty the time during which the limitation period is suspended pursuant to the tolling provisions of this Forbearance Agreement shall not be included in the computation of any limitation period.

19.0 Operation of Accounts at Other Financial Institutions

19.1 During the Forbearance Period the Borrower shall not operate any account(s) at another financial institution without the Bank's prior written consent and shall deposit all monies, cheques and other receipts from the Business to its operating account at the Bank.

20.0 Conditions Precedent

20.1 This Agreement shall become effective upon the satisfaction (or waiver in writing by the Bank) of the following condition precedent (the "**Forbearance Effective Time**"):

- a) the Bank shall have received counterparts of this Agreement, duly executed and delivered by each of the Borrower and the Guarantors.

21.0 Independent Legal Advice

21.1 The Borrower and the Guarantors acknowledge that they have obtained, or had the opportunity to obtain, independent legal advice with respect to entering into this Agreement and have read this Agreement in its entirety, understand its contents and are signing this Agreement freely and voluntarily, without duress or undue influence from any party.

22.0 Miscellaneous

- 22.1 This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof. The Borrower and the Guarantors acknowledge and agree that except as herein expressly stated, no representation, statement, understanding, promise, warranty or collateral agreement, either oral or in writing, has been made or exists relating to this Agreement or to induce the Borrower and the Guarantors to enter into this Agreement.
- 22.2 No modification or amendment of this Agreement shall be effective unless in writing and signed by all parties to this Agreement.
- 22.3 The Borrower and the Guarantors agree that they will from time to time upon every reasonable request of the Bank do, execute or cause to be made, done or executed all such further and other lawful acts, deeds, things, devices, documents and assurances whatsoever for the better effecting of the provisions of this Agreement in accordance with its true intent.
- 22.4 If any provision of this Agreement is determined to be invalid, illegal or unenforceable by any court of competent jurisdiction, that provision will be severed from this Agreement, and the remaining provisions will remain in full force and effect.
- 22.5 This Agreement shall be binding upon the parties and each of their respective successors and assigns.
- 22.6 Time will, in all respects, be of the essence in this Agreement, and no extension of time or variation of any term of this Agreement will operate as a waiver of this provision.
- 22.7 Save and except as amended hereby, all terms and conditions of the Loan Documents, Security and Loans remain in full force and effect.
- 22.8 The Borrower agrees that the Bank shall have no obligation to discharge the Borrower Security or any part thereof until (a) all liabilities and obligations secured by the Borrower Security have been indefeasibly paid and satisfied in full, (b) the Borrower shall have delivered to the Bank a Release in the form attached as schedule "H", signed and dated as of a date after the date on which the Loans are fully repaid, and (c) the Borrower has paid to the Bank a discharge fee of \$1,000.

- 22.9 All references in this Agreement to dollars or to "\$" are references to Canadian currency unless otherwise specifically indicated.
- 22.10 The Borrower agrees to pay all reasonable legal, consultant, appraisal and other professional fees and disbursements (collectively, "**Professional Fees**") incurred and to be incurred by the Bank with respect to the Loans and the Borrower's account, including the legal costs incurred by the Bank in the preparation of this Agreement and completing the discharge of the Security upon full payment and satisfaction of the liabilities secured thereby. The Professional Fees shall be paid by the Borrower on the earlier of (a) the conclusion of the Forbearance Period, and (b) the full repayment of the Loans, and shall be secured by the Security until paid.
- 22.11 This Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Transmission by facsimile or electronic transmission in PDF format of an executed copy of this Agreement shall be deemed to and constitute due and sufficient delivery of such counterpart.

[signature page follows]

IN WITNESS WHEREOF the parties hereto have executed this agreement as of the date first above written.

BANK OF MONTREAL

Per: *Vanessa Thomas*
Name: Vanessa Thomas
Title: Account Manager
I have authority to bind the Bank

LAKE TRADING GODERICH INC.

Per: *Sreekumar Vakeel*
Name: Sreekumar Vakeel
Title:
I have authority to bind the Company

LAKE TRADING NEWCASTLE INC.

Per: *Sreekumar Vakeel*
Name: Sreekumar Vakeel
Title:
I have authority to bind the Company

ALLY EDHA AWADH, in his personal capacity

SUMAIA
SUMAIA SALEM YESLAM BIN HUWAIL, in her personal capacity

SCHEDULE "A"

(Loans)

1. operating loan under account number 2987-1997-191 with a maximum limit of \$75,000 (the "**Operating Loan**")
2. demand loan, non-revolving under account number 2987-6989-756 (the "**Demand Loan**")

SCHEDULE "B"

(Loan Documents)

1. Operating Loan Agreement dated June 8, 2015

SCHEDULE "C"

(Guarantees)

1. Guarantee dated June 8, 2015 in the principal sum of \$1,084,000 signed by Ally and Sumaia
2. Guarantee dated June 8, 2015 in the principal sum of \$1,084,000 signed by Newcastle

SCHEDULE "D"

(Amounts outstanding on the Loans as of January 27, 2021)

Operating Loan

- Principal \$ 65,549.20
- Interest \$ 245.23

Demand Loan

- Principal \$ 722,024.33
- Interest \$ 3,177.90

SCHEDULE "E"

(Security)

1. General Security Agreement dated June 8, 2015
2. Collateral Mortgage in the principal sum of \$1,600,000 registered in the Huron County Land Registry Office as number HC108368 over the Property (PIN 41128-0020)
3. General Assignment of Rents with respect to the Property registered in the Huron County Land Registry Office as number HC108369

SCHEDULE "F"

(Summary of Required Payments on Loans)

Operating Loan

- interest only on the last day of each month

Demand Loan

- Blended principal and interest payment of \$8,315.43 on the last day of each month

SCHEDULE "G"

(Interest Rates)

Operating Loan

- Interest Rate Prime Rate + 5.25%

Demand Loan

- Interest Rate Prime Rate + 6.5%

Note: "Prime Rate" is the floating rate of interest established from time to time by the Bank as the base rate it will use to determined rates of interest on Canadian dollar loans to customers in Canada and designated as Prime Rate.

SCHEDULE "H"

(Release)

RELEASE

This Release witnesses that **LAKE TRADING GODERICH INC. ("LTGI")**, **LAKE TRADING NEWCASTLE INC.**, **ALLY EDHA** and **SUMAIA SALEM YESLAM BIN HUWAIL** for themselves and each of their heirs, executors, administrators and assigns (collectively, the "**Releasors**"), for the sum of ONE DOLLAR (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, do hereby irrevocably and forever release and discharge Bank of Montreal ("**BMO**") and each of BMO's affiliates, subsidiaries, successors, agents, assigns, employees, officers, directors and shareholders and, as applicable, each of their heirs, executors, administrators and assigns (collectively, the "**Releasees**") from all claims, suits, debts, contracts, complaints, demands, rights, actions, and causes of action (collectively, the "**Claims**") of any kind or nature whatsoever existing up to the present time, whether or not known or anticipated at the present time or discovered in the future, which the Releasors, or any of them, ever had, presently have or may in the future have against the Releasees, or any of them, based on facts in existence as of the date of this Release including, without limitation, all Claims relating to or in any manner connected with the operation of the accounts and loans of the LTGI with BMO;

AND FOR THE SAID CONSIDERATION the Releasors, and each of them, agree not to make any claim, take or continue any proceedings against any other person or corporation who might claim contribution or indemnity from the Releasees, or any of them, in respect of any matters connected in any way with the Claims released by virtue of this Release.

AND FOR THE SAID CONSIDERATION the Releasors, and each of them, represent and warrant that they have not assigned to any person, firm, corporation or legal entity any of the Claims which are being released by this Release or with respect to which they agree herein not to make any claims, take or continue any proceedings.

AND FOR THE SAID CONSIDERATION the Releasors, and each of them, hereby agree that this Release shall operate conclusively as an estoppel in the event of any such claims or proceedings and may be pleaded accordingly.

AND FOR THE SAID CONSIDERATION the undersigned acknowledge and confirm that they have received, or have had the opportunity to receive, independent legal advice with respect to the terms of this Release and that the undersigned have read this Release carefully and have signed it voluntarily and freely and without any form of duress being exerted upon the Releasors, or anyone acting on behalf of the Releasors and with the express purpose of making a full and final compromise, adjustment and settlement with respect to all of the matters to which this Release applies.

IN WITNESS WHEREOF the undersigned have executed this Release this 11 day of February, 2021.

LAKE TRADING GODERICH INC.

Per: Sreekumar Vakeel
Name: Sreekumar Vakeel
Title:
I have authority to bind the Company

LAKE TRADING NEWCASTLE INC.

Per: [Signature]
Name: Sreekumar Vakeel
Title:
I have authority to bind the Company

[Signature]
ALLYEDHA AWADH, in his personal capacity

[Signature]
SUMAIA SALEM YESLAM BIN HUWAIL, in her personal capacity

EXHIBIT “Z”

Court File No. CV-20-00642167-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N:

SURENDRA WALIA and HARDEEP GREWAL

Plaintiffs

and

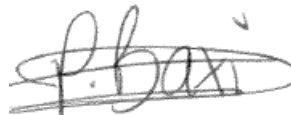
LAKE TRADING GODERICH INC., LAKE TRADING NEWCASTLE INC.,
SREEKUMAR VAKEEL, ALLY EDHA AWADH, a.k.a. Allyedha Awadh and
SUMAIA SALEM YESLAM, a.k.a. Sumaia Salem Yeslam Bin Huwail

Defendants

SATISFACTION PIECE

I HEREBY ACKNOWLEDGE satisfaction and full payment of the Judgment in this proceeding in which it was decided that the Defendants should pay the Plaintiff the sum of the principal sum of \$860,187.50 and \$11,300.00 in costs.

DATED AT BRAMPTON, ONTARIO this 10th day of March, 2021

Witness

Pathik Baxi, Lawyer for the Plaintiffs

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

SATISFACTION PIECE

Simmons da Silva LLP
Barristers & Solicitors
200-201 County Court Boulevard
Brampton ON L6W 4L2

Pathik Baxi (49502A)
Tel: (905) 457-1660
Fax: (905) 457-5641

Lawyers for the Plaintiffs

EXHIBIT “AA”

FORBEARANCE EXTENSION AGREEMENT

THIS AGREEMENT made as of May 1, 2021.

AMONG:

BANK OF MONTREAL, a Canadian chartered bank
having an office at 150 King Street West, 11th Floor,
Toronto, Ontario
(the "Bank")

OF THE FIRST PART

- AND -

LAKE TRADING NEWCASTLE INC., an Ontario
corporation carrying on a motor vehicle fuelling station
business in Newcastle, Ontario
(hereinafter called the "Borrower")

OF THE SECOND PART

- AND -

**ALLY EDHA AWADH, SUMAIA SALEM YESLAM BIN
HUWAIL and SREEKUMAR VAKEEL**, the principals of
the Borrower
(hereinafter called the "Guarantors")

OF THE THIRD PART

RECITALS

1. The parties have previously entered into a Forbearance Agreement made as of January __, 2021 (the "Forbearance Agreement");
2. Capitalized terms in this Forbearance Extension Agreement have the same meaning as in the Forbearance Agreement;
3. The Borrower failed to repay the Credit Facilities in full by April 30, 2021 as required in the Forbearance Agreement;
4. The Covid-19 pandemic has delayed the Sale and Refinancing Efforts;

5. The Borrower and Guarantors have requested that the Forbearance Period be extended to allow them to continue with the Sale and Refinancing Efforts and repay the Credit Facilities in an orderly fashion.

NOW THEREFORE THIS AGREEMENT WITNESSES that for \$1.00 and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, and in consideration of the mutual terms herein set forth, the parties hereto agree as follows:

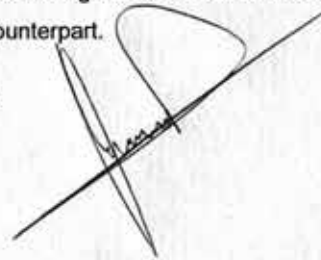
1. The Borrower and Guarantors acknowledge and confirm to the Bank as follows:
 - (a) the amounts outstanding for principal and interest on the Credit Facilities as of April 30, 2021 are as set forth on schedule "A"; and
 - (b) they do not dispute on any grounds whatsoever their liability to pay the amounts set forth on schedule "A" (together with additional interest accruing thereon) and that such amounts are unconditionally owing to the Bank without set off or counterclaim.

2. The Forbearance Agreement is hereby amended as follows:
 - (a) first sentence in Section 5.1 is deleted and replaced with the following: "Subject to and on the terms and conditions in this Agreement, the Bank agrees to forbear from any Enforcement Action from the Forbearance Effective Time (as defined in section 20.1 below) until the earlier of (a) the occurrence of one or more Forbearance Termination Events, and (b) the Bank giving not less than 60 days written notice to the Borrower that it will no longer forbear from the taking of Enforcement Action (such period being hereafter referred to as the "Forbearance Period")";
 - (b) between Section 6.4 and Section 6.5, a new Section 6.4.1 shall be inserted which shall read as follows:

In addition to the payments required to be made during the Forbearance Period as set forth on Schedule "F", the Borrower shall make the following payments to the Bank (i) a principal payment of not less than \$50,000 on the Demand Loan by no later than June 15, 2021, and (ii) a principal payment of not less than \$75,000 on the Demand Loan by no later than July 15, 2021.

- (c) Section 6.6 is deleted in its entirety; and
 - (d) Schedule "F" is amended to provide that commencing with the payment due on July 31, 2021, the monthly payments on the Demand Loan shall be increased to \$17,304.74 (blended principal and interest).
3. In addition to all other fees and charges payable to the Bank, including the Fee, the Borrower shall pay to the Bank an extension fee in the amount of \$5,000 which shall be fully earned and payable upon the signing of this Forbearance Extension Agreement.
 4. Save and except as amended by this Forbearance Extension Agreement, all terms and conditions in the Forbearance Agreement remain in full force and effect;
 5. This Forbearance Extension Agreement shall be binding upon the parties hereto and each of their respective successors and assigns;
 6. Time will, in all respects, be of the essence in this Forbearance Extension Agreement and no extension of time or variation of any term of this Forbearance Extension Agreement will operate as a waiver of this provision; and
 7. This Forbearance Extension Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Transmission by facsimile or electronic transmission in PDF format of an executed copy of this Forbearance Extension Agreement shall be deemed to and constitute due and sufficient delivery of such counterpart.

[signature page follows]

A handwritten signature in black ink, appearing to be a stylized 'D' or similar character, is written over a diagonal line that crosses the page.

BANK OF MONTREAL

Per: *Rosa Sirignano*
Name: Rosa Sirignano
Title: Account Manager
I have authority to bind the Bank

LAKE TRADING NEWCASTLE INC.

Per: _____
Name: ALLY EDHA AWADH
Title: DIRECTOR
I have authority to bind the Company

LAKE TRADING GODERICH INC.

Per: _____
Name: ALLY EDHA AWADH
Title: DIRECTOR
I have authority to bind the Company

ALLY EDHA AWADH, in his personal capacity

Sumaia
SUMAIA SALEM YESLAM BIN HUWAIL, in her personal capacity

Sreekumar Vakeel
SREEKUMAR VAKEEL, in his personal capacity

SCHEDULE "A"

(Amounts outstanding on the Loans as of May 10, 2021)

Operating Loan

- Principal \$ 73,796.90
- Interest \$ 106.81

Demand Loan

- Principal \$ 889,095.67
- Interest \$ 1,526.08

MasterCard Account

- Balance \$ NIL

Letter of Credit

- Principal \$ 50,000.00

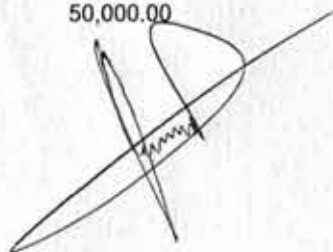


EXHIBIT “BB”

FORBEARANCE EXTENSION AGREEMENT

THIS AGREEMENT made as of May 1, 2021.

AMONG:

BANK OF MONTREAL, a Canadian chartered bank having an office at 150 King Street West, 11th Floor, Toronto, Ontario

(the "**Bank**")

OF THE FIRST PART

- AND -

LAKE TRADING GODERICH INC., an Ontario corporation carrying on a motor vehicle fuelling station business in Goderich, Ontario

(hereinafter called the "**Borrower**")

OF THE SECOND PART

- AND -

ALLY EDHA AWADH and **SUMAIA SALEM YESLAM BIN HUWAIL**, the principals of the Borrower and **LAKE TRADING NEWCASTLE INC.**, an Ontario corporation affiliated with the Borrower

(hereinafter called the "**Guarantors**")

OF THE THIRD PART

RECITALS

1. The parties have previously entered into a Forbearance Agreement made as of January __, 2021 (the "**Forbearance Agreement**");
2. Capitalized terms in this Forbearance Extension Agreement have the same meaning as in the Forbearance Agreement;
3. The Borrower failed to repay the Loans in full by April 30, 2021 as required in the Forbearance Agreement;
4. The Covid-19 pandemic has delayed the Sale and Refinancing Efforts;

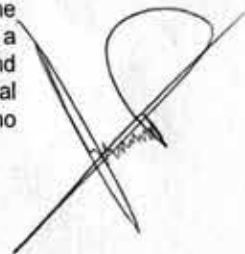
5. The Borrower and Guarantors have requested that the Forbearance Period be extended to allow them to continue with the Sale and Refinancing Efforts and repay the Loans in an orderly fashion.

NOW THEREFORE THIS AGREEMENT WITNESSES that for \$1.00 and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, and in consideration of the mutual terms herein set forth, the parties hereto agree as follows:

1. The Borrower and Guarantors acknowledge and confirm to the Bank as follows:
 - (a) the amounts outstanding for principal and interest on the Loans as of April 30, 2021 are as set forth on schedule "A"; and
 - (b) they do not dispute on any grounds whatsoever their liability to pay the amounts set forth on schedule "A" (together with additional interest accruing thereon) and that such amounts are unconditionally owing to the Bank without set off or counterclaim.

2. The Forbearance Agreement is hereby amended as follows:
 - (a) first sentence in Section 5.1 is deleted and replaced with the following: "Subject to and on the terms and conditions in this Agreement, the Bank agrees to forbear from any Enforcement Action from the Forbearance Effective Time (as defined in section 20.1 below) until the earlier of (a) the occurrence of one or more Forbearance Termination Events, and (b) the Bank giving not less than 60 days written notice to the Borrower that it will no longer forbear from the taking of Enforcement Action (such period being hereafter referred to as the "Forbearance Period")";
 - (b) between Section 6.2 and Section 6.3, a new Section 6.2.1 shall be inserted which shall read as follows:

In addition to the payments required to be made during the Forbearance Period as set forth on Schedule "F", the Borrower shall make the following payments to the Bank (i) a principal payment of not less than \$50,000 on the Demand Loan by no later than June 15, 2021, and (ii) a principal payment of not less than \$75,000 on the Demand Loan by no later than July 15, 2021.

A handwritten signature in black ink, consisting of a large, stylized loop followed by a horizontal stroke and a vertical stroke extending downwards.

- (c) Section 6.4 is deleted in its entirety; and
 - (d) Schedule "F" is amended to provide that commencing with the payment due on July 31, 2021, the monthly payments on the Demand Loan shall be increased to \$12,652.28 (blended principal and interest).
3. In addition to all other fees and charges payable to the Bank, including the Fee, the Borrower shall pay to the Bank an extension fee in the amount of \$5,000 which shall be fully earned and payable upon the signing of this Forbearance Extension Agreement.
 4. Save and except as amended by this Forbearance Extension Agreement, all terms and conditions in the Forbearance Agreement remain in full force and effect;
 5. This Forbearance Extension Agreement shall be binding upon the parties hereto and each of their respective successors and assigns;
 6. Time will, in all respects, be of the essence in this Forbearance Extension Agreement and no extension of time or variation of any term of this Forbearance Extension Agreement will operate as a waiver of this provision; and
 7. This Forbearance Extension Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Transmission by facsimile or electronic transmission in PDF format of an executed copy of this Forbearance Extension Agreement shall be deemed to and constitute due and sufficient delivery of such counterpart.

[signature page follows]

A handwritten signature in black ink, consisting of a large, stylized loop followed by a horizontal line and a vertical stroke.

BANK OF MONTREAL

Per:

Rosa Sirignano

Name: Rosa Sirignano
Title: Account Manager

I have authority to bind the Bank

LAKE TRADING GODERICH INC.

Per:

Name: ALLY EDHA AWADH
Title: DIRECTOR

I have authority to bind the Company

LAKE TRADING NEWCASTLE INC.

Per:

Name: ALLY EDHA AWADH
Title: DIRECTOR

I have authority to bind the Company

ALLY EDHA AWADH, in his personal capacity

SUMAIA

SUMAIA SALEM YESLAM BIN HUWAIL, in her
personal capacity

SCHEDULE "A"

(Amounts outstanding on the Loans as of May 10, 2021)

Operating Loan

• Principal	\$	73,306.28
• Interest	\$	104.77

Demand Loan

• Principal	\$	707,411.52
• Interest	\$	1,214.23

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EXHIBIT “CC”



MILLER THOMSON
AVOCATS | LAWYERS

MILLER THOMSON LLP
ONE LONDON PLACE
255 QUEENS AVENUE, SUITE 2010
LONDON, ON N6A 5R8
CANADA

T 519.931.3500
F 519.858.8511

MILLERTHOMSON.COM

April 1, 2022

Email:

**Sreekumar.vakeel@lakeoilgroup.com,
ally.awadh@lakeoilgroup.com,
dileep.p@lakeoilgroup.com**

Tony Van Klink

Direct Line: 519.931.3509
tvanklink@millerthomson.com

File: 0082754.0721

Lake Trading Newcastle Inc.
6980 Maritz Drive, Suite 14
Mississauga, ON L5W 1Z3

Attention: Ally Awadh, Sreekumar Vakeel and
Dileep Kumar

Dear Sirs:

Re: Loans with Bank of Montreal (“BMO”)

We are the lawyers for BMO.

We refer to the Forbearance Agreement dated January, 2021, as amended (the “**Forbearance Agreement**”) among, BMO, Lake Trading Newcastle Inc. (the “**Company**”) and the guarantors of the obligations of the Company to BMO.

Capitalized terms in this letter have the meaning given to them in the Forbearance Agreement.

On March 30, 2022, the Company advised BMO that the gas station owned by the Company closed and ceased operating last week.

Pursuant to section 12.1(c) of the Forbearance Agreement, the Company covenanted to carry on the gas station business in a commercially reasonable and prudent manner. By ceasing to carry on business, the Company has breached the Forbearance Agreement. The ceasing to carry on business is also a default under the security granted by the Company to the Bank.

By reason of the foregoing, a Forbearance Termination Event has occurred. Pursuant to the terms of the Forbearance Agreement, the Forbearance Period is at an end and BMO is no longer obligated to forbear from the taking of any Enforcement Action.

In the circumstances, BMO intends to apply to the Court for the appointment of a receiver and manager of the assets, undertakings and properties of the Company, including the gas station. We will advise of the hearing date once it has been set. You may wish to

use the time between now and the hearing date to make other financing arrangements to repay the loans if you are able to do so.

Yours truly,



Tony Van Klink
TVK/jf

c. Eugene Chow



MILLER THOMSON
AVOCATS | LAWYERS

MILLER THOMSON LLP
ONE LONDON PLACE
255 QUEENS AVENUE, SUITE 2010
LONDON, ON N6A 5R8
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April 1, 2022

Email:

**Sreekumar.vakeel@lakeoilgroup.com,
ally.awadh@lakeoilgroup.com,
dileep.p@lakeoilgroup.com**

Tony Van Klink

Direct Line: 519.931.3509
tvanklink@millerthomson.com

File: 0082754.0721

Lake Trading Goderich Inc.
6980 Maritz Drive, Suite 14
Mississauga, ON L5W 1Z3

Attention: Ally Awadh, Sreekumar Vakeel and
Dileep Kumar

Dear Sirs:

Re: Loans with Bank of Montreal (“BMO”)

We are the lawyers for BMO.

We refer to the Forbearance Agreement dated January, 2021, as amended (the “**Forbearance Agreement**”) among, BMO, Lake Trading Goderich Inc. (the “**Company**”) and the guarantors of the obligations of the Company to BMO.

Capitalized terms in this letter have the meaning given to them in the Forbearance Agreement.

On March 30, 2022, the Company advised BMO that the gas station owned by the Company has been closed and not operating since mid-February, 2022.

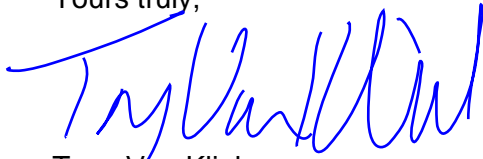
Pursuant to section 12.1(c) of the Forbearance Agreement, the Company covenanted to carry on the gas station business in a commercially reasonable and prudent manner. By ceasing to carry on business, the Company has breached the Forbearance Agreement. The ceasing to carry on business is also a default under the security granted by the Company to the Bank.

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In the circumstances, BMO intends to apply to the Court for the appointment of a receiver and manager of the assets, undertakings and properties of the Company, including the gas station. We will advise of the hearing date once it has been set. You may wish to use

the time between now and the hearing date to make other financing arrangements to repay the loans if you are able to do so.

Yours truly,



Tony Van Klink
TVK/jr

c. Eugene Chow

BANK OF MONTREAL and LAKE TRADING NEWCASTLE INC.
Applicant Respondent
BANK OF MONTREAL and LAKE TRADING GODERICH INC.
Applicant Respondent

Court File No:

Court File No:

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

Proceeding commenced at TORONTO

**AFFIDAVIT OF EUGENE CHOW
(SWORN APRIL 6, 2022)**

MILLER THOMSON LLP

One London Place
255 Queens Avenue, Suite 2010
London, ON Canada N6A 5R8

Tony Van Klink LSO#: 29008M
tvanklink@millerthomson.com
Tel: 519.931.3509
Fax: 519.858.8511

**Lawyers for the Applicant,
Bank of Montreal**

TAB 4

Court File No.:

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

BETWEEN:

BANK OF MONTREAL**Applicant**

- and -

LAKE TRADING NEWCASTLE INC.**Respondent**

APPLICATION UNDER 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

CONSENT

MNP Ltd. hereby consents to act as receiver and manager of the assets,
undertakings and properties of the respondent pursuant to the Application of Bank of
Montreal.

DATED at Toronto, Ontario this 4th day of April, 2022.

MNP LTD.

Per:



Deborah Hornbostel, Partner
CPA, CA, CIRP, LIT, CFE

BANK OF MONTREAL and LAKE TRADING NEWCASTLE INC.
Applicant Respondent

Court File No:

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

Proceeding commenced at TORONTO

CONSENT

MILLER THOMSON LLP
ONE LONDON PLACE
255 QUEENS AVENUE, SUITE 2010
LONDON, ON CANADA N6A 5R8

Tony Van Klink LSO#: 29008M
Tel: 519.931.3509
Fax: 519.858.8511
Email: tvanklink@millerthomson.com

**Lawyers for the Applicant,
Bank of Montreal**

BANK OF MONTREAL

and

LAKE TRADING NEWCASTLE INC.

Court File No: CV-22-00679501-00CL

Applicant

Respondent

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

Proceeding commenced at TORONTO

**APPLICATION RECORD
(RETURNABLE APRIL 21, 2022)**

MILLER THOMSON LLP

One London Place
255 Queens Avenue, Suite 2010
London, ON Canada N6A 5R8

Tony Van Klink LSO#: 29008M

Tel: 519.931.3509

Fax: 519.858.8511

Email: tvanklink@millerthomson.com

**Lawyers for the Applicant,
Bank of Montreal**