Court File No. CV-25-00000335-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N:

LIBRO CREDIT UNION LIMITED

Applicant

- and -

VAUGHAN ST GP CORP. and VAUGHAN ST LP

Respondents

APPLICATION RECORD

(Application returnable August 12, 2025)

HARRISON PENSA LLP
Barristers & Solicitors
130 Dufferin Avenue, Suite 1101
London, ON N6A 5R2

Michael E. Cassone (LSO #45073G)
Tel: (519) 679-9660
Fax: (519) 667-3362
mcassone@harrisonpensa.com

Lawyers for the Applicant

TO: **VAUGHAN ST GP CORP.**
203-1515 Gordon Street
Guelph, ON N1L 1C9
Email: *scott@reidsproperties.com*

AND
TO: **VAUGHAN ST LP**
203-1515 Gordon Street
Guelph, ON N1L 1C9
Email: *scott@reidsproperties.com*

AND
TO: **SCOTT O. REID**
6815 Wellington Road 34, R.R. #22
Cambridge, ON N3C 2V4
Email: *scott@reidsproperties.com*

AND
TO: **RHH RENTAL PROPERTIES LTD.**
203-1515 Gordon Street
Guelph, ON N1L 1C9
Email: *scott@reidsproperties.com*

AND
TO: **RHH Rental Properties Ltd.**
c/o Deloitte
Attention: Phil Reynolds and Martin Lin
Email: *philreynolds@deloitte.ca* and *muslin@deloitte.ca*

AND
TO: **THE CORPORATION OF THE CITY OF GUELPH**
1 Carden Street
Guelph, ON N1H 3A1

AND
TO: **Vaughan ST GP Corp., RHH Rental Properties Ltd.**
c/o Miller Thomson LLP
100 New Park Place, Suite 700
Vaughan, ON L4K 0H9
Attention: Mark A. De Sanctis
Email: *mdesanctis@millerthomson.com*

AND
TO: **MARTIN SIMONS SWEERS ARCHITECTS INC.**
c/o Gowling WLG (Canada) LLP
345 King Street West, Suite 600
Kitchener, ON N2G 0C5
Attention: Sahil Shoor and Kathy Jiang
Email: *sahil.shoor@gowlingwlg.com* and *Kathy.Z.Jiang@gowlingwlg.com*

AND
TO: **BDO CANADA LLP**
201-150 Caroline Street South
Kitchener-Waterloo, ON N2L 0A5
Attention: Robyn Duwyn
Email: *rduwyn@bdo.ca*

AND
TO: **CANADA REVENUE AGENCY**
c/o Department of Justice
Ontario Regional Office
120 Adelaide St. W., Suite 400
Toronto, ON M5H 1T1
Email: *AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca*

AND
TO: **HIS MAJESTY THE KING IN RIGHT OF THE PROVINCE OF ONTARIO as Represented by The Ministry of Finance**
Revenue Collections Branch – Insolvency Unit
33 King Street W., P.O. Box 627
Oshawa, ON L1H 8H5
Email: *insolvency.unit@ontario.ca*
Email: *steven.groeneveld@ontario.ca*

AND
TO: **Office of the Superintendent of Bankruptcy**
Attention: Yannick Michelin
Email: *Yannick.Michelin@ised-isde.gc.ca*

AND
TO: **Chad Wiseman and Carly Emeny-Wiseman**
c/o Gary McHale
Email: *gmchale1980@gmail.com*

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Court File No. CV-25-00000335-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

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TAB 1

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N:

LIBRO CREDIT UNION LIMITED

Applicant

- and -

VAUGHAN ST GP CORP. and VAUGHAN ST LP

Respondents

NOTICE OF APPLICATION

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

TO THE RESPONDENT:

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

THIS APPLICATION will come on for a hearing on Tuesday August 12, 2025 at 10:00 a.m.

[ ] in writing under subrule 37.12.1(1) and 37.07(2);

[ ] in writing as an opposed motion under subrule 37.12.1(4);

[X] in person

At the following location: 74 Woolwich Street, Guelph, Ontario

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the Rules of Civil Procedure, serve it on the applicant's lawyer or, where

the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the applicants 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: July 24, 2025

Issued by: _____
Local Registrar
74 Woolwich Street
Guelph, ON

APPLICATION

1. The applicant, Libro Credit Union Limited (the "**Applicant**") makes an application for:

a) if necessary, an order abridging the time for service and filing of this notice of application and the application record, validating service that has been completed to date, and an order dispensing with further service thereof on any party other than the persons served;

b) an order appointing BDO Canada Limited ("**BDO**") as receiver (in such capacities, the **"Receiver"**), without security of all the assets, undertaking, and properties of the respondents, Vaughan St GP Corp. ("**Vaughan GP**") and Vaughan St LP ("**Vaughan LP**", and together with Vaughan GP, the "**Respondents**"), including but without limitation, the property known municipally as 3 Vaughan Street, Guelph, Ontario (formerly known as 1373-1389 Gordon Street, Guelph, Ontario) and legally described as follows:

PIN 71492-1472 (LT)
Part Lot 7, Concession 7, Puslinch, being
Part 1 on 61R-22249;
City of Guelph

(the "**Property**")

c) costs, in accordance with the terms of the Commitment Letter, the GSAs and the Mortgage (as these terms are hereinafter defined), as applicable, or in the alternative, in accordance with the *Courts of Justice Act* R.S.O. 1990, c. C.43, as amended; and

d) such further and other relief as this Honourable Court may deem just.

2. The grounds for the application are:

The Parties

a) The Applicant is a Credit Union incorporated pursuant to the *Credit Unions and Caisse Populaires Act* of Ontario.

b) Vaughan GP is a company incorporated pursuant to the laws of the province of Ontario. Vaughan GP is indebted to the Applicant pursuant to the terms of: (i) the Commitment Letter (defined and described below); (ii) the Loan (defined and described below); (iii) the Mortgage (defined and described below); and (iv) the Vaughan GP GSA (defined and described below).

c) Vaughan LP is a limited partnership incorporated pursuant to the laws of the province of Ontario. Vaughan LP is indebted to the Applicant pursuant to the terms of the Beneficial Owner Agreement (defined and described below) and the Vaughan LP GSA (defined and described below).

The Applicant's Security

d) The Applicant and the Respondents entered into a commitment letter dated November 14, 2023, as amended, restated, modified and/or supplemented (the "**Commitment Letter**").

e) The Commitment Letter established the following credit facility in favour of Vaughan GP:

Facility 1 – Commercial Term Loan - $3,000,000 (the "**Loan**")

f) As security for the Commitment Letter, the Applicant requested and did receive the following:

i. a continuing collateral mortgage in the principal amount of $3,000,000 from Vaughan GP registered against title to the Property on December 4, 2023 as instrument WC718653 (the "**Mortgage**");

ii. a general security agreement executed by Vaughan GP on December 1, 2023 (the "**Vaughan GP GSA**");

iii. a general security agreement executed by Vaughan St LP on December 1, 2023 ("**Vaughan LP GSA**" and together with the Vaughan GP GSA, the "**GSAs**");

iv. a beneficial ownership agreement from Vaughan LP as beneficial owner and Vaughan GP as nominee executed November 28, 2023 (the "**Beneficial Ownership Agreement**"). Section 5 of the Beneficial Ownership Agreement confirms that Vaughan LP agrees to be bound by all the covenants, terms and provisions of the Loan Documents (defined and described therein) executed by Vaughan GP. Vaughan LP is responsible for the amount due and owing by Vaughan GP to the Applicant.

v. an unlimited guarantee from Scott O. Reid ("**Mr. Reid**") of the obligations due and owing by the Respondents dated November 28, 2023; and

vi. an unlimited guarantee from RHH Rental Properties Ltd. ("**RHH**") of the obligations due and owing by the Respondents dated November 28, 2023.

The Amount Owing

g) The amount due and owing by the Respondents to the Applicant is $3,135,819.87 as of July 23, 2025, plus: (i) accruing interest at the Applicant's Prime Rate plus 1.65% per annum; and (ii) the Applicant's continuing cost of enforcement, including legal costs and professional costs (collectively the "**Debt**").

Default

h) The Respondents are in default of the obligations owing to the Applicant pursuant to the terms of the Commitment Letter, the Beneficial Ownership Agreement, the GSAs and the Mortgage.

i) On January 17, 2025, the Applicant delivered a demand for payment and notice of intention to enforce security to the Respondents, Mr. Reid and RHH (collectively the "**Demands**").

j) The Respondents, Mr. Reid and RHH (collectively the "**Obligors**") failed or otherwise neglected to respond to the Demands.

k) On February 3, 2025, the Applicant issued a statement of claim for payment and possession with the Ontario Superior Court of Justice (the "**Statement of Claim**").

l) The Obligors were served with the Statement of Claim on February 6, 2025.

m) On March 5, 2025, the Applicant and the Obligors entered into minutes of settlement (the "**Minutes of Settlement**").

n) The Obligors acknowledged the amount due and owing as set out in the Statement of Claim.

o) The Obligors agreed to pay the Outstanding Debt (defined and described in the Minutes of Settlement) on or before June 19, 2025.

p) The Obligors failed or otherwise neglected to pay the Outstanding Debt pursuant to and in accordance with the Minutes of Settlement.

q) In the event of a default pursuant to the Minutes of Settlement, the Obligors consented to judgment for payment and possession of the Property.

The Applicant's Rationale of the Appointment of the Receiver

r) The Respondents are in default of the obligations owing to the Applicant.

s) No further credit is available to the Respondents.

t) The Respondents are insolvent and unable to pay the Debt. The Applicant has not received a payment from Vaughan GP since June 27, 2025.

u) There is a construction lien registered against title to the Property contrary to the terms of the Mortgage.

v) There are property tax arrears in the amount of $24,246.90 contrary to the terms of the Mortgage.

w) It is the Applicant's position that the appointment of a receiver is just and equitable and is necessary for the protection of the estate of the Respondents and the interest of the Respondents in the Property.

x) The Applicant proposes that BDO be appointed as Receiver, without security over all of the assets, undertaking, and properties of the Respondents, including the Property.

y) Gary McHale, a private citizen, is purporting to act as private receiver of the Respondents and has communicated his intention to sell the Property and interfere with the Applicant's sale of the Property.

z) BDO has consented to act as Receiver should this Honorable Court appoint it.

aa) Section 243 of the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3 as amended

bb) Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C. 43, as amended.

cc) Rule 14 and 38 and any other rules of the *Rules of Civil Procedure*.

dd) Such further and other grounds as counsel may advise.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the application:

1. The Notice of Application;
2. Affidavit of Terena Callard, and all exhibits thereto;
3. The Consent of the Receiver; and
4. Such further and other evidence as this Honourable Court permit.

July 24, 2025

HARRISON PENSA LLP
Barristers & Solicitors
130 Dufferin Avenue, Suite 1101
London, ON N6A 5R2

Michael Cassone (LSO#45073G)
Tel: (519) 679-9660
Fax: (519) 667-3362
mcassone@harrisonpensa.com

Lawyers for the Applicant

LIBRO CREDIT UNION LIMITED - and- VAUGHAN ST GP CORP. and VAUGHAN ST LP

Applicant Respondents

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT GUELPH

NOTICE OF APPLICATION

HARRISON PENSA LLP
Barristers & Solicitors
130 Dufferin Avenue, Suite 1101
London, Ontario N6A 5R2

Michael E. Cassone (LSO#45073G)
Tel: (519) 679-9660
Fax: (519) 667-3362
mcassone@harrisonpensa.com

Lawyers for the Applicant
203075

TAB 2

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N:

LIBRO CREDIT UNION LIMITED

Applicant

- and -

VAUGHAN ST GP CORP. and VAUGHAN ST LP

Respondents

AFFIDAVIT OF TERENA CALLARD

I, **TERENA CALLARD**, of the city of London, in the province of Ontario, **MAKE OATH AND SAY**:

1. I am a director of collections and special accounts for the applicant, Libro Credit Union Limited (the "**Applicant**") and as such have knowledge of the matters to which I hereinafter depose. Where the information is not from my direct knowledge, but is based upon information provided to me by others, I verily believe the information to be true.

The Parties and the Property

2. The Applicant is a Credit Union incorporated pursuant to the *Credit Unions and Caisse Populaires Act* of Ontario.

3. The respondent, Vaughan St GP Corp. ("**Vaughan GP**") is a company incorporated pursuant to the laws of the province of Ontario. Vaughan GP is

indebted to the Applicant pursuant to the terms of: (i) the Commitment Letter (defined and described below); (ii) the Loan (defined and described below); (iii) the Mortgage (defined and described below); and (v) the Vaughan GP GSA (defined and described below). Attached hereto to this my affidavit and marked as **Exhibit "A**" is a true copy of the corporate profile for Vaughan GP.

4. The respondent, Vaughan St LP ("**Vaughan LP**", and together with Vaughan GP, the "**Respondents**") is a company incorporated pursuant to the laws of the province of Ontario. Vaughan LP is indebted to the Applicant pursuant to the terms of the Beneficial Owner Agreement (defined and described below) and the Vaughan LP GSA (defined and described below). Attached hereto to this my affidavit and marked as **Exhibit "B**" is a true copy of the corporate profile for Vaughan LP.

5. Vaughan GP is the owner and mortgagor of the property known municipally as 3 Vaughan Street, Guelph, Ontario (formerly known as 1373-1389 Gordon Street, Guelph, Ontario) and legally described as follows:

> PIN 71492-1472 (LT)
> Part Lot 7, Concession 7, Puslinch, being
> Part 1 on 61R-22249;
> City of Guelph
>
> (the "**Property**").

6. Vaughan LP is the beneficial owner of the Property.

7. The parcel register for the Property, current to July 22, 2025, is attached hereto to this my affidavit and marked as **Exhibit "C"** (the "**Parcel Register for the Property**").

8. The block map, MPAC, aerial photograph and a street view photograph of the Property are attached hereto to this my affidavit and marked collectively as **Exhibit "D"**.

The Indebtedness to the Applicant and the Security Held

9. As of July 23, 2025, the Respondents are indebted to the Applicant in the amount of $3,135,819.87, plus accruing interest and the Applicant's continuing costs of enforcement including legal costs and professional fees (collectively the "**Indebtedness**") pursuant to financing advanced to Vaughan GP in accordance with the terms of a commitment letter dated November 14, 2023, as amended, restated, modified and/or supplemented (the "**Commitment Letter**"). Attached hereto to this my affidavit and marked collectively as **Exhibit "E"** are true copies of the Commitment Letter, payout statement for the Loan and payment history for the Loan.

10. The Commitment Letter established the following credit facilities in favour of Vaughan GP:

Facility 1 – Commercial Term Loan - $3,000,000 (the "**Loan**")

11. As security for the Loan, the Applicant requested and did receive the following:

i. a continuing collateral mortgage in the principal amount of $3,000,000

from Vaughan GP registered against title to the Property on December 4, 2023 as instrument WC718653 (the "**Mortgage**"). Attached hereto to this my affidavit and marked as **Exhibit "F"** is a true copy of the Mortgage;

ii. a general security agreement executed by Vaughan GP on December 1, 2023 (the "**Vaughan GP GSA**"). Attached hereto to this my affidavit and marked as **Exhibit "G**" is a true copy of the Vaughan GP GSA;

iii. a general security agreement executed by Vaughan LP on December 1, 2023 ("**Vaughan LP GSA"**, and together with the Vaughan GP GSA, the "**GSAs**"). Attached hereto to this my affidavit and marked as **Exhibit "H**" is a true copy of the Vaughan LP GSA;

iv. a beneficial ownership agreement from Vaughan LP as beneficial owner and Vaughan GP as nominee executed November 28, 2023 (the "**Beneficial Ownership Agreement**"). Section 5 of the Beneficial Ownership Agreement confirms that Vaughan LP agrees to be bound by all the covenants, terms and provisions of the Loan Documents (defined and described therein) executed by Vaughan GP. Vaughan LP is responsible for the amount due and owing by Vaughan GP to the Applicant. Attached hereto to this my affidavit and marked as **Exhibit "I"** is a true copy of the Beneficial Ownership Agreement;

v. an unlimited guarantee from Scott O. Reid ("**Mr. Reid**") of the obligations due and owing by the Respondents dated November 28, 2023 (the "**Reid Guarantee**"). Attached hereto to this my affidavit and marked as **Exhibit "J"** is a true copy of the Reid Guarantee; and

vi. an unlimited guarantee from RHH Rental Properties Ltd. ("**RHH**") of the obligations due and owing by the Respondents dated November 28, 2023 (the "**RHH Guarantee**"). Attached hereto to this my affidavit and marked as **Exhibit "K"** is a true copy of the RHH Guarantee. RHH made an assignment into bankruptcy on June 18, 2025. Attached hereto to this my affidavit and marked as **Exhibit "L"** is a true copy of the correspondence received from the trustee in bankruptcy for RHH.

The Applicant's Interest in the Property

12. The Applicant's interest in the Property is secured by the Mortgage. The Mortgage is a first charge.

13. The Parcel Register for the Property identifies the following encumbrances subsequent to the Mortgage:

    a. a postponement from the Applicant to the Corporation of the City of Guelph registered on March 7, 2024, as Instrument No. WC724562;

    b. a construction lien in favour of Martin Simmons Sweers Architects Inc. registered on March 26, 2024, as Instrument No. WC725637 (the "**Construction Lien**"). The Construction Lien is attached hereto to this my affidavit and marked as **Exhibit "M"**; and

    c. a certificate of action registered on June 27, 2024, as Instrument No. WC733172 in favour of Martin Simmons Sweers Architects Inc. (the "**Certificate**"). The Certificate is attached hereto to this my affidavit and marked as **Exhibit "N**".

14. The tax certificate for the Property identifies outstanding tax arrears in the amount of $24,246.90 (the "**Tax Arrears**") as of July 22, 2025 (the "**Tax Certificate**"). The Tax Certificate is attached hereto to this my affidavit and marked as **Exhibit "O"**.

The Sheriff Search Results

15. The sheriff search for the Respondents confirms that there are no outstanding executions against the Respondents. The sheriff searches for the Respondents are attached hereto to this my affidavit and marked collectively as **Exhibit "P**".

The Applicant's Interest in the Personal Property of the Respondent

16. The *Personal Property Security Act* ("***PPSA***") searches for the Respondents are attached hereto to this my affidavit and marked as **Exhibit "Q**".

Demand/Default

17. The Respondents are in default of the obligations owing to the Applicant pursuant to the terms of the Commitment Letter, the Beneficial Ownership Agreement, the GSAs and the Mortgage.

18. The Applicant has not received a payment from Vaughan GP since June 27, 2025.

19. On January 17, 2025, the Applicant delivered a demand for payment and notice of intention to enforce security to the Respondents, Mr. Reid and RHH (collectively the "**Demands**"). The Demands are attached hereto to this my affidavit and marked collectively as **Exhibit "R".**

20. On March 26, 2024, the Construction Lien was registered against title to the Property.

21. The Construction Lien constitutes a default pursuant to the terms of the Mortgage.

22. The Tax Arrears also constitute a default pursuant to the terms of the Mortgage.

23. The Respondents, Mr. Reid and RHH (collectively the "**Obligors**") failed or otherwise neglected to satisfy the Demands.

24. On February 5, 2025, the Applicant issued a statement of claim for payment and possession with the Ontario Superior Court of Justice (the "**Statement of Claim**").

Attached hereto to this my affidavit and marked as **Exhibit "S"** is a true copy of the Statement of Claim.

25. The Obligors were served with the Statement of Claim on February 6, 2025. Attached hereto to this my affidavit and marked collectively as **Exhibit "T"** are true copies of the affidavits of service for the Statement of Claim.

26. On March 5, 2025, the Applicant and the Obligors entered into minutes of settlement (the "**Minutes of Settlement**"). Attached hereto to this my affidavit and marked as **Exhibit "U"** is a true copy of the Minutes of Settlement.

27. The Obligors acknowledged the amount due and owing as set out in the Statement of Claim.

28. The Obligors agreed to pay the Outstanding Debt (defined and described in the Minutes of Settlement) on or before June 19, 2025.

29. The Obligors failed or otherwise neglected to pay the Outstanding Debt pursuant to and in accordance with the Minutes of Settlement.

30. In the event of a default pursuant to the Minutes of Settlement, the Obligors consented to judgment for payment and possession of the Property.

31. The Applicant emailed Mr. Reid on June 19, 2025 to inquire about payment of the Outstanding Debt and received no response.

Actions of Mr. Wiseman and Mr. McHale

32. On July 9, 2025, the Applicant received correspondence from an individual, Gary McHale ("**Mr. McHale**"), purporting to have been appointed as private receiver of the Respondents pursuant to an appointment by Chad Wiseman and Carly Emeny-Wiseman. The Applicant was provided with: (i) a demand letter and notice of intention to enforce security pursuant to section 244(1) of the *Bankruptcy and Insolvency Act* (the "***BIA***") dated June 20, 2025 (the "**Wiseman Demand**"); and (ii) a Form 87 pursuant to sections 245(1) and 246(1) of the *BIA* dated July 9, 2025 (the "***BIA* Notice**"), in support of Mr. McHale's private appointment over the Respondents. Attached hereto to this my affidavit and marked as **Exhibit "V"** are true copies of the Wiseman Demand, the *BIA* Notice, the promissory notes, and general security agreement produced by Mr. McHale.

33. It is the Applicant's position that Mr. McHale is a private citizen and is not licensed to act as a receiver.

34. On July 16, 2025, counsel for the Applicant, Harrison Pensa LLP ("**HP**") received correspondence from Mr. McHale indicating, *inter alia*:

> […]
>
> 3. It is not our intention NOT to interfere with the sale of the property.
>
> 4. It is not our intention NOT to interfere with Libro Credit Union Limited ability to collect their debit.

Attached hereto to this my affidavit and marked as **Exhibit "W"** is a true copy of Mr. McHale's correspondence to HP dated July 16, 2025.

35. On July 16, 2025, HP emailed Mr. McHale to: (i) challenge his authority to act as a receiver under the *BIA*; and (iii) advise Mr. McHale that his actions were reported to the Office of the Superintendent of Bankruptcy (the "**OSB**"). Attached hereto to this my affidavit and marked as **Exhibit "X"** is a true copy of the email from HP to Mr. McHale on July 16, 2025.

36. On July 17, 2025, Mr. McHale revoked the *BIA* Notice on the grounds that it was the wrong form and issued a notice pursuant to section 60.1 of the *PPSA* dated July 9, 2025 (the "***PPSA* Notice**"). Attached hereto to this my affidavit and marked as **Exhibit "Y"** is a true copy of the *PPSA* Notice.

37. The Applicant reported the *BIA* Notice and the *PPSA* Notice to the OSB.

38. On July 22, 2025, the OSB confirmed that Mr. McHale is not a licensed insolvency trustee ("**LIT**") and that the OSB did not issue an appointment certificate authorizing Mr. McHale to act as a receiver under the *BIA*. The OSB further advised Mr. McHale that representing himself or taking any act as a LIT, while not being an LIT, is an offence pursuant to section 202(1)(a) of the *BIA*. Attached hereto to this my affidavit and marked as **Exhibit "Z**" is a true copy of the correspondence dated July 22, 2025.

39. On July 22, 2025, Mr. McHale emailed the OSB to confirm that his appointment is under the *PPSA* and that all authority to manage the Respondents was transferred to him.

40. On July 22, 2025, the OSB replied to Mr. McHale and confirmed that the provisions of the *BIA* apply to any receiver of an insolvent debtor.

The Applicant's Right to and Rationale for the Appointment of a Receiver

41. The Respondents are in default pursuant to the terms of the Commitment Letter, the GSAs and the Mortgage.

42. The Mortgage incorporates standard charge terms 202003 by reference (the "**Standard Charge Terms**"). The Standard Charge Terms are attached hereto to this my affidavit and marked as **Exhibit "AA".**

43. Section 54 of the Standard Charge Terms authorizes the Applicant to appoint a receiver in the event of default.

44. Section 9.01 of the GSAs authorize the Applicant to appoint a receiver in the event of default.

45. No further credit is available from the Applicant.

46. The appointment of BDO Canada Limited ("**BDO**") as receiver is necessary to protect: (i) the estate of the Respondents and the Property; and (ii) the interest of the Applicant as a secured creditor.

47. BDO has consented to the appointment as receiver of the Respondents and the Property.

48. The consent of BDO is attached hereto to this my affidavit and marked as **Exhibit "BB"**.

49. I make this affidavit in support of the within application to appoint BDO as receiver, without security, over all of the assets, undertaking and properties of the Respondents, and for no other improper purpose.

SWORN by video conference from the city of London in the province of Ontario, before me in the City of London, in the province of Ontario this 29th day of July, 2025 in accordance with O.Reg 431/20, Administering Oath or Declaration Remotely



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

Michael Cassone, LSO #45073G



TERENA CALLARD

Court File No. CV-25-00000335-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N:

LIBRO CREDIT UNION LIMITED

Applicant

- and -

VAUGHAN ST GP CORP. and VAUGHAN ST LP

Respondents

EXHIBITS

These are Exhibits “A - BB” referred to in the Affidavit of Terena Callard sworn by Terena Callard of the City of London before me on July 29, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



_____

A Commissioner for taking Affidavits

MICHAEL CASSONE, LSO #45073G

EXHIBIT “A”

Transaction Number: APP-A10678138495
Report Generated on January 17, 2025, 08:53

Ontario

Ministry of Public and
Business Service Delivery

Profile Report

VAUGHAN ST GP CORP. as of January 17, 2025

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	VAUGHAN ST GP CORP.
Ontario Corporation Number (OCN)	2841922
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	May 21, 2021
Registered or Head Office Address	1515 Gordon Street, 203, Guelph, Ontario, N1L 1C9, Canada

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

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	SCOTT O. REID
Address for Service	1515 Gordon Street, 203, Guelph, Ontario, N1L 1C9, Canada
Resident Canadian	Yes
Date Began	May 21, 2021

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.
V. Quintanilla W.
Director/Registrar
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Active Officer(s)

Name	TODD O'NEILL
Position	Vice-President
Address for Service	1515 Gordon Street, 203, Guelph, Ontario, N1L 1C9, Canada
Date Began	May 21, 2021

Name	SCOTT O. REID
Position	Secretary
Address for Service	1515 Gordon Street, 203, Guelph, Ontario, N1L 1C9, Canada
Date Began	May 21, 2021

Name	SCOTT O. REID
Position	President
Address for Service	1515 Gordon Street, 203, Guelph, Ontario, N1L 1C9, Canada
Date Began	May 21, 2021

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.
V. Quintanilla W.
Director/Registrar
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Corporate Name History

Name	VAUGHAN ST GP CORP.
Effective Date	May 21, 2021

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.
V. Quintanilla W.
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 Business Names

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

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.
V. Quintanilla W.
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.

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 Public and Business Service Delivery.
V. Quintanilla W.
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.

Document List

Filing Name	Effective Date
Annual Return - 2022 PAF: HELEN RIBEIRO	July 14, 2023
Annual Return - 2021 PAF: HELEN RIBEIRO	July 14, 2023
CIA - Initial Return PAF: HELEN RIBEIRO - OTHER	July 27, 2021
BCA - Articles of Incorporation	May 21, 2021

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.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.
V. Quintanilla W.
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.

EXHIBIT “B”

Transaction Number: APP-A10678138592
Report Generated on January 17, 2025, 08:53

Ontario

Ministry of Public and
Business Service Delivery

Profile Report

VAUGHAN ST LP as of January 17, 2025

Act	Limited Partnerships Act
Type	Ontario Limited Partnership
Firm Name	VAUGHAN ST LP
Business Identification Number (BIN)	310837703
Declaration Status	Active
Declaration Date	May 25, 2021
Expiry Date	May 24, 2026
Principal Place of Business	1515 Gordon Street, 203, Guelph, Ontario, N1L 1C9, Canada
Activity (NAICS Code)	[Not Provided] - [Not Provided]

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

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General Partners

Number of General Partners	1

Partners

Partner 1	
Name	VAUGHAN ST GP CORP.
Ontario Corporation Number (OCN)	2841922
Entity Type	Ontario Business Corporation
Registered or Head Office Address	1515 Gordon Street, 203, Guelph, Ontario, N1L 1C9, Canada

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.
V. Quintanilla W.
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.

Firm Name History

Name	VAUGHAN ST LP
Effective Date	May 25, 2021

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

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 Business Names

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

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.
V. Quintanilla W.
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.

Expired or Cancelled Business Names

This entity 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 Public and Business Service Delivery.
V. Quintanilla W.
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.

Document List

Filing Name	Effective Date
LPA - File a Declaration of an Ontario Limited Partnership	May 25, 2021

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

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EXHIBIT “C”

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

PROPERTY DESCRIPTION: PART LOT 7 CONCESSION 7 PUSLINCH, BEING PART 1 ON 61R-22249; SUBJECT TO AN EASEMENT AS IN WC717933; SUBJECT TO AN EASEMENT IN GROSS OVER PART 2, 61R-22590 AS IN WC724560; TOGETHER WITH AN EASEMENT OVER PART LOT 7, CON 7, PART 1, 61R22590 AS IN WC724561; CITY OF GUELPH

PROPERTY REMARKS: FOR THE PURPOSE OF THE QUALIFIER THE DATE OF REGISTRATION OF ABSOLUTE TITLE IS 2022/06/28.

ESTATE/QUALIFIER:
FEE SIMPLE
LT ABSOLUTE PLUS

RECENTLY:
RE-ENTRY FROM 71492-1471

PIN CREATION DATE:
2022/06/28

OWNERS' NAMES
VAUGHAN ST GP CORP.

CAPACITY SHARE
ROWN

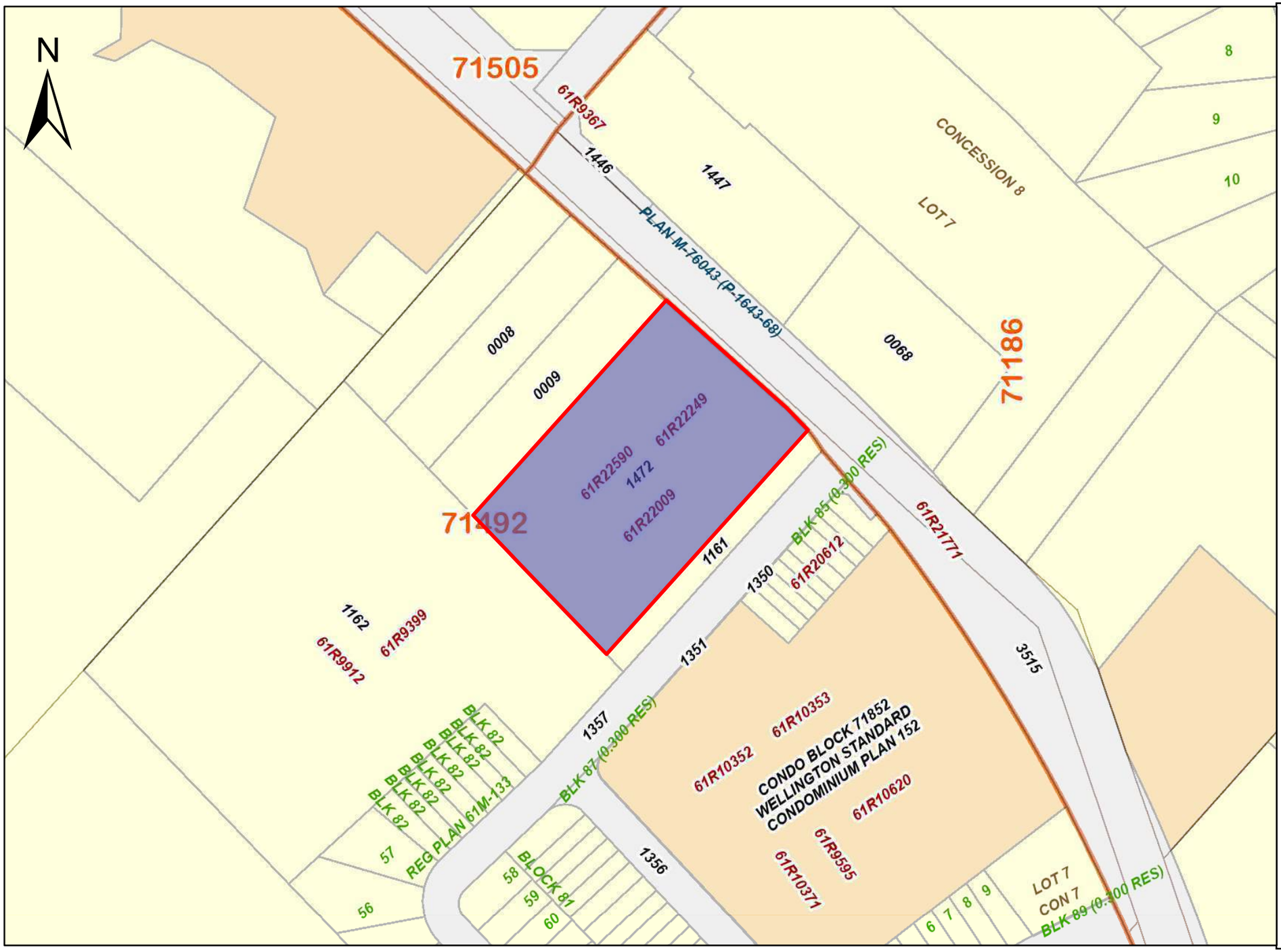
REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
**SUBJECT TO SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPHS 3 AND 14 AND *						
** PROVINCIAL SUCCESSION DUTIES AND EXCEPT PARAGRAPH 11 AND ESCHEATS OR FORFEITURE **						
** TO THE CROWN UP TO THE DATE OF REGISTRATION WITH AN ABSOLUTE TITLE. **						
MS57023	1966/07/08	BYLAW				C
MS59544	1966/10/20	BYLAW				C
WC243602	2009/05/04	NOTICE		HER MAJESTY THE QUEEN IN RIGHT OF CANADA		C
REMARKS: AIRPORT ZONING						
WC638812	2021/06/28	TRANSFER	$2,550,000	GROSICKI, CARL MICHAEL GROSICKI, MARY	VAUGHAN ST GP CORP.	C
REMARKS: PLANNING ACT STATEMENTS.						
WC642969	2021/07/30	TRANSFER	$1,500,000	CLOSE, DAVID EDWARD	VAUGHAN ST GP CORP.	C
REMARKS: PLANNING ACT STATEMENTS.						
61R22249	2022/06/28	PLAN REFERENCE				C
WC677460	2022/06/28	APL ABSOLUTE TITLE		VAUGHAN ST GP CORP.	VAUGHAN ST GP CORP.	C
61R22590	2023/09/20	PLAN REFERENCE				C
REMARKS: WC712839.						
WC717933	2023/11/23	TRANSFER EASEMENT	$2	VAUGHAN ST GP CORP.	ROGERS COMMUNICATIONS CANADA INC.	C
WC718653	2023/12/04	CHARGE	$3,000,000	VAUGHAN ST GP CORP.	LIBRO CREDIT UNION LIMITED	C
WC724560	2024/03/07	TRANSFER EASEMENT	$2	VAUGHAN ST GP CORP.	THE CORPORATION OF THE CITY OF GUELPH	C

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
WC724562	2024/03/07	POSTPONEMENT		LIBRO CREDIT UNION LIMITED	THE CORPORATION OF THE CITY OF GUELPH	C
	REMARKS: WC718653 TO WC724560					
WC725637	2024/03/26	CONSTRUCTION LIEN	$553,353	MARTIN SIMMONS SWEERS ARCHITECTS INC.		C
WC733172	2024/06/27	CERTIFICATE		MARTIN SIMMONS SWEERS ARCHITECTS INC.		C
	REMARKS: WC725637					

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 “D”



ServiceOntario

PRINTED ON 28 JAN, 2025 AT 11:37:41
FOR RBIKKER1

SCALE

0 10 20 30 40 50 60
meters

PROPERTY INDEX MAP

WELLINGTON(No. 61)

LEGEND

FREEHOLD PROPERTY	
LEASEHOLD PROPERTY	
LIMITED INTEREST PROPERTY	
CONDOMINIUM PROPERTY	
RETIRED PIN (MAP UPDATE PENDING)	
PROPERTY NUMBER	*0449*
BLOCK NUMBER	**08050**
GEOGRAPHIC FABRIC	
EASEMENT	

THIS IS NOT A PLAN OF SURVEY

NOTES

REVIEW THE TITLE RECORDS FOR COMPLETE PROPERTY INFORMATION AS THIS MAP MAY NOT REFLECT RECENT REGISTRATIONS

THIS MAP WAS COMPILED FROM PLANS AND DOCUMENTS RECORDED IN THE LAND REGISTRATION SYSTEM AND HAS BEEN PREPARED FOR PROPERTY INDEXING PURPOSES ONLY

FOR DIMENSIONS OF PROPERTIES BOUNDARIES SEE RECORDED PLANS AND DOCUMENTS

ONLY MAJOR EASEMENTS ARE SHOWN

REFERENCE PLANS UNDERLYING MORE RECENT REFERENCE PLANS ARE NOT ILLUSTRATED

Ontario

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mpac | propertyline™

Assessment Roll Report



Property Address	3 VAUGHAN ST
Municipality	GUELPH CITY
Roll Number	230806000910900
Property Code & Description	302 - More than one structure used for residential purposes with at least one of the structures occupied permanently

Legal Description	PUSLINCH CON 7 PT LOT 7 RP 61R22009 PARTS 1 AND 2

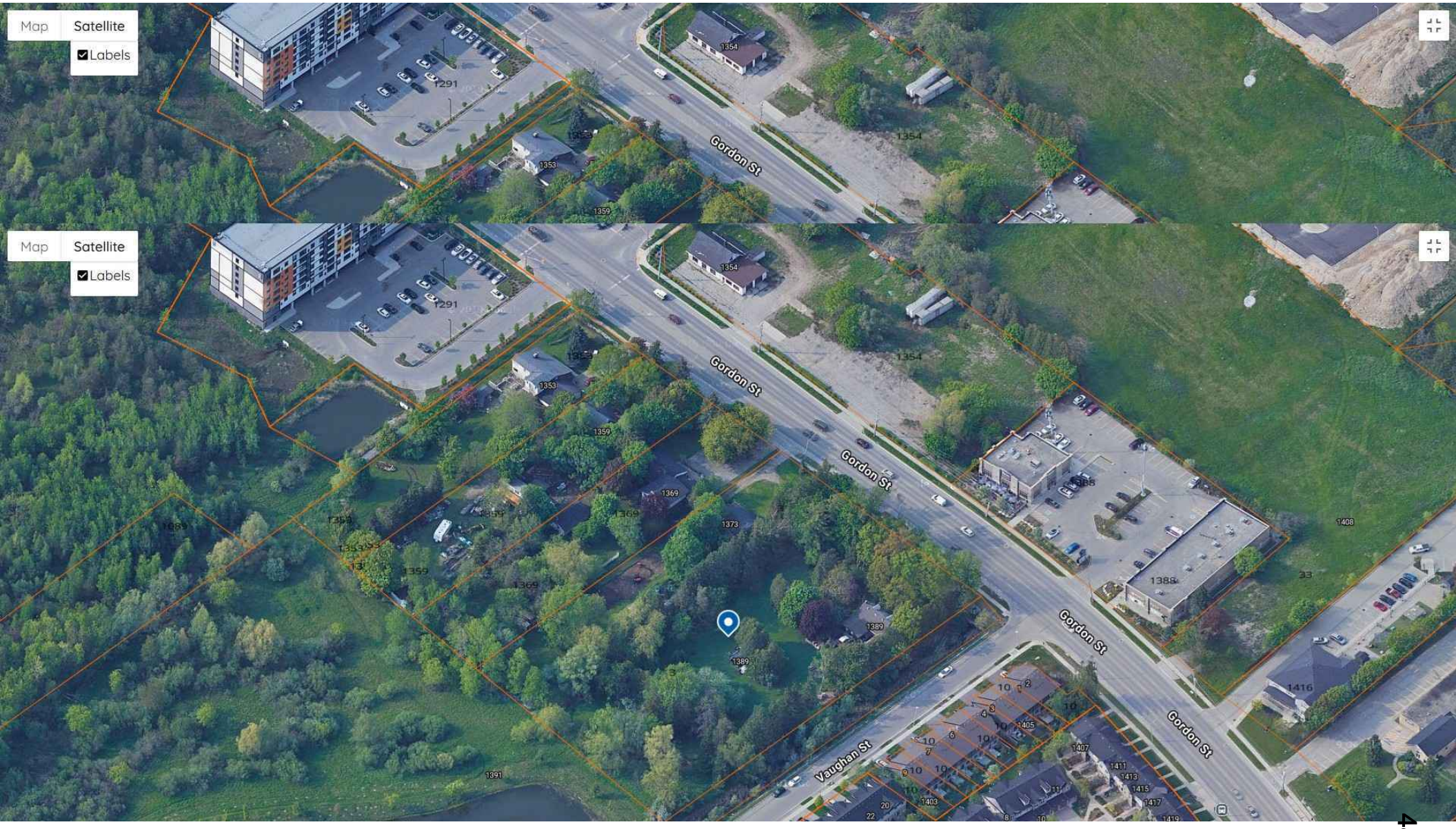
Phased-In Assessment**	$805,000

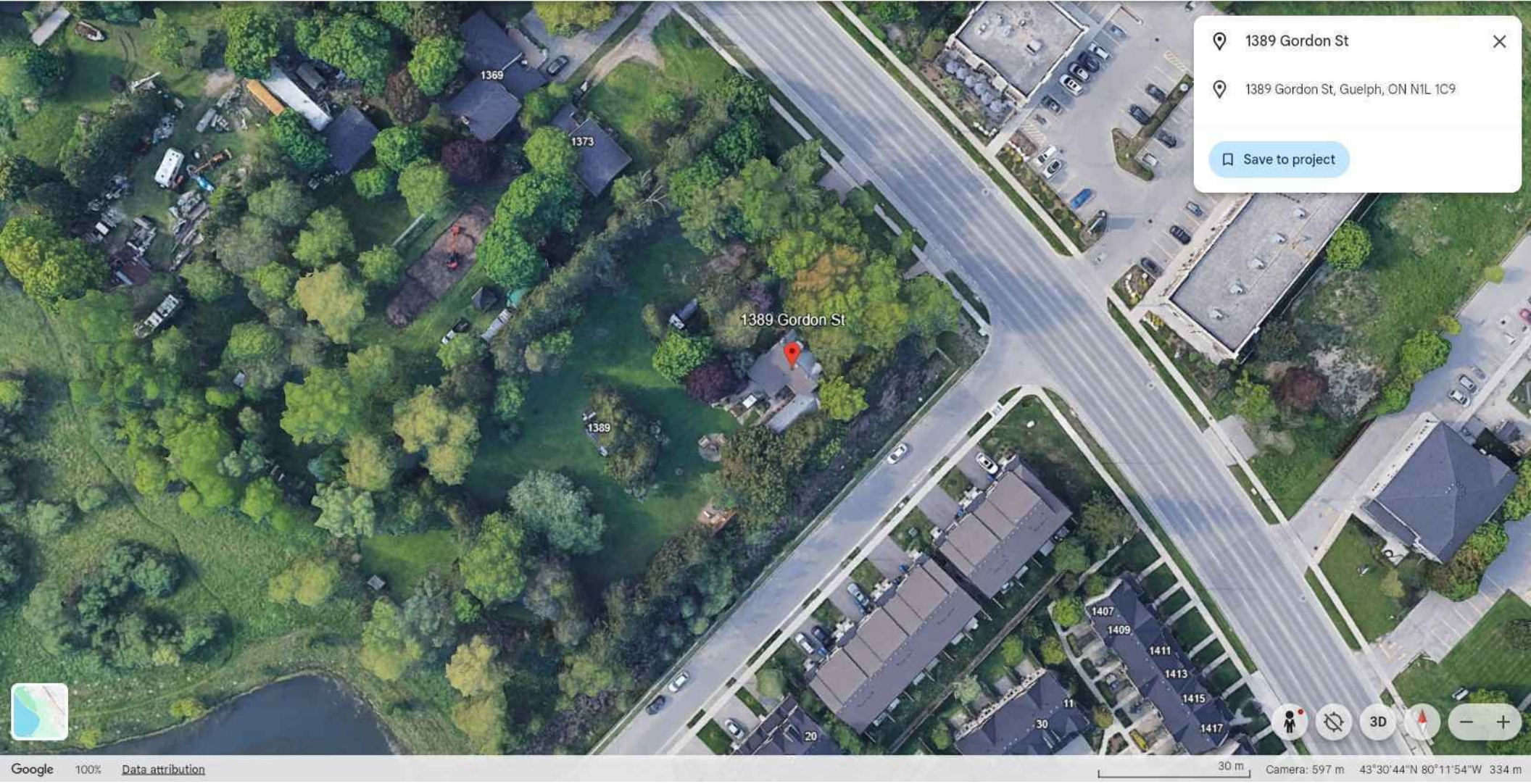
Realty Tax Class (RTC)	Realty Tax Qualifier (RTQ)	Realty Portion
R - Residential	T - Taxable: Full	$805,000

Tenant Tax Liability (TTL)	-
Unit Class	RU - Residential Unit
Frontage (ft)	270.29
Depth (ft)	-
Site Area (A)	2.50

NOTE: *Pursuant to the Ontario Assessment Act, assessed values for taxation years from 2017 onwards are currently based on a January 1, 2016 valuation date. This valuation date is subject to change through legislation. For more information regarding assessments, visit www.mpac.ca
**Phased-In Assessment reflects the phased-in portion of the Assessed Value returned to the municipality/local taxing authority. Property assessments for taxation years from 2020 onwards are based on the fully phased-in January 1, 2016 assessed values.

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Map
Satellite
Labels
Gordon St
Vaughan St
1354
1291
1353
1359
1369
1373
1389
1388
1408
1416
1405
1407
1411
1413
1415
1417
1403
1391


1389 Gordon St
1389 Gordon St, Guelph, ON N1L 1C9
Save to project
1369
1373
1389 Gordon St
1389
1407
1409
1411
1413
1415
1417
11
30
20
3D
Google
100%
Data attribution
30 m
Camera: 597 m
43°30'44"N 80°11'54"W 334 m

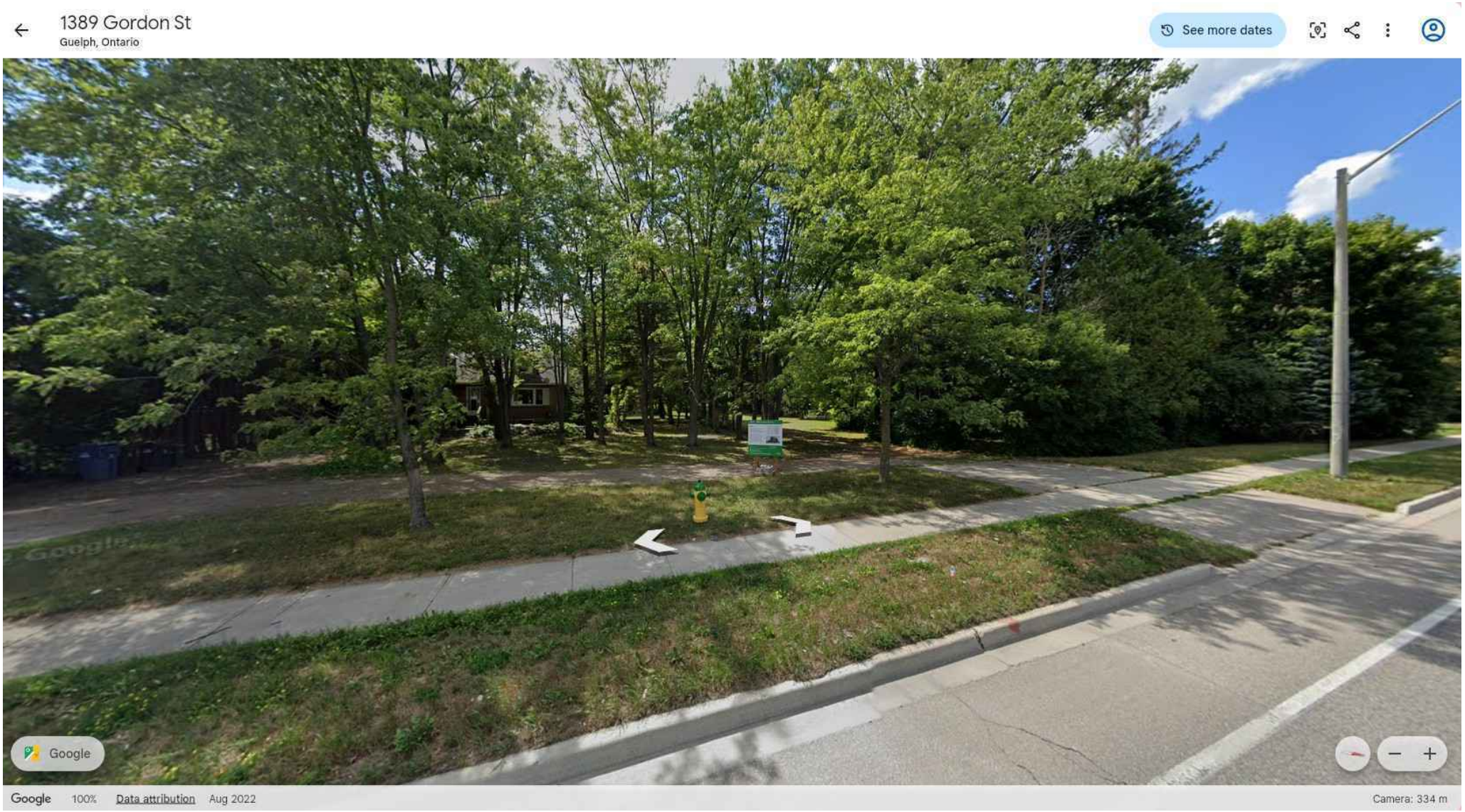

1389 Gordon St
Guelph, Ontario
See more dates
Google
Google 100% Data attribution Aug 2022
Camera: 334 m

EXHIBIT “E”

libro.ca
KITCHENER DOWNTOWN BRANCH
101-165 King St. W.
Kitchener, ON N2G 1A7

T 519-904-0366
F 519-744-6053
feedback@libro.ca

Commitment Date: November 14, 2023

Vaughan St GP Corp.
203-1515 Gordon Street
Guelph, ON N1L 1C9

Dear Scott:

Thank you for your recent enquiry for financing. I am pleased to advise that Libro Credit Union Limited **("Libro")** has approved your request for the following credit facilities, as outlined in the attachment:

By accepting this commitment you acknowledge that, if in the opinion of Libro, 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 credit facilities may be withdrawn or cancelled. This commitment cancels and supersedes all such previous commitments or understandings in respect to the credit facilities provided in this commitment.

On this understanding, we request your acceptance of the following by signing and returning one complete copy of this commitment by **November 28, 2023**.

I wish to thank you for approaching Libro for your financial requirements and look forward to an ongoing and mutually beneficial relationship in the years to come. Please feel free to contact me if you have any questions or concerns regarding the terms and conditions of this commitment.

Yours truly,

E-SIGNED by Sandi Nicholls
on 2023-11-14 17:51:03 EST

Sandi Nicholls
Commercial Markets Specialist

LETTER OF COMMITMENT

BORROWER: Vaughan St GP Corp., jointly and severally **(**the **"Borrower")**

OWNER NO: 4365474

FACILITY 1

Principal Amount: $3,000,000.00

Loan Type: Commercial Term Loan

Loan Purpose: Refinance Gordon Street property

Loan Advancement: Interest Reserve of $265,500.00 to be retained from disbursement and deposited to Libro savings sub 1 account.

Amortization: 1 year

Term: 1 year

Interest Rate: Libro Prime Rate plus 1.65%
Prepayment of the principal and interest may be made without penalty

Prime Rate shall mean the rate of interest declared by Libro from time to time to be its "prime rate" for Canadian dollar loans. The loan rate shall vary automatically on the date the Prime Rate is varied by Libro. As of today's date, Libro Prime Rate is 6.95%.

Repayment: Repayment on demand, unless otherwise provided in the promissory note entered into by the Borrower in favor of Libro.

SCHEDULE(S)

The following schedule(s) shall form part of this commitment.

1. Schedule "A" - Security
2. Schedule "B" - Prepayment Privileges
3. Schedule "C" **-** Borrower(s) Professional Advisors

TERMS AND CONDITIONS

The facilities will only be disbursed once all proper documentation is in place and the conditions below are met.

1. A duly executed copy of this Commitment Letter.

2. If a corporation, the Borrower and/or Guarantor(s) are to provide certified true copies of Articles of Incorporation or Letters Patent along with the appropriate ownership documentation or such other documentation as Libro may reasonably require.

3. The Security provided for herein, registered, as required, to the satisfaction of Libro.

4. Such financial and other information or documents relating to the Borrower or any Guarantor if applicable as Libro may reasonably require.

5. Such other authorizations, approvals, opinions and documentation as Libro may reasonably require.

6. The Borrower will ensure that all remittances required to be made by the Borrower to the Federal, Provincial and Municipal Governments have been made, will be kept up to date and there are not outstanding arrears. Without limiting the foregoing, all employee source deductions (including Income Taxes, Employment Insurance and Canada Pension Plan) sales taxes both Provincial and Federal, corporate income taxes, payroll taxes and Workman's Compensation dues will be paid and kept up to date.

7. All information provided to Libro by the Borrower(s) and Guarantor(s), as applicable, shall be true and accurate as of the date that funds are requested under the facility. The undersigned agree to update Libro immediately of any change in the information provided, and hereby consent to Libro obtaining such personal or credit information from third parties as it deems advisable from time to time. In the event that any information provided by the Borrower(s) or Guarantor(s) is inaccurate or materially changed, Libro shall have the option of demanding immediate repayment of any or all facilities then outstanding with the Borrower(s) and/or Guarantors.

8. No change in ownership of the Borrower shall be made without the prior written consent of Libro.

9. The Borrower will notify Libro of any change affecting the management structure.

10. Receipt of a satisfactory AACI appraisal, conducted on behalf of and by a firm or individual acceptable to Libro, for the New Property. Appraisal is subject to approval by Libro. ***(Received)***

11. A letter of transmittal/reliance is required authorizing Libro to rely on the information presented in the Environmental and Site Assesment phase 1 for the New Property. ***(Received)***

12. A letter of transmittal/reliance is required authorizing Libro to rely on the information presented in the AACI appraisal for the New Property. ***(Received)***

13. Receipt of Phase 1 Environmental and Site Assessment, conducted on behalf of and by a firm or individual acceptable to Libro, for the New/Existing Property. Results are to be satisfactory to Libro. ***(Received)***

14. Interest Reserve of $265,500.00 to be deposited with Libro for the purposes for interest only repayment on the credit facilities, with no additional withdrawals to be made during the 12 month term. No other withdrawal is permitted from the interest reserve without prior written approval of Libro.

REPORTING COVENANTS

Reporting Covenants: The Borrower shall provide Libro with each of the following within 120 days of the Borrower's fiscal year end or as requested by Libro from time to time:

Description	Frequency

1. **Financial Statements** as at the Borrower/Guarantor(s) fiscal year end, prepared in minimum statement engagement level as below: — Annual

Entity	Minimum Statement Engagement
Vaughan St GP Corp.	Compilation Engagement
RHH Rental Properties Ltd.	Compilation Engagement

2. Updated Personal Financial Statement for the individual guarantors, as requested, with supporting documentation confirming assets and liability values and verifying income. — On request by Libro

3. Tax Returns and/or Notice of Assessment or Reassessment for Borrower and/or Guarantors — On request by Libro

4. Confirmation that all government remittances are current, including HST and Employee Remittances (income tax, CPP and EGI) — On request by Libro

5. Rent Roll - Residential Property to include at minimum: date of rent roll, unit number, occupancy status, lease terms (amount) and arrears, if any for properties pledged as security for Libro Borrowing. — On request by Libro

6. Rent Roll- Other Real Property to include at minimum: date of rent roll, unit number, occupancy status, lease terms (rent amount, additional rent if applicable, term, expiry date, renewal terms) and arrears, if any for properties pledged as security for Libro Borrowing. — On request by Libro

   The borrower is to provide to Libro copies of any new lease agreements, lease renewals, extensions, or amendments as applicable from time to time.

7. Confirmation that property taxes are current through copy of paid tax receipt or interim billing showing no arrears for properties pledged as security for Libro Borrowing. — On request by Libro

8. Confirmation that property insurance is in force and not expired with Libro named as a loss payee for properties pledged as security for Libro borrowing. — On request by Libro

Financial Statements prepared by management or equivalent are to include at minimum a balance sheet and income statement for the 12-month period under review. The statements can be prepared on the cash or accrual basis however the basis must be disclosed to Libro.

Financial Statements prepared as Compilation Engagement, Review Engagement, or Audit Engagement are to be prepared by a Chartered Professional Accountant and are to include at minimum a balance sheet, income statement for the 12-month period under review, a statement of cash flows and notes to the financial statements. The statements are to be prepared using the accrual basis of accounting.

FEES

All costs and expenses in connection with the matters contemplated by this commitment letter are to be paid by the Borrower, whether or not funds are advanced, including without limitation the following:

1. An application fee of $15,000.00 is to be paid at the time of advance.

2. An annual management fee of $750.00 will be collected from your account four months after your fiscal year end.

3. Regular banking and service charges will be levied on your account.

4. All other fees incurred (legal, title insurance, appraisal etc.) are the responsibility of the Borrower.

5. Late reporting fees will be charged at the discretion of Libro.

OTHER

1. I/We acknowledge that the Libro Service Agreement (as may be updated from time to time by Libro) shall apply herein and form part of this Commitment Letter. I/We have been provided with a current copy of such agreement.

2. Libro is hereby irrevocably directed to make any advances in this matter payable to our solicitor, as we may update from time to time in writing. (if applicable)

3. Libro is subject to Anti-Money Laundering and Terrorist Financial Legislation which requires Libro to obtain identification of all third-parties (meaning any individual or entity, other than the Owner(s) establishing the Account, guarantor, or those authorized to give instructions about the account) who direct how the Account is operated or transactions that will flow through the Account, or who would derive a financial benefit or would have a financial interest in this Account and/or loan, and/or exerts or appears to exert control over this Account by directing, instructing, or influencing, and has involvement with the operation of Accounts and transactions on those Accounts. Libro requires the Owner to confirm upon opening an Account whether there is a third party involved which directs, instructs or influences transactions. Further, for all cash transactions greater than the legal threshold, Libro requires the Owner to confirm that no third party exists or is directing the transaction.

   The undersigned represent and warrant that the Account and/or mortgage loan proceeds are being used only for the benefit of the undersigned, and are not being used for the benefit of any third party, as described above.

INSURANCE COVERAGE

Borrower to initial one option only

CUMIS COVERAGE ☐	S.O.R. **WAIVER** I/We acknowledge notice that Insurance Coverage is available to provide Life, Disability and other types of Insurance Protection on my/our loan with the Credit Union. My/our initial(s) indicate that I/we elect to **"DECLINE ALL COVERAGES".** While I/we understand the benefits of protecting my/our loan, it is my/our decision to decline applying for these coverages.

Libro reserves the right to rescind this offer at any time prior to final disbursement should misrepresentation of the facts or a significant change in circumstances come to our attention.

EXECUTION AND DELIVERY OF AGREEMENT

This Commitment Letter may be executed and delivered as an original, or by electronic means. It may also be signed by all parties together or in counterpart. All such deliveries shall be binding upon the party or parties executing same.

ACKNOWLEDGEMENT

Terms and conditions as outlined above accepted on 2023-11-14 by:

Vaughan St GP Corp.

E-SIGNED by Scott O. Reid
on 2023-11-14 17:58:16 EST

Scott O. Reid, President

I/We have the authority to bind the corporation.

GUARANTORS

The undersigned have read, understand and accept the terms and conditions of this commitment letter each in their capacity as a Guarantor of the obligations of the Borrower therein.

RHH Rental Properties Ltd.

E-SIGNED by Scott O. Reid
on 2023-11-14 17:58:25 EST

Scott O. Reid, President

I/We have the authority to bind the corporation.

E-SIGNED by Scott O. Reid
on 2023-11-14 17:58:27 EST

Scott O. Reid

SCHEDULE "A"

1. New FIRST collateral charge with a maximum interest rate of Libro Prime Rate plus 5% per annum to be registered. The interest rate may be fixed as set out in the related promissory note(s) at the discretion of Libro. This mortgage shall act as security for all loans including all future borrowings from Libro up to the face amount stated against lands and premises located at:

   1373-1389 Gordon Street, Guelph in the amount of $3,000,000.00
   (the "**New Property**")

2. Libro is to be named as first loss payee or first mortgagee on the fire insurance policy over the New Property.

3. New General Security Agreement executed by the Borrower providing a FIRST charge over all present and after acquired accounts receivable, inventory, motor vehicles and equipment to be registered in Ontario under the Personal Property Security Act (PPSA) together with adequate insurance with loss payable to Libro.

   Note: A PPSA search will be conducted on the Borrower prior to advance.

4. New unlimited personal guarantee and postponement of claim in favour of Libro from Scott O. Reid, supported by any and all existing security held by Libro.

5. New unlimited corporate guarantee and postponement of claim in favour of Libro from RHH Rental Properties Ltd., supported by any and all existing security held by Libro.

SCHEDULE "B"

In respect of a Fixed Rate facility, when not in default of any obligations to Libro, and without notice, bonus or penalty, you shall have the privilege of:

(a) prepaying to a maximum of 10% of the original Principal Amount of the applicable facility, once only, at any time during each 12 month period of the Term of the applicable loan facility, which for clarity, shall mean once during each calendar year commencing January 1 and ending on December 31 (the "Calendar Year"), but shall exclude any day the Loan facility is prepaid or paid in full. For clarity, this prepayment privilege does not apply if the entire Principal Amount of the applicable facility, is paid on, or prior to, the maturity date. Accordingly, a prepayment charge shall apply if the Principal Amount outstanding is paid in full on, or prior to, the maturity date of the applicable facility; and

(b) Once per Calendar Year, a Loan payment for the applicable facility may be increased by 10%.

If not, or to the extent the above prepayment privileges are not, exercised and paid in any Calendar Year during the term of the applicable Loan facility, then the above prepayment privileges shall not be cumulative from year to year, and may not be combined with a prepayment of the entire Principal Amount owing in respect of the applicable facility.

More than 10% of the original Principal Amount of the applicable facility may be prepaid, or the entire Principal Amount of the applicable facility may be prepaid in full, at any time, without notice, upon payment of a prepayment charge in an amount equal to the greater of:

(i) three (3) months interest, calculated on the amount prepaid by you, at the current interest rate in the applicable loan facility; or,

(ii) the interest rate differential, calculated as the difference between the original interest rate of the applicable loan facility, (plus or minus any premium or discount received), less the current interest rate offered for the applicable Loan facility, (plus or minus the original premium or discount), calculated on the amount prepaid by you, for the balance of the Term of the applicable facility, which for clarity shall mean from the date of prepayment to the maturity date. For example:

You obtained a loan of $250,000 at 5.90% for a 5 year term in June, 2018. In July, 2021, you decide to pay out the loan in full. The outstanding principal amount is $225,000, and the new interest rate offered is 3.95%.

Original posted rate = 6.90%

Original discount = 1.00%

New interest rate = 3.95%

The penalty would be calculated as follows:

[6.90%-1.0%] – [3.95%-1.0%] = 2.95%

Since there are 2 years remaining, the penalty is further calculated as follows:

2.95% * $225,000 * 2 = $13,275

Compared to 3 months interest, which is calculated as follows:

5.90% * $225,000 * 3/12 months = $3,319

Since $13,275 is greater than $3,319, you would pay a penalty of $13,275.

Any prepayment shall be a minimum payment amount of $1,000, and any prepayment received after a payment date will be applied on the next payment date following receipt of the prepayment.

The above prepayment privileges shall not be transferrable to any other loans or facilities you have with Libro.

SCHEDULE "C"

The Borrower(s) Solicitor is as follows:

Solicitor Name:

William Thompson

Firm Name:

Robson Carpenter LLP

Email Address:

wthompson@rcllp.ca

Fax Number:

519-632-1328

Phone Number:

519-500-2291

The Borrower(s) Insurance as follows:

Agent Name/ Company Name:

Rick Webster @ Arthur J. Gallagher Canada Limited

Policy Number:

81907135

Address:

20 Erb St. W. Suite 100, Waterloo, ON N2L 1T2

Phone:

519-340-1111

Email:

rick_webster@ajg.com

DocuSign Envelope ID: B9C0F3E6-A4F1-4D2E-8E1C-43891114A6C8

libro.ca
KITCHENER DOWNTOWN BRANCH BRANCH
101-165 King St. W

T 519-904-0366
F 519-744-6053
feedback@libro.ca

November 30, 2023

Vaughan St GP Corp.
203-1515 Gordon Street
Guelph, ON N1L 1C9

Dear Scott:

Re: Owner No.: 4365474
Commercial Term Loan

Further to our Commitment Letter dated November 14, 2023, we confirm such Commitment Letter shall be amended as follows upon receipt by Libro Credit Union Limited of your signed acknowledgement of the below:

Insert clause:

SCHEDULE "A"

New Beneficial Owner Agreement wherein Vaughan St LP executes same as Beneficial Owner, and Vaughan St GP Corp executes as Nominee.

New General Security Agreement granted by Vaughan St LP

All other terms and conditions of the Commitment Letter dated November 14, 2023 shall remain in full force and effect, and shall be amended only in accordance with the above.

This amendment may be executed and delivered as an original, or by electronic means. It may also be signed by all parties together or in counterpart. All such deliveries shall be binding upon the party or parties executing same

Please indicate your acceptance below and return a copy of this letter to our office by December 15, 2023.

Yours truly,

Sandi Nicholls

Sandi Nicholls
Commercial Markets Specialist

DocuSign Envelope ID: B9C0F3E6-A4F1-4D2E-8E1C-43891114A6C8

Accepted on 12/1/2023 **by:**

EXECUTION AND DELIVERY OF AGREEMENT

This agreement may be executed and delivered as an original, or by electronic means. It may also be signed by all parties together or in counterpart. All such deliveries shall be binding upon the party or parties executing same.

BORROWER

Vaughan St GP Corp.

DocuSigned by:
Scott Reid
CE30E432D7D4442...

Scott O. Reid, President

I/We have the authority to bind the corporation.

GUARANTOR

RHH Rental Properties Ltd.

DocuSigned by:
Scott Reid
CE30E432D7D4442...

Scott O. Reid, President

I/We have the authority to bind the corporation.

DocuSigned by:
Scott Reid
CE30E432D7D4442...

Scott O. Reid

Account: Loan 1

Payouts Information

Status	pending	Payout Date	23Jul2025	Principal Balance Outstanding	$ 3,000,000.00
Interest:		Up To + Excluding	23Jul2025	+	118,881.57
Accrued Late Payment:				+	0.0000
Bonus:					
Recoverable Loan Costs:				+	16,938.30
Fees Outstanding:				+	0.00
Tax Account Balance:					
Discharge Fee:				+	0.00
Disability Insurance Premium Refund:					
Life Insurance Premium Refund:					
Total Required To Pay Out:				= $	3,135,819.87
Per Diem Thereafter:				$	542.47
Total Received:				$	0.00
SHORTAGE				$	-3,135,819.87
Reason Closed		Write Off?	no		

Add
Update
Clear
Summary
Changes
Audit
Exit
Payments
Calculate
Payout
Reverse

Customer: 4365474 Loan 1

Efdate	Fund	Amount	Tran	Balance
27Jun2025	CAD	16,208.84	ti	-3,016,938.30
Interest -16,208.84 Principal 0.00				
savings 1				
31Mar2025	CAD	-8,022.10	lcst	-3,016,938.30
Principal -8,022.10				
Description: Legal Costs Harrison Pensa LLP				
11Mar2025	CAD	-5,000.00	lcst	-3,008,916.20
Principal -5,000.00				
Description: Forbearance Fee				
24Nov2024	CAD	0.00	mat	-3,003,916.20
Principal 0.00				
Reversed 21Mar2025				
24Nov2024	CAD	19,364.38	ti	-3,003,916.20
Interest -19,364.38 Principal 0.00				
savings 1				
13Nov2024	CAD	-3,916.20	lcst	-3,003,916.20
Principal -3,916.20				
Description: Legal Costs HP				
24Oct2024	CAD	19,972.61	ti	-3,000,000.00
Interest -19,972.61 Principal 0.00				
savings 1				
24Sep2024	CAD	20,884.93	ti	-3,000,000.00
Interest -20,884.93 Principal 0.00				
savings 1				
24Aug2024	CAD	21,295.89	ti	-3,000,000.00
Interest -21,295.89 Principal 0.00				
savings 1				
24Jul2024	CAD	21,205.48	ti	-3,000,000.00
Interest -21,205.48 Principal 0.00				
savings 1				
24Jun2024	CAD	22,179.45	ti	-3,000,000.00
Interest -22,179.45 Principal 0.00				
savings 1				
24May2024	CAD	21,821.92	ti	-3,000,000.00
Interest -21,821.92 Principal 0.00				
savings 1				
24Apr2024	CAD	22,549.31	ti	-3,000,000.00
Interest -22,549.31 Principal 0.00				
savings 1				
24Mar2024	CAD	21,094.52	ti	-3,000,000.00
Interest -21,094.52 Principal 0.00				
savings 1				
24Feb2024	CAD	22,549.32	ti	-3,000,000.00
Interest -22,549.32 Principal 0.00				

Customer: 4365474 Loan 1

Efdate	**Fund**	**Amount**	**Tran**	**Balance**
	savings 1			
24Jan2024	CAD	22,549.31	ti	-3,000,000.00
	Interest -22,549.31	Principal 0.00		
	savings 1			
24Dec2023	CAD	14,547.95	ti	-3,000,000.00
	Interest -14,547.95	Principal 0.00		
	savings 1			
04Dec2023	CAD	0.00	fadv	-3,000,000.00
	Principal 0.00			
04Dec2023	CAD	-3,000,000.00	adv	-3,000,000.00
	Principal -3,000,000.00			

EXHIBIT “F”

LRO # 61 **Charge/Mortgage** **Registered as WC718653** on 2023 12 04 at 10:23

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

Properties

PIN 71492 - 1472 LT *Interest/Estate* Fee Simple

Description PART LOT 7 CONCESSION 7 PUSLINCH, BEING PART 1 ON 61R-22249; CITY OF GUELPH

Address 1373 1389 GORDON STREET
GUELPH

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 VAUGHAN ST GP CORP.

Address for Service 1515 Gordon Street, Suite 203, Guelph,
ON N1L 1C9

A person or persons with authority to bind the corporation has/have consented to the registration of this document.

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

Chargee(s) *Capacity* *Share*

Name LIBRO CREDIT UNION LIMITED

Address for Service 217 York Street, 4th Floor, London, ON N6A5P9

Provisions

Principal $3,000,000.00 *Currency* CDN

Calculation Period

Balance Due Date On Demand

Interest Rate Libro Credit Union Limited Prime Rate plus 5%

Payments

Interest Adjustment Date

Payment Date

First Payment Date

Last Payment Date

Standard Charge Terms 202003

Insurance Amount Full insurable value

Guarantor

Additional Provisions

Libro Mortgage Reference #4365474-6680939

The terms of this Charge are set out in Commitment Letter dated November 14th, 2023 between the Chargee and Chargor, as may be amended.

Signed By

Deanne Marie Harmer	99 Stanley Street Ayr N0B 1E0	acting for Chargor(s)	Signed	2023 12 04

Tel 519-632-1327

Fax 519-632-1328

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

Submitted By

ROBSON CARPENTER LLP	99 Stanley Street Ayr N0B 1E0	2023 12 04

Tel 519-632-1327

Fax 519-632-1328

Fees/Taxes/Payment

Statutory Registration Fee	$69.95
Total Paid	$69.95

File Number

Chargor Client File Number : 18334-F/DH/VS

EXHIBIT “G”

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GENERAL SECURITY AGREEMENT
in favour of Libro Credit Union Limited ("Libro")
Owner Number : 4365474

I/WE Scott O. Reid, President of ~~and~~ Vaughan St GP Corp. (hereinafter called the "Borrower")

1. As a general and continuing collateral security for payment of all existing and future indebtedness and liability of the undersigned Borrower (the "Borrower") of Libro wheresoever and howsoever incurred and any ultimate unpaid balance thereof, the Borrower hereby grants, bargains, assigns, transfers, sets over, mortgages and charges in favour of and grants to Libro a security interest in the undertaking and property of the Borrower as hereinafter defined, of which the Borrower is now or may hereafter become the owner of in respect of which the Borrower has or subsequently acquires rights and the Borrower agrees with Libro as hereinafter set out.

2. In this Agreement,

"PPSA" means the Personal Property Security Act of Ontario and any Act that may be substituted therefore, and as from time to time amended;

"Collateral" means and includes all of the above mentioned undertaking and property and the property described in paragraphs 3.01 to 3.10 whether now owned or hereafter acquired or in respect of which the Borrower has or subsequently acquires rights, and whether tangible or otherwise, which term is further defined below in paragraphs 3.01 to 3.10;

"Chattel Paper", "documents of title", "goods", and "instrument" have the meanings respectively ascribed to them in the PPSA; and

"Receivables" means the property described in paragraphs 3.03 hereof.

DESCRIPTION OF PROPERTY – includes all real property and personal property as that term is defined in the PPSA and includes but is not limited to:

3.01 Inventory All goods now or hereafter forming part of the inventory of the Borrower including, without limiting the generality of the foregoing, the following: goods held for sale or lease; goods furnished or to be furnished under contracts of service; goods which are raw materials or work in process; materials used or consumed in the business of the Borrower.

3.02 Equipment All goods now or hereafter owned by the Borrower or in respect of which the Borrower has or subsequently acquires rights which are not inventory within the foregoing description, used or intended for use in or about the place or places hereinafter designated or in any business conducted elsewhere by the Borrower, including, without limiting the generality of the foregoing, the following:

machinery, fixtures, furniture, vehicles of any sort or description, and all accessories installed in or affixed or attached or appertaining to any of the foregoing.

3.03 Receivables All debts, accounts, claims, moneys, and choses in action, including but not limited to condominium fees, which now are or which may at any time hereafter be due or owing to the Borrower and also all securities, bills, notes and other documents now held or which may be hereafter taken, held or owned by the Borrower or anyone on behalf of the Borrower and in respect of the said debts, claims, moneys and choses in action or any part thereof, and also all books and papers recording, evidencing or relating to said debts, accounts, claims, moneys and choses in action or any part thereof (all of the foregoing being hereinafter called the "accounts receivable").

3.04 Chattel Paper All chattel paper whether present or future of the Borrower.

3.05 Documents of Title All warehouse receipts, bills of lading and other documents of title, whether negotiable or otherwise, present or future of the Borrower.

3.06 Securities All shares, stock warrants, bonds, debentures, debenture stock, or other securities of the Borrower together with renewals thereof, substitutions therefore, accretions thereto and all rights and claims in respect thereof.

3.07 Instruments All instruments, whether present or future of the Borrower.

3.08 Intangibles All choses in actions that are not goods, chattel paper, documents of title, instruments, money or securities but include all present or future contractual rights, licenses, quotas, goodwill, patents, trademarks, copyrights and other industrial property.

3.09 Real Estate All real property, whether present or future, of the Borrower.

3.10 Proceeds All personal property in any form or fixtures derived directly or indirectly from any dealing with Collateral or that indemnifies or compensates for Collateral destroyed or damaged.

All of which property described in paragraphs 3.01 through 3.10 is hereinafter referred to as the "Collateral"

OWNERSHIP OF COLLATERAL

4. The Borrower represents and warrants that, except for the security interest created hereby, and except for purchase money obligations, the Borrower is, or with respect to Collateral acquired after the date hereof will be, the owner of the Collateral or have the right to acquire ownership and that such Collateral shall be free from any mortgage, lien, charge, security interest or encumbrance. "Purchase money obligations" means any mortgage, lien, other encumbrance or security interest upon property assumed or given back as part of the purchase price of such property or arising by operation of law or any extension or renewal or replacement thereof upon the same property, if the principal amount of the indebtedness secured thereby is not increased and provided, further, that such purchase money security interest(s) is continuously perfected in accordance with the applicable purchase money security interest rules set form in the PPSA.

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INSURANCE

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

LIENS, ETC.

6. Subject to paragraph 4 hereof, the Borrower shall keep the Collateral free and clear of all taxes, assessments, claims, liens, and encumbrances and shall promptly notify Libro of any loss or damage to the Collateral or any part thereof.

USE OF COLLATERAL

7. Until default as hereinafter defined, the Borrower may, subject to the provisions of paragraph 10 hereof, use the Collateral in any lawful manner not inconsistent with this Agreement or with the terms or conditions of any policy of insurance thereon, and sell the same in the ordinary course of business.

INFORMATION AND INSPECTION

8. The Borrower shall from time to time forthwith on request furnish to Libro in writing all information requested relating to the Collateral or any part thereof, and Libro shall be entitled from time to time to inspect the tangible Collateral wherever located including, without limitation, the books and records of the Borrower and for such purpose Libro shall have access to all places where the Collateral or any part thereof is located and to all premises occupied by the Borrower at all reasonable times and without notice.

DEFAULT

9.01 Upon default by the Borrower in payment of all or any part of the indebtedness or liability of the Borrower to Libro, in the performance or observance of any of the provisions hereof or of any other contract entered into by the Borrower in favour of Libro (in this agreement called "default") Libro may appoint, in writing, any person to be a receiver (which term shall include a receiver and manager) of the Collateral, including any rents and profits thereof, and may remove any receiver and appoint another instead thereof, and such receiver so appointed shall have the power to take possession of the Collateral and to carry on or concur in carrying on the business of the Borrower, and to sell or concur in selling the Collateral or any part thereof. Any such receiver shall for all purposes be deemed to be the agent of the Borrower. Libro may from time to time fix the remuneration of such receiver. All moneys from time to time received by such receiver shall be paid thereby first in discharge of all rents, taxes, rates, insurance premiums and outgoing affecting the Collateral, secondly in payment of the remuneration due thereto as receiver, thirdly, in keeping in good standing any liens and charges on the Collateral prior to the security constituted by this agreement, and fourthly in or toward payment of such parts of the indebtedness and liability of the Borrower to Libro as to Libro seems best, and any residue of such moneys so received shall be paid as required by law. Libro in appointing or refraining from appointing such receiver shall not incur any liability to the receiver, the Borrower, or otherwise.

9.02 In addition to the rights and remedies specifically provided herein, Libro shall, upon default, have the rights and remedies of a secured party under the PPSA.

9.03 Subject to the provisions of the PPSA, the Borrower shall be entitled to not less than fifteen days' notice in writing of the date, time and place of any public sale or of the date after which any private disposition of the Collateral is to be made.

RECEIVABLES

10. Libro may collect, realize, sell or otherwise deal with the Receivables or any part thereof in such manner, upon such terms and conditions and at such time or times as may seem to it advisable and without notice to the Borrower (except in the case of sale and then subject to paragraph 9.03 hereof). Libro shall not be liable or accountable for any failure to collect, realize, sell or obtain payment of the Receivables or any art thereof and shall not be bound to institute proceedings for the purpose of collecting, realizing, or obtaining payment of the same or for the purpose of preserving any rights of Libro, the Borrower or any other person, firm or corporation in respect of the same. All moneys collected or received by the Borrower in respect of the Receivables shall be received as trustee for Libro and shall forthwith be paid over to Libro. All moneys collected or received by Libro in respect of the Receivables or other Collateral may be applied on account of such parts of the indebtedness and liability of the Borrower as to Libro seems best or in the discretion of Libro may be released to the Borrower, all without prejudice to the liability of the Borrower or Libro's right to hold and realize the security granted by this Agreement.

CHARGES AND EXPENSES

11. Libro may charge on its own behalf and pay to others reasonable sums for expenses incurred and for services rendered (expressly including legal advice and services) in or in connection with realizing, disposing of, retaining or collecting the Collateral or any part thereof, and such sums shall be a first charge on the proceeds of realization, disposition or collection.

FURTHER ASSURANCES

12. The Borrower shall from time to time forthwith on Libro's request do, make and execute all such financing statements, further assignments, documents, acts, matters and things as may be required by Libro of or with respect to the Collateral or any part thereof or as may be required to give effect to these presents and the Borrower hereby constitutes and appoints the Vice-President of Credit of Libro the true and lawful attorney of the Borrower irrevocable with full power of substitution to do, make and execute all such statements, assignments, documents, acts, matters or things with the right to use the name of the Borrower whenever and wherever it may be deemed necessary or expedient.

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DEALINGS BY LIBRO

13. Libro may grant extensions of time and other indulgences, take and give up securities, accept compromises, grant releases and discharges and otherwise deal with the Borrower, debtors of the Borrower, guarantors, sureties and others and with the Collateral and other securities as Libro may see fit without prejudice to the liability of the Borrower or Libro's right to hold and realize this security.

COVENANTS

14. The Borrower covenants with Libro to notify Libro of:
    (a) Any change in the information contained herein relating to the Borrower, the Borrower's business or the Collateral;
    (b) The details of any claims, loss or damage to the Collateral;
    (c) To keep the collateral in good order, condition and repair;
    (d) To execute, acknowledge and deliver any documentation requested by Libro in order to give effect to this Agreement and to pay all costs for searches and filings in connection therewith;
    (e) To pay all taxes, rates, levies, assessments and other charges of every nature which may be levied, assessed or imposed as against or in respect of all Borrower or the Collateral;
    (f) To insure the Collateral for such periods in such amounts on such terms and against loss or damage by fire and such other risk as may be appropriate with loss payable to Libro and the Borrower as insureds as their respective interest may appear to pay all premiums relating thereto.

LOCATION OF COLLATERAL

15. The Collateral subject to the provisions of paragraph 7 hereof, shall not be removed from the Province of Ontario without the written consent of Libro.

GENERAL

16. This agreement
    (a) shall be a continuing agreement in every respect;
    (b) shall be governed by the laws of the Province of Ontario; and
    (c) may be terminated by the Borrower by written notice delivered to Libro at 217 York Street, 4th Floor, London, Ontario N6A 5P9, at any time when the Borrower is not indebted or liable to Libro. No remedy for the enforcement of the rights of Libro hereunder 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 parties hereto have not agreed to postpone the time for attachment of the security interest granted hereby. For greater certainty it is declared that any and all future loans, advances or other value which Libro may in its discretion make shall be secured by this agreement. If more than one person executes this agreement their obligations hereunder shall be joint and several.

The Borrower agrees that Libro may send, by prepaid ordinary mail, copies of any documents that the PPSA requires Libro to send. Any such notice shall be deemed to be received five (5) days after mailing, in the manner set forth above, to the last known address of the Borrower. The Borrower hereby waives any right that the Borrower may have to receive a copy of any Financing Statement or Financing Change Statement registered in respect of this Agreement.

_____

VAUGHAN ST GP CORP.
Per:
Signature: DocuSigned by: Scott Reid CE30E429D7B4442... 11/28/2023
Name: Scott O. Reid — Date
Title: President
I/We have the authority to bind the Corporation

Signature: _____ _____
Name: — Date
Title:
I/We have the authority to bind the Corporation

Witness	Signature Name:	Date
Witness	Signature Name:	Date

DocuSign Envelope ID: E10571C5-E77A-4A24-94C6-58DB567ED2E9

Libro CREDIT UNION

Insurance Endorsement Request

To: Rick Webster/Arthur J. Gallagher Ca
20 Erb St. W. Suite 100, Waterloo, ON
Tel: 519-340-1111
Email: rick_webster@ajg.com

Re: Vaughan St GP Corp. **and** _____
Policy Number: 81907135

Owner Number: 4365474

Libro Credit Union Limited ("Libro") holds a security interest in the following:

Motor Vehicles:	■ All or	
Motorized Equipment:	■ All or	
Equipment:	■ All or	
Livestock:	☐ All or	
Inventory		
Raw Material:	■ All or	
Work in Progress:	■ All or	
Finished Goods:	■ All or	
Other:		

Please make any loss payable to Libro Credit Union Limited and send a certified copy of the applicable insurance policy or policies to:
Libro Credit Union Limited
Attention: Credit Department

☑ 217 York Street, 4th Floor
London, ON N6A 5P9
Phone: 519-672-0124
Fax: 519-672-1774

Additional terms agreed to are as follows:

(a) **The motor vehicle(s) are to remain insured at all times to the full insurable value for fire, theft and the usual comprehensive coverage, as well as collision ($1,000.00 maximum deductible).**

(b) **The insured shall, at the request of Libro, pay such further premium as is necessary to obtain an endorsement that the security interest of Libro will not be invalidated by any breach of statutory condition.**

(c) **Any additional premium chargeable by virtue of the forgoing is to be charged to the undersigned insured.**

Vaughan St GP Corp.

Signature: DocuSigned by: Scott Reid _____ 11/28/2023
Name: Scott O. Reid Date
Title: President
I/We have the authority to bind the Corporation

Signature: _____ _____
Name: Date
Title:
I/We have the authority to bind the Corporation

Witness Signature Date
Name:

Witness Signature Date
Name:

EXHIBIT “H”

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Libro CREDIT UNION

I/WE VAUGHAN ST GP CORP. IN ITS CAPACITY AS GENERAL PARTNER OF VAUGHAN ST LP (hereinafter called the "Borrower")

1. As a general and continuing collateral security for payment of all existing and future indebtedness and liability of the undersigned Borrower (the "Borrower") of Libro wheresoever and howsoever incurred and any ultimate unpaid balance thereof, the Borrower hereby grants, bargains, assigns, transfers, sets over, mortgages and charges in favour of and grants to Libro a security interest in the undertaking and property of the Borrower as hereinafter defined, of which the Borrower is now or may hereafter become the owner of in respect of which the Borrower has or subsequently acquires rights and the Borrower agrees with Libro as hereinafter set out.

2. In this Agreement,

"PPSA" means the Personal Property Security Act of Ontario and any Act that may be substituted therefore, and as from time to time amended;

"Collateral" means and includes all of the above mentioned undertaking and property and the property described in paragraphs 3.01 to 3.10 whether now owned or hereafter acquired or in respect of which the Borrower has or subsequently acquires rights, and whether tangible or otherwise, which term is further defined below in paragraphs 3.01 to 3.10;

"Chattel Paper", "documents of title", "goods", and "instrument" have the meanings respectively ascribed to them in the PPSA; and

"Receivables" means the property described in paragraphs 3.03 hereof.

DESCRIPTION OF PROPERTY – includes all real property and personal property as that term is defined in the PPSA and includes but is not limited to:

3.01 Inventory All goods now or hereafter forming part of the inventory of the Borrower including, without limiting the generality of the foregoing, the following: goods held for sale or lease; goods furnished or to be furnished under contracts of service; goods which are raw materials or work in process; materials used or consumed in the business of the Borrower.

3.02 Equipment All goods now or hereafter owned by the Borrower or in respect of which the Borrower has or subsequently acquires rights which are not inventory within the foregoing description, used or intended for use in or about the place or places hereinafter designated or in any business conducted elsewhere by the Borrower, including, without limiting the generality of the foregoing, the following:

machinery, fixtures, furniture, vehicles of any sort or description, and all accessories installed in or affixed or attached or appertaining to any of the foregoing.

3.03 Receivables All debts, accounts, claims, moneys, and choses in action, including but not limited to condominium fees, which now are or which may at any time hereafter be due or owing to the Borrower and also all securities, bills, notes and other documents now held or which may be hereafter taken, held or owned by the Borrower or anyone on behalf of the Borrower and in respect of the said debts, claims, moneys and choses in action or any part thereof, and also all books and papers recording, evidencing or relating to said debts, accounts, claims, moneys and choses in action or any part thereof (all of the foregoing being hereinafter called the "accounts receivable").

3.04 Chattel Paper All chattel paper whether present or future of the Borrower.

3.05 Documents of Title All warehouse receipts, bills of lading and other documents of title, whether negotiable or otherwise, present or future of the Borrower.

3.06 Securities All shares, stock warrants, bonds, debentures, debenture stock, or other securities of the Borrower together with renewals thereof, substitutions therefore, accretions thereto and all rights and claims in respect thereof.

3.07 Instruments All instruments, whether present or future of the Borrower.

3.08 Intangibles All choses in actions that are not goods, chattel paper, documents of title, instruments, money or securities but include all present or future contractual rights, licenses, quotas, goodwill, patents, trademarks, copyrights and other industrial property.

3.09 Real Estate All real property, whether present or future, of the Borrower.

3.10 Proceeds All personal property in any form or fixtures derived directly or indirectly from any dealing with Collateral or that indemnifies or compensates for Collateral destroyed or damaged.

All of which property described in paragraphs 3.01 through 3.10 is hereinafter referred to as the "Collateral"

OWNERSHIP OF COLLATERAL

4. The Borrower represents and warrants that, except for the security interest created hereby, and except for purchase money obligations, the Borrower is, or with respect to Collateral acquired after the date hereof will be, the owner of the Collateral or have the right to acquire ownership and that such Collateral shall be free from any mortgage, lien, charge, security interest or encumbrance. "Purchase money obligations" means any mortgage, lien, other encumbrance or security interest upon property assumed or given back as part of the purchase price of such property or arising by operation of law or any extension or renewal or replacement thereof upon the same property, if the principal amount of the indebtedness secured thereby is not increased and provided, further, that such purchase money security interest(s) is continuously perfected in accordance with the applicable purchase money security interest rules set form in the PPSA.

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INSURANCE

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

LIENS, ETC.

6. Subject to paragraph 4 hereof, the Borrower shall keep the Collateral free and clear of all taxes, assessments, claims, liens, and encumbrances and shall promptly notify Libro of any loss or damage to the Collateral or any part thereof.

USE OF COLLATERAL

7. Until default as hereinafter defined, the Borrower may, subject to the provisions of paragraph 10 hereof, use the Collateral in any lawful manner not inconsistent with this Agreement or with the terms or conditions of any policy of insurance thereon, and sell the same in the ordinary course of business.

INFORMATION AND INSPECTION

8. The Borrower shall from time to time forthwith on request furnish to Libro in writing all information requested relating to the Collateral or any part thereof, and Libro shall be entitled from time to time to inspect the tangible Collateral wherever located including, without limitation, the books and records of the Borrower and for such purpose Libro shall have access to all places where the Collateral or any part thereof is located and to all premises occupied by the Borrower at all reasonable times and without notice.

DEFAULT

9.01 Upon default by the Borrower in payment of all or any part of the indebtedness or liability of the Borrower to Libro, in the performance or observance of any of the provisions hereof or of any other contract entered into by the Borrower in favour of Libro (in this agreement called "default") Libro may appoint, in writing, any person to be a receiver (which term shall include a receiver and manager) of the Collateral, including any rents and profits thereof, and may remove any receiver and appoint another instead thereof, and such receiver so appointed shall have the power to take possession of the Collateral and to carry on or concur in carrying on the business of the Borrower, and to sell or concur in selling the Collateral or any part thereof. Any such receiver shall for all purposes be deemed to be the agent of the Borrower. Libro may from time to time fix the remuneration of such receiver. All moneys from time to time received by such receiver shall be paid thereby first in discharge of all rents, taxes, rates, insurance premiums and outgoing affecting the Collateral, secondly in payment of the remuneration due thereto as receiver, thirdly, in keeping in good standing any liens and charges on the Collateral prior to the security constituted by this agreement, and fourthly in or toward payment of such parts of the indebtedness and liability of the Borrower to Libro as to Libro seems best, and any residue of such moneys so received shall be paid as required by law. Libro in appointing or refraining from appointing such receiver shall not incur any liability to the receiver, the Borrower, or otherwise.

9.02 In addition to the rights and remedies specifically provided herein, Libro shall, upon default, have the rights and remedies of a secured party under the PPSA.

9.03 Subject to the provisions of the PPSA, the Borrower shall be entitled to not less than fifteen days' notice in writing of the date, time and place of any public sale or of the date after which any private disposition of the Collateral is to be made.

RECEIVABLES

10. Libro may collect, realize, sell or otherwise deal with the Receivables or any part thereof in such manner, upon such terms and conditions and at such time or times as may seem to it advisable and without notice to the Borrower (except in the case of sale and then subject to paragraph 9.03 hereof). Libro shall not be liable or accountable for any failure to collect, realize, sell or obtain payment of the Receivables or any art thereof and shall not be bound to institute proceedings for the purpose of collecting, realizing, or obtaining payment of the same or for the purpose of preserving any rights of Libro, the Borrower or any other person, firm or corporation in respect of the same. All moneys collected or received by the Borrower in respect of the Receivables shall be received as trustee for Libro and shall forthwith be paid over to Libro. All moneys collected or received by Libro in respect of the Receivables or other Collateral may be applied on account of such parts of the indebtedness and liability of the Borrower as to Libro seems best or in the discretion of Libro may be released to the Borrower, all without prejudice to the liability of the Borrower or Libro's right to hold and realize the security granted by this Agreement.

CHARGES AND EXPENSES

11. Libro may charge on its own behalf and pay to others reasonable sums for expenses incurred and for services rendered (expressly including legal advice and services) in or in connection with realizing, disposing of, retaining or collecting the Collateral or any part thereof, and such sums shall be a first charge on the proceeds of realization, disposition or collection.

FURTHER ASSURANCES

12. The Borrower shall from time to time forthwith on Libro's request do, make and execute all such financing statements, further assignments, documents, acts, matters and things as may be required by Libro of or with respect to the Collateral or any part thereof or as may be required to give effect to these presents and the Borrower hereby constitutes and appoints the Vice-President of Credit of Libro the true and lawful attorney of the Borrower irrevocable with full power of substitution to do, make and execute all such statements, assignments, documents, acts, matters or things with the right to use the name of the Borrower whenever and wherever it may be deemed necessary or expedient.

DEALINGS BY LIBRO

13. Libro may grant extensions of time and other indulgences, take and give up securities, accept compromises, grant releases and discharges and otherwise deal with the Borrower, debtors of the Borrower, guarantors, sureties and others and with the Collateral and other securities as Libro may see fit without prejudice to the liability of the Borrower or Libro's right to hold and realize this security.

COVENANTS

14. The Borrower covenants with Libro to notify Libro of:
    (a) Any change in the information contained herein relating to the Borrower, the Borrower's business or the Collateral;
    (b) The details of any claims, loss or damage to the Collateral;
    (c) To keep the collateral in good order, condition and repair;
    (d) To execute, acknowledge and deliver any documentation requested by Libro in order to give effect to this Agreement and to pay all costs for searches and filings in connection therewith;
    (e) To pay all taxes, rates, levies, assessments and other charges of every nature which may be levied, assessed or imposed as against or in respect of all Borrower or the Collateral;
    (f) To insure the Collateral for such periods in such amounts on such terms and against loss or damage by fire and such other risk as may be appropriate with loss payable to Libro and the Borrower as insureds as their respective interest may appear to pay all premiums relating thereto.

LOCATION OF COLLATERAL

15. The Collateral subject to the provisions of paragraph 7 hereof, shall not be removed from the Province of Ontario without the written consent of Libro.

GENERAL

16. This agreement
    (a) shall be a continuing agreement in every respect;
    (b) shall be governed by the laws of the Province of Ontario; and
    (c) may be terminated by the Borrower by written notice delivered to Libro at 217 York Street, 4th Floor, London, Ontario N6A 5P9, at any time when the Borrower is not indebted or liable to Libro. No remedy for the enforcement of the rights of Libro hereunder 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 parties hereto have not agreed to postpone the time for attachment of the security interest granted hereby. For greater certainty it is declared that any and all future loans, advances or other value which Libro may in its discretion make shall be secured by this agreement. If more than one person executes this agreement their obligations hereunder shall be joint and several.

The Borrower agrees that Libro may send, by prepaid ordinary mail, copies of any documents that the PPSA requires Libro to send. Any such notice shall be deemed to be received five (5) days after mailing, in the manner set forth above, to the last known address of the Borrower. The Borrower hereby waives any right that the Borrower may have to receive a copy of any Financing Statement or Financing Change Statement registered in respect of this Agreement.

VAUGHAN ST GP CORP. IN ITS CAPACITY AS GENERAL PARTNER OF VAUGHAN ST LP

DocuSigned by:
Signature: Scott Reid
CE30E432D7D4442

12/1/2023
Date

Name: Scott O. Reid
Title: President
I/We have the authority to bind the Corporation

Signature: _____

_____
Date

Name:
Title:
I/We have the authority to bind the Corporation

Witness	Signature Name:	Date
Witness	Signature Name:	Date

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Libro CREDIT UNION

Insurance Endorsement Request

To:

Tel:
Email:

Re: _____ **and** _____
Policy Number:

Owner Number:

Libro Credit Union Limited ("Libro") holds a security interest in the following:

Motor Vehicles:	☑ **All or**	
Motorized Equipment:	☐ **All or**	
Equipment:	☑ **All or**	
Livestock:	☐ **All or**	
Inventory		
Raw Material:	☑ **All or**	
Work in Progress:	☑ **All or**	
Finished Goods:	☑ **All or**	
Other:	Accounts	

Please make any loss payable to Libro Credit Union Limited and send a certified copy of the applicable insurance policy or policies to:
Libro Credit Union Limited
Attention: Credit Department

☑ **217 York Street, 4th Floor**
London, ON N6A 5P9
Phone: 519-672-0124
Fax: 519-672-1774

Additional terms agreed to are as follows:

(a) **The motor vehicle(s) are to remain insured at all times to the full insurable value for fire, theft and the usual comprehensive coverage, as well as collision ($1,000.00 maximum deductible).**

(b) **The insured shall, at the request of Libro, pay such further premium as is necessary to obtain an endorsement that the security interest of Libro will not be invalidated by any breach of statutory condition.**

(c) **Any additional premium chargeable by virtue of the forgoing is to be charged to the undersigned insured.**

VAUGHAN ST GP CORP. IN ITS CAPACITY AS GENERAL PARTNER OF VAUGHAN ST LP

DocuSigned by:
Scott Reid
CE30E432D7D4412...

Signature: _____ 12/1/2023

Name: Scott O. Reid **Date**
Title: President
I/We have the authority to bind the Corporation

Signature: _____ _____

Name: **Date**
Title:
I/We have the authority to bind the Corporation

Witness	**Signature**	**Date**
	Name:	
Witness	**Signature**	**Date**
	Name:	

EXHIBIT “I”

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BENEFICIAL OWNER AGREEMENT

THIS AGREEMENT made as of the _____ day of December, 2023.

AMONG:

VAUGHAN ST GP CORP.
a corporation incorporated under the laws of the Province of Ontario
(the "Nominee")

OF THE FIRST PART;

- and -

LIBRO CREDIT UNION LIMITED
(the "Lender ")

OF THE SECOND PART;

- and -

VAUGHAN ST LP
a limited partnership formed under the laws of the Province of Ontario (the "Beneficial Owner")

OF THE THIRD PART;

WHEREAS the Lender established certain credit facilities ("Credit Facilities") for the benefit of the Nominee pursuant to a credit agreement dated November 14, 2023, as may be amended from time to time (the "Credit Agreement") and which are secured against the lands and premises described in Schedule A (the "Land");

AND WHEREAS the Nominee is the registered owner of the Land, together with the buildings and structures situated thereon, the rents, income and proceeds derived therefrom and all assets and personal property related thereto or found thereon (collectively the "Property");

AND WHEREAS the Nominee is holding the Property in trust, as bare trustee and nominee for the Beneficial Owner who is the sole beneficial owner of the Property;

AND WHEREAS the Beneficial Owner has caused the Nominee to execute and deliver to the Lender the Credit Agreement wherein the Nominee has granted to the Lender the following security charging both the legal and beneficial interests in the Property and granting certain other security documentation (collectively, the "Security Documents"):

1. The Credit Agreement;

2. An Acknowledgement and Direction with related draft mortgage in the amount of $3,000,000 (the "Mortgage");

3. Acknowledgment of Standard Charge Terms;

4. A General Security Agreement from the Nominee with respect to all present and after acquired personal property, and Insurance Endorsement;

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5. Statutory Declaration re title matters;

6. Promissory Note; and

7. Borrowing Authority Certificate.

AND WHEREAS as a condition of the approval of the Lender, the Lender requires the Nominee and the Beneficial Owner to enter into this Agreement.

NOW THEREFORE in consideration of good and valuable consideration and the sum of One Dollar ($1.00), the receipt and sufficiency of which is hereby acknowledged by each of the Nominee and the Beneficial Owner, the Nominee and Beneficial Owner covenant and agree with the Lender as follows:

1. Each of the Nominee and the Beneficial Owner confirm to the Lender that the Nominee holds registered title to the Property as bare trustee or nominee for and on behalf of the Beneficial Owner as the sole Beneficial Owner thereof. The Beneficial Owner has directed the Nominee to enter into the Credit Agreement and consents to the transaction contemplated by the Credit Agreement, the Security Documents and all other security and related documents, together with any amendments, information and documentation required to be delivered by the Nominee to the Lender (collectively the "Loan Documents"). The Beneficial Owner unconditionally and irrevocably instructs, authorizes and directs the Nominee to enter into, execute and deliver the Loan Documents to the Lender. The Beneficial Owner confirms and agrees that its beneficial right, title and interest in the Property is and will at all times remain subject and subordinate to the Mortgage and all of the other Loan Documents, and the Beneficial Owner hereby subordinates and postpones all such right, title, interest and claims to and in favour of the Mortgage and all other Loan Documents.

2. The Beneficial Owner confirms that the Nominee has the power and capacity to borrow money on behalf of the Beneficial Owner.

3. The Beneficial Owner confirms there are no liens, mortgages, charges or encumbrances on its beneficial ownership interest in the Property except the Mortgage, and the Loan Documents, in favour of the Lender.

4. The Security Documents shall constitute a charge on both the legal and beneficial interests of the Nominee and the Beneficial Owner in the Property, respectively.

5. The Beneficial Owner agrees to be bound by and comply with all of the covenants, terms, and provisions of the Loan Documents as if it had executed such Loan Documents in place and stead of the Nominee. The Beneficial Owner does hereby grant, convey, assign, transfer, mortgage, pledge, charge and create a security interest to, and in favour of, the Lender, as security for the indebtedness to the Lender, all of its right, title and interest which the Beneficial Owner may have, or may hereafter acquire, in and to the Property, and any personal property, undertaking or interest mortgaged and charged by the Loan Documents that specifically relate to the Property, on the same terms and conditions as are set out in the Loan Documents as security for the performance of the covenants and obligations of the Nominee, and the Beneficial Owner, under the Loan Documents, and without limitation, the Beneficial Owner agrees to be bound by all express and implied covenants and agreements of the Nominee in the Loan Documents.

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6. The Beneficial Owner for itself, its successors and assigns hereby covenants and agrees that it will and shall be estopped from raising any disability or lack of right or authority of the Nominee as a defence or bar to any action or realization by the Lender in connection with the Property and the Loan Documents.

7. The Beneficial Owner and the Nominee represent and warrant that unless otherwise disclosed by the records of the land titles office in which the Property is registered, neither the Nominee nor the Beneficial Owner has mortgaged, assigned, pledged, hypothecated, charged or otherwise encumbered the beneficial and legal interest in the Property, nor will the Property be mortgaged, assigned, pledged, hypothecated, charged or otherwise encumbered without the prior written consent of the Lender.

8. The Beneficial Owner and the Nominee each hereby jointly and severally covenant and agree with the Lender as follows:

   (a) to pay or cause to be paid to the Lender the monies evidenced and secured by the Loan Documents; and
   (b) that every covenant, warranty, representation, proviso, condition and stipulation contained in the Credit Agreement and the Security Documents shall apply to and bind the Beneficial Owner in the same manner and to the same effect as if the Beneficial Owner had been the grantor thereof or a party thereto and had executed the Security Documents and each of the Beneficial Owner and the Nominee covenants with the Lender to do, observe, keep and perform every such covenant, act, proviso, condition or stipulation respectively therein on the part of the grantor to be done, observed, kept and performed.

9. The Beneficial Owner acknowledges and agrees that this Agreement constitutes an irrevocable direction and authorization of and by the Beneficial Owner to the Lender to pay all advances under the Loan to the Nominee or as the Nominee or the Beneficial Owner may otherwise direct in writing.

10. The Beneficial Owner hereby covenants and agrees to indemnify and save the Lender harmless from and against all costs, losses, expenses and damages the Lender may suffer as a result of default by the Nominee in the performance of any of the Nominee's covenants or obligations under the Security Documents.

11. This Agreement may be transferred or assigned by the Lender to any person to whom the Lender is transferring or assigning the Credit Agreement, the Mortgage, and the other Loan Documents, at any time without restriction and without the consent of or notice to the Beneficial Owner or any other person. The Beneficial Owner acknowledges receipt of a copy of the Credit Agreement, including any amendments, the Mortgage and each of the other Loan Documents, and agrees with the Lender to perform and observe the covenants and other obligations of the unregistered or beneficial owner of the Property set out therein, notwithstanding that the Beneficial Owner may not be named as a party thereto and has not executed and delivered any such documents. The obligations and liabilities of the Nominee and Beneficial Owner hereunder shall not be released, discharged or otherwise affected by the bankruptcy, winding-up, liquidation, dissolution or insolvency of, or any other change in, the Nominee or the Beneficial Owner. Without limiting the foregoing, each of the Nominee and the Beneficial Owner hereby irrevocably consents to any extension, renewal or amendment of the Mortgage, the Credit Facilities, or any term thereof made by the Lender and the Nominee, and acknowledges and agrees that this Agreement shall remain in full force and effect and shall continue to apply and be binding on it for the benefit of the Lender, notwithstanding any such extension, renewal or amendment.

12. If more than one person, corporation or entity is named as or otherwise becomes liable for or assumes the obligations and liabilities of the Beneficial Owner hereunder, then the obligations and liabilities of such named person, corporation or entity who otherwise become liable for the obligations and liabilities of the Beneficial Owner shall be joint and several.

13. Any notice, demand or other communication to be made or given to the Nominee or Beneficial Owner may be made or given by personal delivery, by registered mail or by facsimile transmission or email transmission addressed as follows:

if to the Nominee and the Beneficial Owner:

1515 Gordon Street, Suite 203, Guelph, ON
scott@reidsproperties.com

Any demand, notice or communication given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof, and if given by registered mail, on the third business day following the deposit thereof in the mail, and if given by facsimile transmission or email transmission, on the first business day following the transmittal thereof.

14. This Agreement shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein without application of any principle of conflict of laws which may result in laws other than the laws in force in such Province applying to this Agreement; and each of the Nominee and Beneficial Owner consent to the jurisdiction of the courts of such Province and irrevocably agree that all actions or proceedings arising out of or relating to this Agreement shall be litigated in such courts.

15. The parties hereto shall execute such further and other assurances, instruments, assignments, declarations and other documents as may be reasonably required to give full effect to this Agreement.

16. This Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original and which counterparts together shall constitute one and the same instrument.

17. This Agreement shall enure to the benefit of and shall be binding on the parties hereto and their respective personal representatives, executors, administrators, heirs, successors and assigns.

[THE FOLLOWING PAGE IS THE EXECUTION PAGE]

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IN WITNESS WHEREOF the Nominee and Beneficial Owner have executed this Agreement as of the date set out above.

VAUGHAN ST GP CORP.

DocuSigned by:

Per: Scott Reid
CE30E432D7D4442...

Name: Scott O. Reid
Title: President

i have authority to bind the Corporation

VAUGHAN ST GP CORP. IN ITS CAPACITY AS GENERAL PARTNER OF VAUGHAN ST LP

DocuSigned by:

Per: Scott Reid
CE30E432D7D4442...

Name: Scott Reid
Title: President

I have authority to bind the Limited Partnership

DocuSign Envelope ID: B9C0F3E6-A4F1-4D2E-8E1C-43891114A6C8

LIBRO CREDIT UNION LIMITED

Per: _____

Name:

Title:

I have authority to bind the Corporation.

DocuSign Envelope ID: B9C0F3E6-A4F1-4D2E-8E1C-43891114A6C8

SCHEDULE "A"
Property

Municipal Address:	1373 and 1389 Gordon Street, Guelph
Legal Description:	Part Lot 7, Concession 7 Puslinch, being Part 1 on 61R-22249; City of Guelph, being all of PIN 71492-1472(LT)

EXHIBIT “J”

DocuSign Envelope ID: E10571C5-E77A-4A24-94C6-58DB567ED2E9

Libro
CREDIT UNION

Guarantee and Postponement of Claim

For valuable consideration, I, the undersigned guarantor, agree with Libro Credit Union Limited ("Libro"), and any successor and assigns of Libro, as follows:

The name of the borrower whose debts I am guaranteeing is: VAUGHAN ST GP CORP. (the "Borrower")

I guarantee payment to Libro of all the debts and liabilities, present or future, direct or indirect, absolute or contingent, mature or not, at any time owing by the Borrower to Libro (the "Borrower's Debt"). I agree to postpone and assign any claim I have at any time against the Borrower in favour of Libro. My liability under this Guarantee is:

(INITIAL AS APPROPRIATE)

☑ Unlimited.

☐ Limited to the principal sum of $_____ plus interest and costs in accordance with the terms and conditions of this guarantee.

This Guarantee shall be a continuing all accounts guarantee and shall be governed by the laws of Ontario.

1. **Payment on Demand.** I will immediately pay Libro on demand the amount of the Borrower's Debt plus all costs (including all legal fees and disbursements) incurred by Libro in enforcing any of Libro's rights under this Guarantee; together with any interest accrued (including interest on overdue interest, compounded monthly) on unpaid amounts due under this Guarantee calculated from the date on which those amounts were originally demanded until payment is made in full, both before and after judgment, at the rates applicable to the corresponding Borrower's Debts.

2. **Making Demand.** Any demand or notice given under this Guarantee shall be conclusively considered to have been delivered to me on the date it is mailed to the most recent address known to Libro, or alternatively on the date that it is personally delivered to that address. I will give Libro immediate written notice of any change of my address.

3. **No Setoff or Counterclaim.** I will make all payments required to be made under this Guarantee without regard to any right of setoff or counterclaim that I have or may have against the Borrower or Libro.

4. **Exhausting Recourse.** Libro does not need to exhaust its recourse against the Borrower or enforce under any security interest Libro may from time to time hold on any assets ("Security") before being entitled to full payment from me under this Guarantee.

5. **Absolute Liability.** My liability under this Guarantee is absolute and unconditional. It will not be limited or reduced, nor will Libro be responsible or owe any duty to me, nor will Libro's rights under this Guarantee be prejudiced, by the existence or occurrence (with or without my knowledge or consent) of any one or more of the following:

   (a) any termination, invalidity, unenforceability or release by Libro of any of its rights against the Borrower;

   (b) any increase, reduction, renewal, substitution or other change in, or discontinuance of, the terms relating to the Borrower's Debt or to any credit extended by Libro to the Borrower; or any agreement granting any extensions of time or any other indulgences or concessions to the Borrower; any taking or giving up of any Security; abstaining from taking, perfecting or registering any Security; allowing any Security to lapse (whether by failing to make or maintain any registration or otherwise); or any neglect or omission by Libro in respect of any of the foregoing;

   (c) any unenforceability or loss of or in respect of any Security held from time to time by Libro from me, or the Borrower, whether the loss is due to the means or timing of any registration, disposition or realization of any collateral that is the subject of that Security or otherwise due to Libro's fault or any other reason;

   (d) the death of the Borrower; any change in the Borrower's name; or any reorganization (whether by way of amalgamation, merger, transfer, sale, lease or otherwise) of the Borrower or the Borrower's business;

   (e) any change in my financial condition or that of the Borrower or any other Guarantor;

   (f) any incapacity, disability, or lack or limitation of status or of the power of the Borrower or of the Borrower's directors, managers, officers, partners or agents; the discovery that the Borrower is not or may not be a legal entity; or any irregularity, defect or informality in the incurring of any of the Borrower's Debts; or

   (g) any event whatsoever that might be a defense available to, or result in a reduction or discharge of me or the Borrower in respect of either the Borrower's Debt or my liability under this Guarantee.

6. **All Accounts Guarantee.** All moneys and liabilities for all accounts of the Borrower, whether matured or not matured, present or future, direct or indirect, absolute or contingent due and owing to Libro by the Borrower will be deemed to form part of the Borrower's Debt which is guaranteed by the Guarantor under this Guarantee.

7. **Continuing Guarantee.** This is a continuing guarantee of the Borrower's Debt.

8. **Terminating Further Liability.** I may discontinue any further liability to pay the Borrower's Debt by written notice to Libro. I will, however, continue to be liable under this Guarantee for any of the Borrower's Debt that the Borrower incurs up to and including the 30th day after Libro receives my notice.

9. **Statement Conclusive.** Except for demonstrable errors or omissions, the amount appearing due in any account stated by Libro or settled between Libro and the Borrower will be conclusive as to that amount being due.

10. **Assignment and Postponement of Claim.** I postpone in favor of Libro all debts and liabilities that the Borrower now owes or later may from time to time owe to me in any manner until Libro is paid in full. I further assign to Libro all such debts and liabilities, to the extent of the Borrower's Debts, until Libro is paid in full. If I receive any moneys in payment of any of such debts and liabilities, I will hold them in trust for, and will immediately pay them to, Libro without reducing my liability under this Guarantee.

11. **Consent to Disclose Information.** Libro may from time to time give any credit or other information about me to, or receive such information from, any credit bureau, credit reporting agency or other similar party.

12. **Assignment to Third Parties.** Libro may without notice of any kind sell, assign or transfer to any third party all or any of the Borrower's indebtedness and liability to Libro, and in such event each and every immediate and successive assignee, transferee or holder of all or any of such indebtedness and liability shall have the right to enforce this Guarantee by suit or otherwise for the benefit of such assignee, transferee or holder as fully as if such assignee, transferee or holder were herein by name specifically given such rights, powers and benefits, but Libro shall have an unimpaired right, prior and superior to that of any such assignee, transferee or holder, to enforce this Guarantee as to so much of such indebtedness and liability as Libro may not have sold, assigned or transferred.

13. **General.** Any provision of this Guarantee that is void or unenforceable in a jurisdiction is, as to that jurisdiction, ineffective to that extent without invalidating the remaining provisions. If the Guarantor is a Corporation or Partnership, then the provisions hereof shall be read with all necessary grammatical changes. The Guarantee is in addition and without prejudice to any security of any kind now or in the future held by Libro. There are no representations, collateral agreements or conditions with respect to, or affecting my liability under, this Guarantee other than as contained in this Guarantee.

DocuSigned by: Victoria Stradiotis	DocuSigned by: Scott Reid	11/28/2023
Witness	Signature Name: Scott O. Reid	Date

EXHIBIT “K”

DocuSign Envelope ID: E10571C5-E77A-4A24-94C6-58DB567ED2E9

Libro
CREDIT UNION

Guarantee and Postponement of Claim

For valuable consideration, I, the undersigned guarantor, agree with Libro Credit Union Limited ("Libro"), and any successor and assigns of Libro, as follows:

The name of the borrower whose debts I am guaranteeing is: VAUGHAN ST GP CORP. (the "Borrower")

I guarantee payment to Libro of all the debts and liabilities, present or future, direct or indirect, absolute or contingent, mature or not, at any time owing by the Borrower to Libro (the "Borrower's Debt"). I agree to postpone and assign any claim I have at any time against the Borrower in favour of Libro. My liability under this Guarantee is:

(INITIAL AS APPROPRIATE)

☒ Unlimited.

☐ Limited to the principal sum of $_____ plus interest and costs in accordance with the terms and conditions of this guarantee.

This Guarantee shall be a continuing all accounts guarantee and shall be governed by the laws of Ontario.

1. **Payment on Demand.** I will immediately pay Libro on demand the amount of the Borrower's Debt plus all costs (including all legal fees and disbursements) incurred by Libro in enforcing any of Libro's rights under this Guarantee; together with any interest accrued (including interest on overdue interest, compounded monthly) on unpaid amounts due under this Guarantee calculated from the date on which those amounts were originally demanded until payment is made in full, both before and after judgment, at the rates applicable to the corresponding Borrower's Debts.

2. **Making Demand.** Any demand or notice given under this Guarantee shall be conclusively considered to have been delivered to me on the date it is mailed to the most recent address known to Libro, or alternatively on the date that it is personally delivered to that address. I will give Libro immediate written notice of any change of my address.

3. **No Setoff or Counterclaim.** I will make all payments required to be made under this Guarantee without regard to any right of setoff or counterclaim that I have or may have against the Borrower or Libro.

4. **Exhausting Recourse.** Libro does not need to exhaust its recourse against the Borrower or enforce under any security interest Libro may from time to time hold on any assets ("Security") before being entitled to full payment from me under this Guarantee.

5. **Absolute Liability.** My liability under this Guarantee is absolute and unconditional. It will not be limited or reduced, nor will Libro be responsible or owe any duty to me, nor will Libro's rights under this Guarantee be prejudiced, by the existence or occurrence (with or without my knowledge or consent) of any one or more of the following:

   (a) any termination, invalidity, unenforceability or release by Libro of any of its rights against the Borrower;

   (b) any increase, reduction, renewal, substitution or other change in, or discontinuance of, the terms relating to the Borrower's Debt or to any credit extended by Libro to the Borrower; or any agreement granting any extensions of time or any other indulgences or concessions to the Borrower; any taking or giving up of any Security; abstaining from taking, perfecting or registering any Security; allowing any Security to lapse (whether by failing to make or maintain any registration or otherwise); or any neglect or omission by Libro in respect of any of the foregoing;

   (c) any unenforceability or loss of or in respect of any Security held from time to time by Libro from me, or the Borrower, whether the loss is due to the means or timing of any registration, disposition or realization of any collateral that is the subject of that Security or otherwise due to Libro's fault or any other reason;

   (d) the death of the Borrower; any change in the Borrower's name; or any reorganization (whether by way of amalgamation, merger, transfer, sale, lease or otherwise) of the Borrower or the Borrower's business;

   (e) any change in my financial condition or that of the Borrower or any other Guarantor;

   (f) any incapacity, disability, or lack or limitation of status or of the power of the Borrower or of the Borrower's directors, managers, officers, partners or agents; the discovery that the Borrower is not or may not be a legal entity; or any irregularity, defect or informality in the incurring of any of the Borrower's Debts; or

   (g) any event whatsoever that might be a defense available to, or result in a reduction or discharge of me or the Borrower in respect of either the Borrower's Debt or my liability under this Guarantee.

6. **All Accounts Guarantee.** All moneys and liabilities for all accounts of the Borrower, whether matured or not matured, present or future, direct or indirect, absolute or contingent due and owing to Libro by the Borrower will be deemed to form part of the Borrower's Debt which is guaranteed by the Guarantor under this Guarantee.

7. **Continuing Guarantee.** This is a continuing guarantee of the Borrower's Debt.

8. **Terminating Further Liability.** I may discontinue any further liability to pay the Borrower's Debt by written notice to Libro. I will, however, continue to be liable under this Guarantee for any of the Borrower's Debt that the Borrower incurs up to and including the 30th day after Libro receives my notice.

9. **Statement Conclusive.** Except for demonstrable errors or omissions, the amount appearing due in any account stated by Libro or settled between Libro and the Borrower will be conclusive as to that amount being due.

10. **Assignment and Postponement of Claim.** I postpone in favor of Libro all debts and liabilities that the Borrower now owes or later may from time to time owe to me in any manner until Libro is paid in full. I further assign to Libro all such debts and liabilities, to the extent of the Borrower's Debts, until Libro is paid in full. If I receive any moneys in payment of any of such debts and liabilities, I will hold them in trust for, and will immediately pay them to, Libro without reducing my liability under this Guarantee.

11. **Consent to Disclose Information.** Libro may from time to time give any credit or other information about me to, or receive such information from, any credit bureau, credit reporting agency or other similar party.

12. **Assignment to Third Parties.** Libro may without notice of any kind sell, assign or transfer to any third party all or any of the Borrower's indebtedness and liability to Libro, and in such event each and every immediate and successive assignee, transferee or holder of all or any of such indebtedness and liability shall have the right to enforce this Guarantee by suit or otherwise for the benefit of such assignee, transferee or holder as fully as if such assignee, transferee or holder were herein by name specifically given such rights, powers and benefits, but Libro shall have an unimpaired right, prior and superior to that of any such assignee, transferee or holder, to enforce this Guarantee as to so much of such indebtedness and liability as Libro may not have sold, assigned or transferred.

13. **General.** Any provision of this Guarantee that is void or unenforceable in a jurisdiction is, as to that jurisdiction, ineffective to that extent without invalidating the remaining provisions. If the Guarantor is a Corporation or Partnership, then the provisions hereof shall be read with all necessary grammatical changes. The Guarantee is in addition and without prejudice to any security of any kind now or in the future held by Libro. There are no representations, collateral agreements or conditions with respect to, or affecting my liability under, this Guarantee other than as contained in this Guarantee.

RHH RENTAL PROPERTIES LTD.

Signature: DocuSigned by: Scott Reid CEO, 4B2D7A442... 11/28/2023
Date

Name: Scott Reid
Title: President
I/We have the authority to bind the Corporation

Signature: _____ Date

Name:
Title:
I/We have the authority to bind the Corporation

EXHIBIT “L”

BDO

Tel: 416-865-0210
Fax: 416-865-0904
www.bdo.ca

BDO Canada Limited
20 Wellington St. E., Suite 500
Toronto, ON M5E 1C5

June 25, 2025

To all Creditors:

Subject: In the matter of the Bankruptcy of RHH Rental Properties Ltd.

As you are aware, RHH Rental Properties Ltd. filed an assignment in bankruptcy effective June 18, 2025 with BDO Canada Limited acting as the Licensed Insolvency Trustee (the "**Trustee**"). In accordance with the provisions of the *Bankruptcy and Insolvency Act*, the first meeting of creditors in the bankruptcy proceedings is scheduled on **July 7, 2025 at 11:00AM ET** via conference call.

Should you wish to attend the July 7, 2025 call, please contact Tony Montesano via email (tmontesano@bdo.ca) to register your attendance, obtain the requisite Microsoft Teams link, and confirm if you would like to receive a copy of the Trustee's Report to the Creditors on Preliminary Administration via email (preferred) or fax. Should you wish to actively participate and vote during the July 7, 2025 call, you are required to complete and file the previously provided Proof of Claim Form (attached for reference) with the Trustee a minimum of **1 hour in advance** of the call.

Should you have any questions, please contact Tony Montesano at tmontesano@bdo.ca or (416)865-0210.

Yours Truly,

BDO Canada Limited
In its capacity as Licensed Insolvency Trustee
in the Bankruptcy of RHH Rental Properties Ltd.
and not in its personal capacity.

Per: Clark Lonergan, CPA, CA, CIRP, LIT
Senior Vice-President

BDO Canada Limited is an affiliate of BDO Canada LLP. BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO Canada Limited / BDO Canada Limitée
20 Wellington St E, Suite 500
Toronto ON M5E 1C5
Phone: (416) 865-0210 Fax: (416) 865-0904
E-mail: tmontesano@bdo.ca

District of:	Ontario
Division No.	08 - Waterloo
Court No.	35-3236991
Estate No.	35-3236991

FORM 31

Proof of Claim

(Sections 50.1, 81.5, 81.6, subsections 65.2(4), 81.2(1), 81.3(8), 81.4(8), 102(2), 124(2), 128(1), and paragraphs 51(1)(e) and 66.14(b) of the Act)

In the Matter of the Bankruptcy of
RHH Rental Properties Ltd.
of the City of Guelph, in the Province of Ontario

The creditor's preference is to receive all notices and correspondence regarding this claim at the following address and/or facsimile number and/or email address (a mailing address must be provided in all cases):

Address: _____
Facsimile: _____
Email: _____
Contact person name or position: _____
Telephone number for contact person: _____

In the matter of the bankruptcy of RHH Rental Properties Ltd. of the City of Guelph in the Province of Ontario and the claim of _____, creditor.

I, _____ *(name of creditor or representative of the creditor)*, of _____ *(city and province)*, do hereby certify:

1. That I am a creditor of the above named debtor (or that I am _____ *(state position or title)* of _____ *(name of creditor or representative of the creditor)* and that I am authorized to represent and *(if the creditor is a corporation)* that I have authority to bind the creditor of the above-named debtor).

2. That I have knowledge of all the circumstances connected with the claim referred to below.

3. That the debtor was, at the date of bankruptcy, namely the 18th day of June 2025, and still is, indebted to the creditor in the sum of $_____, as specified in the statement of account (or affidavit) attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled. Any debt payable in a currency other than Canadian currency was converted to Canadian currency as of the date of bankruptcy.
(The attached statement of account or affidavit must specify the supporting documents or other evidence in support of the claim)

4. That, to the best of my knowledge, this debt has never been (or this debt has been or part of this debt has been) statute-barred as determined under the relevant legislation.

5. That payment for this debt by the debtor to the creditor has been due (or has been in default) since the _____ day of _____, _____, and that the last payment, if any, on this debt by the debtor to the creditor was made on the _____ day of _____, _____, and/or that the last acknowledgement, if any, of liability for this debt by the debtor to the creditor was made on the _____ day of _____, _____, as follows:
(Give full particulars of the claim, including its history, any acknowledgement or legal action)

6. (Check and complete appropriate category)

☐ **A. Unsecured claim of $_____**

(Other than as a customer contemplated by Section 262 of the Act)

That in respect of this debt, I do not hold any assets of the debtor as security and:

(Check appropriate description)

☐ Regarding the amount of $_____, I do not claim a right to a priority.

District of Ontario
Division No. 08 - Waterloo
Court No. 35-3236991
Estate No. 35-3236991

FORM 31 — Continued

In the Matter of the Bankruptcy of
RHH Rental Properties Ltd.
of the City of Guelph, in the Province of Ontario

☐ Regarding the amount of $ _____, I claim a right to a priority under paragraph 136(1)(d) of the Act (Complete paragraph 6F below.)

☐ Regarding the amount of $ _____, I claim a right to a priority under paragraph 136(1)(d.01) of the Act.

☐ Regarding the amount of $ _____, I claim a right to a priority under paragraph 136(1)(d.02) of the Act

☐ Regarding the amount of $ _____, I claim a right to a priority under paragraph 136(1)(d.1) of the Act.

☐ Regarding the amount of $ _____, I claim a right to a priority under paragraph 136(1)(e) of the Act.

☐ Regarding the amount of $ _____, I claim a right to a priority under paragraph 136(1)(f) of the Act.

☐ Regarding the amount of $ _____, I claim a right to a priority under paragraph 136(1)(g) of the Act

☐ Regarding the amount of $ _____, I claim a right to a priority under paragraph 136(1)(i) of the Act

(Set out on an attached sheet details to support priority claim)

☐ **B. Claim of Lessor for disclaimer of a lease of $_____**

That I make a claim under subsection 65.2(4) of the Act, the particulars of which are as follows:
(Give full particulars of the claim, including the calculations upon which the claim is based)

☐ **C. Secured claim of $_____**

That in respect of this debt, I hold assets of the debtor valued at $_____ as security, the particulars of which are as follows:
(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)

A trustee may, pursuant to subsection 128(3) of the Act, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in the proof of security, by the secured creditor.

☐ **D. Claim by Farmer, Fisherman or Aquaculturist of $_____**

That I make a claim under subsection 81.2(1) of the Act for the unpaid amount of $ _____
(Attach a copy of sales agreement and delivery receipts)

☐ **E. Claim by Wage Earner of $_____**

☐ That I make a claim under subsection 81.3(8) of the Act in the amount of $_____,

☐ That I make a claim under subsection 81.4(8) of the Act in the amount of $_____,

☐ **F. Claim by Pension Plan for unpaid amount of $_____**

☐ That I make a claim under subsection 81.5 of the Act in the amount of $_____,

☐ That I make a claim under subsection 81.6 of the Act in the amount of $_____,

☐ **G. Claim against Director of $_____**

(To be completed when a proposal provides for the compromise of claims against directors)
That I make a claim under subsection 50(13) of the Act, the particulars of which are as follows:
(Give full particulars of the claim, including the calculations upon which the claim is based)

☐ **H. Claim of a Customer of a Bankrupt Securities Firm of $_____**

That I make a claim as a customer for net equity as contemplated by section 262 of the Act, the particulars of which are as follows:
(Give full particulars of the claim, including the calculations upon which the claim is based)

District of	Ontario
Division No.	08 - Waterloo
Court No.	35-3236991
Estate No.	35-3236991

FORM 31 — Concluded

In the Matter of the Bankruptcy of
RHH Rental Properties Ltd.
of the City of Guelph, in the Province of Ontario

7. That, to the best of my knowledge, I am (or the above-named creditor is) (or am not or is not) related to the debtor within the meaning of section 4 of the Act, and have (or has) (or have not or has not) dealt with the debtor in a non-arm's-length manner.

8. That the following are the payments that I have received from the debtor, the credits that I have allowed to the debtor, and the transfers at undervalue within the meaning of section 2 of the Act that I have been privy to or a party to with the debtor within the three months (or, if the creditor and the debtor are related within the meaning of section 4 of the Act or were not dealing with each other at arm's length, within the 12 months) immediately before the date of the initial bankruptcy event within the meaning of section 2 of the Act:
(Provide details of payments, credits and transfers at undervalue)

9. (Applicable only in the case of the bankruptcy of an individual.)

☐ Whenever the trustee reviews the financial situation of a bankrupt to redetermine whether or not the bankrupt is required to make payments under section 68 of the Act, I request to be informed, pursuant to paragraph 68(4) of the Act, of the new fixed amount or of the fact that there is no longer surplus income.

☐ I request that a copy of the report filed by the trustee regarding the bankrupt's application for discharge pursuant to subsection 170(1) of the Act be sent to the above address.

Warning: Subsection 201(1) of the Act provides for the imposition of severe penalties in the event that a creditor or person claiming to be a creditor makes any false claim, proof, declaration or statement of account.

Dated at _____ this _____ day of _____.

_____
Signature of creditor or representative

District of: Ontario
Division No. 08 - Waterloo
Court No. 35-3236991
Estate No. 35-3236991

FORM 36

Proxy

(Subsection 102(2) and paragraphs 51(1)(e) and 66.15(3)(b) of the Act)

In the Matter of the Bankruptcy of
RHH Rental Properties Ltd.
of the City of Guelph, in the Province of Ontario

I, _____, of _____, a creditor in the above matter, hereby appoint _____, of _____, to be my proxyholder in the above matter, except as to the receipt of dividends, _____ (with or without) power to appoint another proxyholder in his or her place.

Dated at _____, this _____ day of _____, _____

_____
Witness

_____
Individual Creditor

_____

_____
Name of Corporate Creditor

Per _____
Name and Title of Signing Officer

Return To:

BDO Canada Limited / BDO Canada Limitée - Licensed Insolvency Trustee

20 Wellington St E, Suite 500
Toronto ON M5E 1C5
Fax: (416) 865-0904
E-mail: tmontesano@bdo.ca

EXHIBIT “M”

LRO # 61 **Construction Lien** **Registered as WC725637** on 2024 03 26 at 16:03

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

Properties

PIN 71492 - 1472 LT

Description PART LOT 7 CONCESSION 7 PUSLINCH, BEING PART 1 ON 61R-22249; SUBJECT TO AN EASEMENT AS IN WC717933; SUBJECT TO AN EASEMENT IN GROSS OVER PART 2, 61R-22590 AS IN WC724560; TOGETHER WITH AN EASEMENT OVER PART LOT 7, CON 7, PART 1, 61R22590 AS IN WC724561; CITY OF GUELPH

Address 1373 GORDON STREET
GUELPH

Consideration

Consideration $553,353.17

Claimant(s)

Name MARTIN SIMMONS SWEERS ARCHITECTS INC.

Address for Service 200-113 Breithaupt Street
Kitchener, ON N2H 5G9

I, Jason Sweers, Partner, am the agent of the lien claimant and have informed myself of the facts stated in the claim for lien and believe them to be true.

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

Statements

Name and Address of Owner Vaughan St GP Corp., 1515 Gordon Street, 203, Guelph, ON N1L 1C9, Name and address of person to whom lien claimant supplied services or materials RHH Rental Properties Ltd. operating as Reid's Heritage Properties, 1515 Gordon Street, Suite 203, Guelph, ON N1L 1C9, Time within which services or materials were supplied from 2023/06/06 to 2024/02/05 Short description of services or materials that have been supplied Architectural Services: Design, Working Drawing Production, Consultant Coordination Contract price or subcontract price $1,200,280.00 + $156,036.40 (HST) = $1,356,316.40 Amount claimed as owing in respect of services or materials that have been supplied $553,353.17

The lien claimant claims a lien against the interest of every person identified as an owner of the premises described in said PIN to this lien

Signed By

Graham Harvey Houston Darling	345 King Street West, Suite #600 Kitchener N2G 0C5	acting for Applicant(s)	Signed	2024 03 26

Tel 519-576-6910

Fax 519-576-6030

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

Submitted By

G-WLG LP (A.K.A. Gowling WLG)	345 King Street West, Suite #600 Kitchener N2G 0C5	2024 03 26

Tel 519-576-6910

Fax 519-576-6030

Fees/Taxes/Payment

Statutory Registration Fee	$69.95
Total Paid	$69.95

File Number

Claimant Client File Number : K0573108

EXHIBIT “N”

LRO # 61 **Certificate** **Registered as WC733172** on 2024 06 27 at 11:31

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

Properties

PIN 71492 - 1472 LT

Description PART LOT 7 CONCESSION 7 PUSLINCH, BEING PART 1 ON 61R-22249; SUBJECT TO AN EASEMENT AS IN WC717933; SUBJECT TO AN EASEMENT IN GROSS OVER PART 2, 61R-22590 AS IN WC724560; TOGETHER WITH AN EASEMENT OVER PART LOT 7, CON 7, PART 1, 61R22590 AS IN WC724561; CITY OF GUELPH

Address GUELPH

Party From(s)

Name MARTIN SIMMONS SWEERS ARCHITECTS INC.

Address for Service 200-113 Breithaupt Street
Kitchener, ON N2H 5G9

A person or persons with authority to bind the corporation has/have consented to the registration of this document.

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

Statements

This document relates to registration number(s)WC725637

Schedule: See Schedules

Signed By

Graham Harvey Houston Darling — 345 King Street West, Suite #600 Kitchener N2G 0C5 — acting for Party From(s) — Signed 2024 06 27

Tel 519-576-6910

Fax 519-576-6030

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

Submitted By

G-WLG LP (A.K.A. Gowling WLG) — 345 King Street West, Suite #600 Kitchener N2G 0C5 — 2024 06 27

Tel 519-576-6910

Fax 519-576-6030

Fees/Taxes/Payment

Statutory Registration Fee $69.95

Total Paid $69.95

File Number

Party From Client File Number : K0573108

FORM 14
CERTIFICATE OF ACTION UNDER SECTION 36 OF THE ACT

Construction Act

Court File No.

ONTARIO

SUPERIOR COURT OF JUSTICE

BETWEEN **MARTIN SIMMONS SWEERS ARCHITECTS INC.** Plaintiff(s)

And

(court seal) **VAUGHAN ST GP CORP., RHH RENTAL PROPERTIES LTD. O/A REID'S HERITAGE PROPERTIES and LIBRO CREDIT UNION LIMITED**

Defendant(s)

CERTIFICATE OF ACTION

I certify that an action has been commenced in the Superior Court of Justice under the *Construction Act* between the above parties in respect of the premises described in Schedule A to this certificate, and relating to the claim(s) for lien bearing the following registration numbers:

WC725637

Date: .....

(registrar or local registrar)

SCHEDULE A

Description of premises:

PART LOT 7 CONCESSION 7 PUSLINCH, BEING PART 1 ON 61R-22249; SUBJECT TO AN EASEMENT AS IN WC717933; SUBJECT TO AN EASEMENT IN GROSS OVER PART 2, 61R-22590 AS IN WC724560; TOGETHER WITH AN EASEMENT OVER PART LOT 7, CON 7, PART 1, 61R22590 AS IN WC724561; CITY OF GUELPH

(The description of the premises must be the same as in the statement of claim, and must be sufficient for registration under the *Land Titles Act* or the *Registry Act*, as the case may be.)

MARTIN SIMMONS SWEERS ARCHITECTS INC.
Plaintiff

-and-

VAUGHAN ST GP CORP., et al.
Defendants

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
IN THE MATTER OF *the Construction Act, R.S.O. 1990, c. C.30*

PROCEEDING COMMENCED AT
GUELPH

CERTIFICATE OF ACTION

GOWLING WLG (CANADA) LLP
Barristers & Solicitors
345 King Street West, Suite 600
Kitchener ON N2G 0C5
Tel: 519-576-6910

Sahil Shoor (65709O)
Tel: 519-571-7604
sahil.shoor@gowlingwlg.com

Kathy Z. Jiang (84746F)
Tel: 519-575-7524
Kathy.Z.Jiang@gowlingwlg.com

Lawyers for the Plaintiff

File Number: K0573108

EXHIBIT “O”

CERTIFICATE OF THE TREASURER

City Hall, 1 Garden Street
Guelph, Ontario, Canada N1H 3A1
Email: tax@guelph.ca
Telephone: (519) 822-1260 extension 5605
Fax: (519) 837-5647

CERTIFIED AT	**July 22, 2025**	CERTIFICATE NO	**15842**
		REFERENCE	**MEC-203075**
ISSUED TO	**Maria Grant**	ROLL NUMBER	**23.08.060.009.10900.0000**
	mgrant@harrisonpensa.com	ASSESSED OWNER	
		VAUGHAN ST GP CORP	

PROPERTY DESCRIPTION

3 VAUGHAN ST GUELPH
PUSLINCH CON 7 PT LOT 7 RP 61R22009 PARTS 1 AND 2

PENALTY/INTEREST RATE **1.250 %**

TAX ARREARS

Statement showing arrears of taxes on the above lands. (Reference Section 352 of the Municipal Act.)

YEAR	TAXES LEVIED	TAXES OUTSTANDING	INTEREST	ARREARS OUTSTANDING
2024	10,623.11	10,758.11	1,825.63	12,583.74
2023	9,894.09	0.00	0.00	0.00
2022+	51,710.94	0.00	0.00	0.00

STATEMENT OF CURRENT TAXES

(Issued pursuant to the provisions of Section 352 of the Municipal Act.)

CURRENT LEVY		INSTALMENT DUE DATES AND AMOUNTS				CURRENT OUTSTANDING	
INTERIM	5,311.56	2025/02/28	2,656.56	2025/04/30	2,655.00	TAX	11,251.49
FINAL	5,939.93	2025/06/30	2,970.93	2025/09/29	2,969.00	OTHER CHARGES	105.00
SUPP/ADJ	0.00					PENALTY	306.67
TOTAL	11,251.49					TOTAL CURRENT	11,663.16

TOTAL OUTSTANDING **24,246.90**

I hereby certify that the above statement shows all arrears of taxes against the above lands.

1. This Certificate does not include any Arrears of Water or Hydro services to the property not added to the tax roll at this date. Contact Alectra Utilities for such information 1-833-ALECTRA or (519) 822-3010.
2. Nor does it include any direct services to the property not added to the Tax Roll at this date, such as work orders involving weed cutting charges, demolition, clean-ups, etc. Contact Building Services, telephone (519) 837-5615 for more information.
3. Tax levy to date does not include subsequent Supplementary Taxes that may be levied and added under Sections 33 and 34 of the Assessment Act as amended nor does it include adjustments that may be made under the Municipal Act and The Assessment Act.
4. Any Credit Balance appearing on this Certificate is not verified. No adjustment should be made unless the Credit Balance is a known and acknowledged overpayment. Contact tax@guelph.ca or telephone (519) 822-1260 extension 5605 for any further information as to disposition.
5. Application of tax payments if in arrears - where part payments of taxes due for any year are received, after crediting the payment first on account of interest and penalty and other charges, the remainder is to be credited against those instalments longest overdue. The unpaid balance shown on the Certificate is the amount due, only if paid on or before the last working day of the month of issue.
6. These charges do not include Local Improvements which are proposed for which construction has not commenced or Local Improvements which have been constructed but not levied.
7. The information on this Certificate is based payments being correctly applied to the account and clearing at their Financial Institution.

For The City Treasurer

LOCAL IMPROVEMENTS ASSESSED TO THIS PROPERTY TO DATE INCLUDE

CODE	DESCRIPTION	ANNUAL AMOUNT	EXPIRY	STATUS

Please confirm via email to tax@guelph.ca with appropriate paperwork (deed or transfer) that the sale has been completed in order that

we may ensure that the new owner(s) receive future tax notices.

EXHIBIT “P”

Ontario

Clear Certificate / Certificat libre

Sheriff of / Shérif de : **COUNTY OF WELLINGTON (GUELPH)**

Certificate # / N° de certificat : **51892886-8919477B**

Date of Certificate / Date du certificat : **2025-JUL-25 / 2025-JUILL-25**

Sheriff's Statement

This certifies that there are no active writs of execution, orders and certificates of lien filed within the electronic database maintained by this office in accordance with Section 10 of the *Execution Act*, at the time of searching against the real and personal property of:

Déclaration du shérif

Ce certificat atteste qu'il n'y a aucune ordonnance active ou aucun bref d'exécution forcée ou certificat de privilège actif dans la base de données électronique maintenue par ce bureau aux termes de l'article 10 de la *Loi sur l'exécution forcée* au moment de la recherche visant les biens meubles et immeubles de :

Name Searched / Nom recherché

Person or Company / Personne ou société	Name or Surname, Given Name(s) / Nom ou nom de famille, prénom(s)
Company / Société	VAUGHAN ST GP CORP.

Caution to party requesting search:

- It is the responsibility of the requesting party to ensure that the name searched is correct.
- By virtue of this certificate, the sheriff is assuring that this name will remain clear until the end of close of this business date, unless the sheriff is directed otherwise under an order of the court.

Avertissement à la partie qui demande la recherche :

- Il incombe à la partie qui demande la recherche de s'assurer que le nom recherché est exact.
- En vertu du présent certificat, le shérif assure que ce nom demeure libre jusqu' à la fin de cette journée de travail, à moins de recevoir des directives contraires aux termes d'une ordonnance du tribunal.

Charge For This Certificate / Frais pour ce certificat : CAD 13.00

Searcher Reference / Référence concernant l'auteur(e) de la demande : HP

Ontario

Clear Certificate / Certificat libre

Sheriff of / Shérif de : **COUNTY OF WELLINGTON (GUELPH)**

Certificate # / N° de certificat : **51893000-3632066B**

Date of Certificate / Date du certificat : **2025-JUL-25 / 2025-JUILL-25**

Sheriff's Statement

This certifies that there are no active writs of execution, orders and certificates of lien filed within the electronic database maintained by this office in accordance with Section 10 of the *Execution Act*, at the time of searching against the real and personal property of:

Déclaration du shérif

Ce certificat atteste qu'il n'y a aucune ordonnance active ou aucun bref d'exécution forcée ou certificat de privilège actif dans la base de données électronique maintenue par ce bureau aux termes de l'article 10 de la *Loi sur l'exécution forcée* au moment de la recherche visant les biens meubles et immeubles de :

Name Searched / Nom recherché

Person or Company / Personne ou société	Name or Surname, Given Name(s) / Nom ou nom de famille, prénom(s)
Company / Société	VAUGHAN ST LP

Caution to party requesting search:

- It is the responsibility of the requesting party to ensure that the name searched is correct.
- By virtue of this certificate, the sheriff is assuring that this name will remain clear until the end of close of this business date, unless the sheriff is directed otherwise under an order of the court.

Avertissement à la partie qui demande la recherche :

- Il incombe à la partie qui demande la recherche de s'assurer que le nom recherché est exact.
- En vertu du présent certificat, le shérif assure que ce nom demeure libre jusqu' à la fin de cette journée de travail, à moins de recevoir des directives contraires aux termes d'une ordonnance du tribunal.

Charge For This Certificate / Frais pour ce certificat : CAD 13.00

Searcher Reference / Référence concernant l'auteur(e) de la demande : HP

EXHIBIT “Q”

ServiceOntario

Main Menu New Enquiry Rate Our Service

Enquiry Result

File Currency: **23JUL 2025**

All Pages Show All Pages

Note: All pages have been returned.

Type of Search	Business Debtor							
Search Conducted On	VAUGHAN ST GP CORP.							
File Currency	23JUL 2025							
	File Number	**Family**	**of Families**	**Page**	**of Pages**	**Expiry Date**	**Status**	
	500896251	1	3	1	3	04DEC 2028		
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN								
File Number	**Caution Filing**	**Page of**	**Total Pages**	**Motor Vehicle Schedule**		**Registration Number**	**Registered Under**	**Registration Period**
500896251		001	1			20231204 0910 2800 0463	P PPSA	05
Individual Debtor	**Date of Birth**	**First Given Name**			**Initial**	**Surname**		
Business Debtor	**Business Debtor Name**					**Ontario Corporation Number**		
	VAUGHAN ST GP CORP.							
	Address				**City**	**Province**	**Postal Code**	
	1515 GORDON STREET, UNIT 203				GUELPH	ONT	N1L 1C9	
Individual Debtor	**Date of Birth**	**First Given Name**			**Initial**	**Surname**		
Business Debtor	**Business Debtor Name**					**Ontario Corporation Number**		
	VAUGHAN ST LP							
	Address				**City**	**Province**	**Postal Code**	
	1515 GORDON STREET, UNIT 203				GUELPH	ONT	N1L 1C9	
Secured Party	**Secured Party / Lien Claimant**							
	LIBRO CREDIT UNION LIMITED							
	Address				**City**	**Province**	**Postal Code**	
	217 YORK STREET, 4TH FLOOR				LONDON	ONT	N6A 5P9	

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**			
	ROBSON CARPENTER LLP (18334-F - DH/HR)			
	Address	**City**	**Province**	**Postal Code**
	99 STANLEY STREET	AYR	ONT	N0B 1E0

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	VAUGHAN ST GP CORP.								
File Currency	23JUL 2025								
	File Number	**Family**	**of Families**	**Page**	**of Pages**	**Expiry Date**	**Status**		
	517780935	2	3	2	3	30JUN 2035			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	**Caution Filing**	**Page of**	**Total Pages**	**Motor Vehicle Schedule**		**Registration Number**	**Registered Under**	**Registration Period**	
517780935		001	1			20250630 1059 1901 0461	P PPSA	10	
Individual Debtor	**Date of Birth**		**First Given Name**			**Initial**	**Surname**		
Business Debtor	**Business Debtor Name**						**Ontario Corporation Number**		
	VAUGHAN ST LP								
	Address					**City**	**Province**	**Postal Code**	
	1515 GORDON STREET, UNIT 202					GUELPH	ON	N1L 1C9	
Individual Debtor	**Date of Birth**		**First Given Name**			**Initial**	**Surname**		
Business Debtor	**Business Debtor Name**						**Ontario Corporation Number**		
	VAUGHAN ST GP CORP.						2841922		
	Address					**City**	**Province**	**Postal Code**	
	1515 GORDON STREET, UNIT 203					GUELPH	ON	N1L 1C9	
Secured Party	**Secured Party / Lien Claimant**								
	CARLY EMENY-WISEMAN								
	Address					**City**	**Province**	**Postal Code**	
	147 FARLEY DRIVE					GUELPH	ON	N1L 1L9	
Collateral Classification	**Consumer Goods**	**Inventory**	**Equipment**	**Accounts**	**Other**	**Motor Vehicle Included**	**Amount**	**Date of Maturity or**	**No Fixed Maturity Date**
		X	X	X	X		500000	26AUG2025	
Motor Vehicle Description	**Year**	**Make**				**Model**		**V.I.N.**	
General Collateral Description	**General Collateral Description**								
Registering Agent	**Registering Agent**								
	Address					**City**	**Province**	**Postal Code**	

END OF FAMILY

Type of Search	Business Debtor						
Search Conducted On	VAUGHAN ST GP CORP.						
File Currency	23JUL 2025						
	File Number	**Family**	**of Families**	**Page**	**of Pages**	**Expiry Date**	**Status**
	517783131	3	3	3	3	30JUN 2035	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	**Caution Filing**	**Page of**	**Total Pages**	**Motor Vehicle Schedule**	**Registration Number**	**Registered Under**	**Registration Period**
517783131		001	1		20250630 1115 1902 0699	P PPSA	10

Individual Debtor	**Date of Birth**	**First Given Name**	**Initial**	**Surname**	
Business Debtor	**Business Debtor Name**			**Ontario Corporation Number**	
	VAUGHAN ST LP				
	Address		**City**	**Province**	**Postal Code**
	1515 GORDON STREET, UNIT 202		GUELPH	ON	N1L 1C9

Individual Debtor	**Date of Birth**	**First Given Name**	**Initial**	**Surname**	
Business Debtor	**Business Debtor Name**			**Ontario Corporation Number**	
	VAUGHAN ST GP CORP.			2841922	
	Address		**City**	**Province**	**Postal Code**
	1515 GORDON STREET, UNIT 203		GUELPH	ON	N1L 1C9

Secured Party	**Secured Party / Lien Claimant**				
	CHAD WISEMAN				
	Address		**City**	**Province**	**Postal Code**
	147 FARLEY DRIVE		GUELPH	ON	N1L 1L9

Collateral Classification	**Consumer Goods**	**Inventory**	**Equipment**	**Accounts**	**Other**	**Motor Vehicle Included**	**Amount**	**Date of Maturity or**	**No Fixed Maturity Date**
		X	X	X	X		100000	26AUG2025	

Motor Vehicle Description	**Year**	**Make**	**Model**	**V.I.N.**

General Collateral Description	**General Collateral Description**

Registering Agent	**Registering Agent**			
Address		**City**	**Province**	**Postal Code**

LAST PAGE

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Web Page ID: **WEnqResult** System Date: **24JUL2025** Last Modified: May 04, 2025

ServiceOntario

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Enquiry Result

File Currency: **23JUL 2025**

All Pages Show All Pages

Note: All pages have been returned.

Type of Search	Business Debtor							
Search Conducted On	VAUGHAN ST LP							
File Currency	23JUL 2025							
	File Number	**Family**	**of Families**	**Page**	**of Pages**	**Expiry Date**	**Status**	
	500896251	1	3	1	3	04DEC 2028		
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN								
File Number	**Caution Filing**	**Page of**	**Total Pages**	**Motor Vehicle Schedule**		**Registration Number**	**Registered Under**	**Registration Period**
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Individual Debtor	**Date of Birth**	**First Given Name**			**Initial**	**Surname**		
Business Debtor	**Business Debtor Name**					**Ontario Corporation Number**		
	VAUGHAN ST GP CORP.							
	Address				**City**	**Province**	**Postal Code**	
	1515 GORDON STREET, UNIT 203				GUELPH	ONT	N1L 1C9	
Individual Debtor	**Date of Birth**	**First Given Name**			**Initial**	**Surname**		
Business Debtor	**Business Debtor Name**					**Ontario Corporation Number**		
	VAUGHAN ST LP							
	Address				**City**	**Province**	**Postal Code**	
	1515 GORDON STREET, UNIT 203				GUELPH	ONT	N1L 1C9	
Secured Party	**Secured Party / Lien Claimant**							
	LIBRO CREDIT UNION LIMITED							
	Address				**City**	**Province**	**Postal Code**	
	217 YORK STREET, 4TH FLOOR				LONDON	ONT	N6A 5P9	

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**			
	ROBSON CARPENTER LLP (18334-F - DH/HR)			
	Address	**City**	**Province**	**Postal Code**
	99 STANLEY STREET	AYR	ONT	N0B 1E0

END OF FAMILY

Type of Search	Business Debtor							
Search Conducted On	VAUGHAN ST LP							
File Currency	23JUL 2025							
	File Number	**Family**	**of Families**	**Page**	**of Pages**	**Expiry Date**	**Status**	
	517780935	2	3	2	3	30JUN 2035		
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN								
File Number	**Caution Filing**	**Page of**	**Total Pages**	**Motor Vehicle Schedule**		**Registration Number**	**Registered Under**	**Registration Period**
517780935		001	1			20250630 1059 1901 0461	P PPSA	10
Individual Debtor	**Date of Birth**		**First Given Name**			**Initial**	**Surname**	
Business Debtor	**Business Debtor Name**						**Ontario Corporation Number**	
	VAUGHAN ST LP							
	Address					**City**	**Province**	**Postal Code**
	1515 GORDON STREET, UNIT 202					GUELPH	ON	N1L 1C9
Individual Debtor	**Date of Birth**		**First Given Name**			**Initial**	**Surname**	
Business Debtor	**Business Debtor Name**						**Ontario Corporation Number**	
	VAUGHAN ST GP CORP.						2841922	
	Address					**City**	**Province**	**Postal Code**
	1515 GORDON STREET, UNIT 203					GUELPH	ON	N1L 1C9
Secured Party	**Secured Party / Lien Claimant**							
	CARLY EMENY-WISEMAN							
	Address					**City**	**Province**	**Postal Code**
	147 FARLEY DRIVE					GUELPH	ON	N1L 1L9
Collateral Classification	**Consumer Goods**	**Inventory**	**Equipment**	**Accounts**	**Other**	**Motor Vehicle Included**	**Amount**	**Date of Maturity or**	**No Fixed Maturity Date**
		X	X	X	X		500000	26AUG2025	
Motor Vehicle Description	**Year**	**Make**				**Model**		**V.I.N.**	
General Collateral Description	**General Collateral Description**								
Registering Agent	**Registering Agent**								
	Address					**City**	**Province**	**Postal Code**	

END OF FAMILY

Type of Search	Business Debtor						
Search Conducted On	VAUGHAN ST LP						
File Currency	23JUL 2025						
	File Number	**Family**	**of Families**	**Page**	**of Pages**	**Expiry Date**	**Status**
	517783131	3	3	3	3	30JUN 2035	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	**Caution Filing**	**Page of**	**Total Pages**	**Motor Vehicle Schedule**	**Registration Number**	**Registered Under**	**Registration Period**
517783131		001	1		20250630 1115 1902 0699	P PPSA	10

Individual Debtor	**Date of Birth**	**First Given Name**	**Initial**	**Surname**	
Business Debtor	**Business Debtor Name**			**Ontario Corporation Number**	
	VAUGHAN ST LP				
	Address		**City**	**Province**	**Postal Code**
	1515 GORDON STREET, UNIT 202		GUELPH	ON	N1L 1C9

Individual Debtor	**Date of Birth**	**First Given Name**	**Initial**	**Surname**	
Business Debtor	**Business Debtor Name**			**Ontario Corporation Number**	
	VAUGHAN ST GP CORP.			2841922	
	Address		**City**	**Province**	**Postal Code**
	1515 GORDON STREET, UNIT 203		GUELPH	ON	N1L 1C9

Secured Party	**Secured Party / Lien Claimant**				
	CHAD WISEMAN				
	Address		**City**	**Province**	**Postal Code**
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Collateral Classification	**Consumer Goods**	**Inventory**	**Equipment**	**Accounts**	**Other**	**Motor Vehicle Included**	**Amount**	**Date of Maturity or**	**No Fixed Maturity Date**
		X	X	X	X		100000	26AUG2025	

Motor Vehicle Description	**Year**	**Make**	**Model**	**V.I.N.**

General Collateral Description	**General Collateral Description**

Registering Agent	**Registering Agent**			
	Address	**City**	**Province**	**Postal Code**

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ServiceOntario Contact Centre

EXHIBIT “R”

Harrison Pensa
LAWYERS

Michael Cassone
Direct Line: (519) 661-6765
mcassone@harrisonpensa.com

Assistant: Kelsey Evanitski
Direct Line: (519) 850-5622
kevanitski@harrisonpensa.com

January 17, 2025

SENT BY REGULAR AND REGISTERED MAIL

Vaughan St GP Corp.
203-1515 Gordon Street
Guelph, ON N1L 1C9

RE: Your Indebtedness to Libro Credit Union Limited
Our File No. 203075

We act as the solicitors for Libro Credit Union Limited ("**Libro**").

You are indebted to Libro pursuant to the terms of a Commitment Letter dated November 14, 2023, as amended, restated, supplemented or otherwise modified (the "**Commitment Letter**").

The Commitment Letter establishes the following outstanding credit facility:

Facility 1 – Commercial Term Loan - $3,000,000 (the "**Loan**")

The Commitment Letter and the Loan are secured by: (i) a mortgage registered as Instrument WC718653 against title to the property known municipally as 1373-1389 Gordon Street, Guelph, Ontario (the "**Mortgage**"); (ii) a General Security Agreement dated November 28, 2023 (the "**GSA**").

The amount due and owing by you to Libro is $3,033,834.01 as of January 13, 2025, the particulars of which are as follows:

The Loan

Amount owing as of January 13, 2025	$3,033,834.01

Together with interest in the amount of $583.56 per day from January 13, 2025 until the date of payment, in full.

(the "**Indebtedness**")

Please also take notice that Libro is claiming prejudgment and postjudgment interest pursuant to the terms of the Loan, the Mortgage and the GSA.

The Loan, the Mortgage and the GSA are payable on demand. On behalf of Libro, we demand payment of the Indebtedness together with interest and all legal costs incurred to the date of payment in full.

We have been instructed to commence whatever further legal proceedings are deemed necessary unless payment or arrangements satisfactory to Libro are made within ten (10) days of the date hereof. No intermediate acts, negotiations or indulgences shall act as a waiver to Libro's rights, or demand as set out herein, unless so expressly stated in writing.

Enclosed please find a Notice of Intent to Enforce Security which is served upon you pursuant to the provisions of the *Bankruptcy and Insolvency Act*. Kindly date, sign and return the enclosed Waiver if you consent to early enforcement.

Please govern yourself accordingly.

Yours very truly,

HARRISON PENSA LLP



Michael Cassone
MEC/kwe

c. Client

NOTICE OF INTENTION TO ENFORCE SECURITY

(Section 244(1) of the *Bankruptcy and Insolvency Act*)

TO: Vaughan St GP Corp., an insolvent corporation

TAKE NOTICE THAT:

Libro Credit Union Limited ("**Libro**") a secured creditor, intends to enforce its security on the property of the insolvent person described as:

1373-1389 Gordon Street, Guelph, Ontario (the "**Property**")

All present and after acquired undertaking and personal property of Vaughan St GP Corp. and the proceeds thereof.

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

Mortgage registered against title to the Property as Instrument WC718653

General Security Agreement dated November 28, 2023

The total amount of indebtedness secured by the security is $3,033,834.01, plus interest as set out in the Loan, the Mortgage and the GSA plus all costs of enforcement on a solicitor and client basis.

The secured creditor will not have the right to enforce its security until after the expiry of the 10 day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at London, Ontario this 17th day of January, 2025

LIBRO CREDIT UNION LIMITED
by its solicitors, Harrison Pensa LLP

Per:_____
Michael E. Cassone
Harrison Pensa LLP
130 Dufferin Avenue, Suite 1101
London, Ontario N6A 5R2
(519) 679-9660
(519) 667-3362

WAIVER

Receipt of Notice of Intention to Enforce Security is acknowledged.

The undersigned hereby waives the notice period therein and consents to the immediate enforcement of the security.

DATED the _____ day of January, 2025

VAUGHAN ST GP CORP.

_____
Name:
Title:

I have authority to bind the corporation

Harrison Pensa
LAWYERS

Michael Cassone
Direct Line: (519) 661-6765
mcassone@harrisonpensa.com

Assistant: Kelsey Evanitski
Direct Line: (519) 850-5622
kevanitski@harrisonpensa.com

January 17, 2025

SENT BY REGULAR AND REGISTERED MAIL

Vaughan St LP
203-1515 Gordon Street
Guelph, ON N1L 1C9

RE: Your Indebtedness to Libro Credit Union Limited
Our File No. 203075

We act as the solicitors for Libro Credit Union Limited ("**Libro**").

Enclosed please find the following:

(i) Demand for payment and notice of intention to enforce security delivered by Libro to Vaughan St GP Corp (the "**Nominee**"); and

(ii) The Beneficial Owner Agreement between Libro, the Nominee and Vaughan St. LP (the "**Beneficial Owner**") (the "**Beneficial Owner Agreement**")

The Security Documents (defined and described in the Beneficial Owner Agreement) constitute a charge on both the legal and beneficial interests of the Nominee and Beneficial Owner. As Beneficial Owner, Vaughan St LP is bound by all of the covenants, terms and conditions of the Loan Documents (defined and described in the Beneficial Owner Agreement).

You are indebted to Libro pursuant to the terms of a Commitment Letter dated November 14, 2023, as amended, restated, supplemented or otherwise modified (the "**Commitment Letter**") and the Beneficial Owner Agreement.

The Commitment Letter establishes the following outstanding credit facility:

Facility 1 – Commercial Term Loan - $3,000,000 (the "**Loan**")

The amount due and owing by you to Libro is $3,033,834.01 as of January 13, 2025, the particulars of which are as follows:

<u>The Loan</u>

Amount owing as of January 13, 2025 $3,033,834.01

Together with interest in the amount of $583.56 per day from January 13, 2025 until the date of payment, in full.

(the "**Indebtedness**")

Please also take notice that Libro is claiming prejudgment and postjudgment interest pursuant to the terms of the Loan.

The Loan is payable on demand. On behalf of Libro, we demand payment of the Indebtedness together with interest and all legal costs incurred to the date of payment in full.

We have been instructed to commence whatever further legal proceedings are deemed necessary unless payment or arrangements satisfactory to Libro are made within ten (10) days of the date hereof. No intermediate acts, negotiations or indulgences shall act as a waiver to Libro's rights, or demand as set out herein, unless so expressly stated in writing.

Enclosed please find a Notice of Intent to Enforce Security which is served upon you pursuant to the provisions of the *Bankruptcy and Insolvency Act*. Kindly date, sign and return the enclosed Waiver if you consent to early enforcement.

Please govern yourself accordingly.

Yours very truly,

HARRISON PENSA LLP

Michael Cassone
MEC/kwe

c. Client

NOTICE OF INTENTION TO ENFORCE SECURITY

(Section 244(1) of the *Bankruptcy and Insolvency Act*)

TO: Vaughan St LP, an insolvent corporation

TAKE NOTICE THAT:

Libro Credit Union Limited ("**Libro**") a secured creditor, intends to enforce its security on the property of the insolvent person described as:

All present and after acquired undertaking and personal property of Vaughan St LP and the proceeds thereof.

Your beneficial interest in all present and after acquired undertaking and personal property of Vaughan St GP Corp and the proceeds thereof.

Your beneficial interest in 1373-1389 Gordon Street, Guelph, Ontario (the "**Property**")

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

General Security Agreement dated December 1, 2023

General Security Agreement dated November 28, 2023

Mortgage registered against title to the Property as Instrument WC718653

Beneficial Owner Agreement dated December, 2023.

The total amount of indebtedness secured by the security is $3,033,834.01, plus interest as set out in the Loan plus all costs of enforcement on a solicitor and client basis.

The secured creditor will not have the right to enforce its security until after the expiry of the 10 day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at London, Ontario this 17th day of January, 2025

LIBRO CREDIT UNION LIMITED
by its solicitors, Harrison Pensa LLP

Per:_____

Michael E. Cassone
Harrison Pensa LLP
130 Dufferin Avenue, Suite 1101
London, Ontario N6A 5R2
(519) 679-9660
(519) 667-3362

WAIVER

Receipt of Notice of Intention to Enforce Security is acknowledged.

The undersigned hereby waives the notice period therein and consents to the immediate enforcement of the security.

DATED the _____ day of January, 2025

VAUGHAN ST GP CORP. in its capacity as general partner of VAUGHAN ST LP

_____
Name:
Title:

I have authority to bind the corporation

Harrison Pensa
LAWYERS

Michael Cassone
Direct Line: (519) 661-6765
mcassone@harrisonpensa.com

Assistant: Kelsey Evanitski
Direct Line: (519) 850-5622
kevanitski@harrisonpensa.com

January 17, 2025

SENT BY REGULAR AND REGISTERED MAIL

Vaughan St GP Corp.
203-1515 Gordon Street
Guelph, ON N1L 1C9

RE: Your Indebtedness to Libro Credit Union Limited
Our File No. 203075

We act as the solicitors for Libro Credit Union Limited ("**Libro**").

You are indebted to Libro pursuant to the terms of a Commitment Letter dated November 14, 2023, as amended, restated, supplemented or otherwise modified (the "**Commitment Letter**").

The Commitment Letter establishes the following outstanding credit facility:

Facility 1 – Commercial Term Loan - $3,000,000 (the "**Loan**")

The Commitment Letter and the Loan are secured by: (i) a mortgage registered as Instrument WC718653 against title to the property known municipally as 1373-1389 Gordon Street, Guelph, Ontario (the "**Mortgage**"); (ii) a General Security Agreement dated November 28, 2023 (the "**GSA**").

The amount due and owing by you to Libro is $3,033,834.01 as of January 13, 2025, the particulars of which are as follows:

The Loan

Amount owing as of January 13, 2025	$3,033,834.01

Together with interest in the amount of $583.56 per day from January 13, 2025 until the date of payment, in full.

(the "**Indebtedness**")

Please also take notice that Libro is claiming prejudgment and postjudgment interest pursuant to the terms of the Loan, the Mortgage and the GSA.

The Loan, the Mortgage and the GSA are payable on demand. On behalf of Libro, we demand payment of the Indebtedness together with interest and all legal costs incurred to the date of payment in full.

We have been instructed to commence whatever further legal proceedings are deemed necessary unless payment or arrangements satisfactory to Libro are made within ten (10) days of the date hereof. No intermediate acts, negotiations or indulgences shall act as a waiver to Libro's rights, or demand as set out herein, unless so expressly stated in writing.

Enclosed please find a Notice of Intent to Enforce Security which is served upon you pursuant to the provisions of the *Bankruptcy and Insolvency Act*. Kindly date, sign and return the enclosed Waiver if you consent to early enforcement.

Please govern yourself accordingly.

Yours very truly,

HARRISON PENSA LLP



Michael Cassone
MEC/kwe

c. Client

NOTICE OF INTENTION TO ENFORCE SECURITY

(Section 244(1) of the *Bankruptcy and Insolvency Act*)

TO: Vaughan St GP Corp., an insolvent corporation

TAKE NOTICE THAT:

Libro Credit Union Limited ("**Libro**") a secured creditor, intends to enforce its security on the property of the insolvent person described as:

1373-1389 Gordon Street, Guelph, Ontario (the "**Property**")

All present and after acquired undertaking and personal property of Vaughan St GP Corp. and the proceeds thereof.

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

Mortgage registered against title to the Property as Instrument WC718653

General Security Agreement dated November 28, 2023

The total amount of indebtedness secured by the security is $3,033,834.01, plus interest as set out in the Loan, the Mortgage and the GSA plus all costs of enforcement on a solicitor and client basis.

The secured creditor will not have the right to enforce its security until after the expiry of the 10 day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at London, Ontario this 17th day of January, 2025

LIBRO CREDIT UNION LIMITED
by its solicitors, Harrison Pensa LLP

Per:_____
Michael E. Cassone
Harrison Pensa LLP
130 Dufferin Avenue, Suite 1101
London, Ontario N6A 5R2
(519) 679-9660
(519) 667-3362

WAIVER

Receipt of Notice of Intention to Enforce Security is acknowledged.

The undersigned hereby waives the notice period therein and consents to the immediate enforcement of the security.

DATED the _____ day of January, 2025

VAUGHAN ST GP CORP.

_____
Name:
Title:

I have authority to bind the corporation

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BENEFICIAL OWNER AGREEMENT

THIS AGREEMENT made as of the _____ day of December, 2023.

AMONG:

VAUGHAN ST GP CORP.
a corporation incorporated under the laws of the Province of Ontario
(the "Nominee")

OF THE FIRST PART;

- and -

LIBRO CREDIT UNION LIMITED
(the "Lender ")

OF THE SECOND PART;

- and -

VAUGHAN ST LP
a limited partnership formed under the laws of the Province of Ontario (the "Beneficial Owner")

OF THE THIRD PART;

WHEREAS the Lender established certain credit facilities ("Credit Facilities") for the benefit of the Nominee pursuant to a credit agreement dated November 14, 2023, as may be amended from time to time (the "Credit Agreement") and which are secured against the lands and premises described in Schedule A (the "Land");

AND WHEREAS the Nominee is the registered owner of the Land, together with the buildings and structures situated thereon, the rents, income and proceeds derived therefrom and all assets and personal property related thereto or found thereon (collectively the "Property");

AND WHEREAS the Nominee is holding the Property in trust, as bare trustee and nominee for the Beneficial Owner who is the sole beneficial owner of the Property;

AND WHEREAS the Beneficial Owner has caused the Nominee to execute and deliver to the Lender the Credit Agreement wherein the Nominee has granted to the Lender the following security charging both the legal and beneficial interests in the Property and granting certain other security documentation (collectively, the "Security Documents"):

1. The Credit Agreement;

2. An Acknowledgement and Direction with related draft mortgage in the amount of $3,000,000 (the "Mortgage");

3. Acknowledgment of Standard Charge Terms;

4. A General Security Agreement from the Nominee with respect to all present and after acquired personal property, and Insurance Endorsement;

DocuSign Envelope ID: B9C0F3E6-A4F1-4D2E-8E1C-43891114A6C8

5. Statutory Declaration re title matters;

6. Promissory Note; and

7. Borrowing Authority Certificate.

AND WHEREAS as a condition of the approval of the Lender, the Lender requires the Nominee and the Beneficial Owner to enter into this Agreement.

NOW THEREFORE in consideration of good and valuable consideration and the sum of One Dollar ($1.00), the receipt and sufficiency of which is hereby acknowledged by each of the Nominee and the Beneficial Owner, the Nominee and Beneficial Owner covenant and agree with the Lender as follows:

1. Each of the Nominee and the Beneficial Owner confirm to the Lender that the Nominee holds registered title to the Property as bare trustee or nominee for and on behalf of the Beneficial Owner as the sole Beneficial Owner thereof. The Beneficial Owner has directed the Nominee to enter into the Credit Agreement and consents to the transaction contemplated by the Credit Agreement, the Security Documents and all other security and related documents, together with any amendments, information and documentation required to be delivered by the Nominee to the Lender (collectively the "Loan Documents"). The Beneficial Owner unconditionally and irrevocably instructs, authorizes and directs the Nominee to enter into, execute and deliver the Loan Documents to the Lender. The Beneficial Owner confirms and agrees that its beneficial right, title and interest in the Property is and will at all times remain subject and subordinate to the Mortgage and all of the other Loan Documents, and the Beneficial Owner hereby subordinates and postpones all such right, title, interest and claims to and in favour of the Mortgage and all other Loan Documents.

2. The Beneficial Owner confirms that the Nominee has the power and capacity to borrow money on behalf of the Beneficial Owner.

3. The Beneficial Owner confirms there are no liens, mortgages, charges or encumbrances on its beneficial ownership interest in the Property except the Mortgage, and the Loan Documents, in favour of the Lender.

4. The Security Documents shall constitute a charge on both the legal and beneficial interests of the Nominee and the Beneficial Owner in the Property, respectively.

5. The Beneficial Owner agrees to be bound by and comply with all of the covenants, terms, and provisions of the Loan Documents as if it had executed such Loan Documents in place and stead of the Nominee. The Beneficial Owner does hereby grant, convey, assign, transfer, mortgage, pledge, charge and create a security interest to, and in favour of, the Lender, as security for the indebtedness to the Lender, all of its right, title and interest which the Beneficial Owner may have, or may hereafter acquire, in and to the Property, and any personal property, undertaking or interest mortgaged and charged by the Loan Documents that specifically relate to the Property, on the same terms and conditions as are set out in the Loan Documents as security for the performance of the covenants and obligations of the Nominee, and the Beneficial Owner, under the Loan Documents, and without limitation, the Beneficial Owner agrees to be bound by all express and implied covenants and agreements of the Nominee in the Loan Documents.

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6. The Beneficial Owner for itself, its successors and assigns hereby covenants and agrees that it will and shall be estopped from raising any disability or lack of right or authority of the Nominee as a defence or bar to any action or realization by the Lender in connection with the Property and the Loan Documents.

7. The Beneficial Owner and the Nominee represent and warrant that unless otherwise disclosed by the records of the land titles office in which the Property is registered, neither the Nominee nor the Beneficial Owner has mortgaged, assigned, pledged, hypothecated, charged or otherwise encumbered the beneficial and legal interest in the Property, nor will the Property be mortgaged, assigned, pledged, hypothecated, charged or otherwise encumbered without the prior written consent of the Lender.

8. The Beneficial Owner and the Nominee each hereby jointly and severally covenant and agree with the Lender as follows:

   (a) to pay or cause to be paid to the Lender the monies evidenced and secured by the Loan Documents; and
   (b) that every covenant, warranty, representation, proviso, condition and stipulation contained in the Credit Agreement and the Security Documents shall apply to and bind the Beneficial Owner in the same manner and to the same effect as if the Beneficial Owner had been the grantor thereof or a party thereto and had executed the Security Documents and each of the Beneficial Owner and the Nominee covenants with the Lender to do, observe, keep and perform every such covenant, act, proviso, condition or stipulation respectively therein on the part of the grantor to be done, observed, kept and performed.

9. The Beneficial Owner acknowledges and agrees that this Agreement constitutes an irrevocable direction and authorization of and by the Beneficial Owner to the Lender to pay all advances under the Loan to the Nominee or as the Nominee or the Beneficial Owner may otherwise direct in writing.

10. The Beneficial Owner hereby covenants and agrees to indemnify and save the Lender harmless from and against all costs, losses, expenses and damages the Lender may suffer as a result of default by the Nominee in the performance of any of the Nominee's covenants or obligations under the Security Documents.

11. This Agreement may be transferred or assigned by the Lender to any person to whom the Lender is transferring or assigning the Credit Agreement, the Mortgage, and the other Loan Documents, at any time without restriction and without the consent of or notice to the Beneficial Owner or any other person. The Beneficial Owner acknowledges receipt of a copy of the Credit Agreement, including any amendments, the Mortgage and each of the other Loan Documents, and agrees with the Lender to perform and observe the covenants and other obligations of the unregistered or beneficial owner of the Property set out therein, notwithstanding that the Beneficial Owner may not be named as a party thereto and has not executed and delivered any such documents. The obligations and liabilities of the Nominee and Beneficial Owner hereunder shall not be released, discharged or otherwise affected by the bankruptcy, winding-up, liquidation, dissolution or insolvency of, or any other change in, the Nominee or the Beneficial Owner. Without limiting the foregoing, each of the Nominee and the Beneficial Owner hereby irrevocably consents to any extension, renewal or amendment of the Mortgage, the Credit Facilities, or any term thereof made by the Lender and the Nominee, and acknowledges and agrees that this Agreement shall remain in full force and effect and shall continue to apply and be binding on it for the benefit of the Lender, notwithstanding any such extension, renewal or amendment.

12. If more than one person, corporation or entity is named as or otherwise becomes liable for or assumes the obligations and liabilities of the Beneficial Owner hereunder, then the obligations and liabilities of such named person, corporation or entity who otherwise become liable for the obligations and liabilities of the Beneficial Owner shall be joint and several.

13. Any notice, demand or other communication to be made or given to the Nominee or Beneficial Owner may be made or given by personal delivery, by registered mail or by facsimile transmission or email transmission addressed as follows:

if to the Nominee and the Beneficial Owner:

1515 Gordon Street, Suite 203, Guelph, ON
scott@reidsproperties.com

Any demand, notice or communication given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof, and if given by registered mail, on the third business day following the deposit thereof in the mail, and if given by facsimile transmission or email transmission, on the first business day following the transmittal thereof.

14. This Agreement shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein without application of any principle of conflict of laws which may result in laws other than the laws in force in such Province applying to this Agreement; and each of the Nominee and Beneficial Owner consent to the jurisdiction of the courts of such Province and irrevocably agree that all actions or proceedings arising out of or relating to this Agreement shall be litigated in such courts.

15. The parties hereto shall execute such further and other assurances, instruments, assignments, declarations and other documents as may be reasonably required to give full effect to this Agreement.

16. This Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original and which counterparts together shall constitute one and the same instrument.

17. This Agreement shall enure to the benefit of and shall be binding on the parties hereto and their respective personal representatives, executors, administrators, heirs, successors and assigns.

[THE FOLLOWING PAGE IS THE EXECUTION PAGE]

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IN WITNESS WHEREOF the Nominee and Beneficial Owner have executed this Agreement as of the date set out above.

VAUGHAN ST GP CORP.

DocuSigned by:

Per: Scott Reid
CE30E432D7D4442...

Name: Scott O. Reid
Title: President

i have authority to bind the Corporation

VAUGHAN ST GP CORP. IN ITS CAPACITY AS GENERAL PARTNER OF VAUGHAN ST LP

DocuSigned by:

Per: Scott Reid
CE30E432D7D4442...

Name: Scott Reid
Title: President

I have authority to bind the Limited Partnership

DocuSign Envelope ID: B9C0F3E6-A4F1-4D2E-8E1C-43891114A6C8

LIBRO CREDIT UNION LIMITED

Per: _____
Name:
Title:
I have authority to bind the Corporation.

DocuSign Envelope ID: B9C0F3E6-A4F1-4D2E-8E1C-43891114A6C8

SCHEDULE "A"
Property

Municipal Address:	1373 and 1389 Gordon Street, Guelph
Legal Description:	Part Lot 7, Concession 7 Puslinch, being Part 1 on 61R-22249; City of Guelph, being all of PIN 71492-1472(LT)

Harrison Pensa
LAWYERS

Michael Cassone
Direct Line: (519) 661-6765
mcassone@harrisonpensa.com

Assistant: Kelsey Evanitski
Direct Line: (519) 850-5622
kevanitski@harrisonpensa.com

January 17, 2025

SENT BY REGULAR AND REGISTERED MAIL

Scott O'Reid
203-1515 Gordon Street
Guelph, ON N1L 1C9

RE: Your Indebtedness to Libro Credit Union Limited
Our File No. 203075

We act as the solicitors for Libro Credit Union Limited ("**Libro**").

You guaranteed the obligations owing by Vaughan St GP Corp (the "**Borrower**") to Libro pursuant to a guarantee dated November 28, 2023 (the "**Guarantee**").

As of January 13, 2025, the Borrower is indebted to Libro in the amount of $3,033,834.01. Libro's demand to the Borrower is enclosed.

On behalf of Libro we hereby demand payment of the above noted sum plus interest and all legal costs incurred.

Please also take notice that Libro is claiming prejudgment and postjudgment interest pursuant to the terms of the Guarantee.

We have been instructed to commence whatever further legal proceedings are deemed necessary unless payment or arrangements satisfactory to our client are made within ten (10) days of the date hereof. No intermediate acts, negotiations or indulgences shall act as a waiver of Libro's rights, or demand as set out herein, unless so expressly stated in writing.

Please govern yourself accordingly

Yours very truly,

HARRISON PENSA LLP



Michael Cassone
MEC/kwe
[Encl.]

Harrison Pensa
LAWYERS

Michael Cassone
Direct Line: (519) 661-6765
mcassone@harrisonpensa.com

Assistant: Kelsey Evanitski
Direct Line: (519) 850-5622
kevanitski@harrisonpensa.com

January 17, 2025

SENT BY REGULAR AND REGISTERED MAIL

Vaughan St GP Corp.
203-1515 Gordon Street
Guelph, ON N1L 1C9

RE: Your Indebtedness to Libro Credit Union Limited
Our File No. 203075

We act as the solicitors for Libro Credit Union Limited ("**Libro**").

You are indebted to Libro pursuant to the terms of a Commitment Letter dated November 14, 2023, as amended, restated, supplemented or otherwise modified (the "**Commitment Letter**").

The Commitment Letter establishes the following outstanding credit facility:

Facility 1 – Commercial Term Loan - $3,000,000 (the "**Loan**")

The Commitment Letter and the Loan are secured by: (i) a mortgage registered as Instrument WC718653 against title to the property known municipally as 1373-1389 Gordon Street, Guelph, Ontario (the "**Mortgage**"); (ii) a General Security Agreement dated November 28, 2023 (the "**GSA**").

The amount due and owing by you to Libro is $3,033,834.01 as of January 13, 2025, the particulars of which are as follows:

The Loan

Amount owing as of January 13, 2025	$3,033,834.01

Together with interest in the amount of $583.56 per day from January 13, 2025 until the date of payment, in full.

(the "**Indebtedness**")

Please also take notice that Libro is claiming prejudgment and postjudgment interest pursuant to the terms of the Loan, the Mortgage and the GSA.

The Loan, the Mortgage and the GSA are payable on demand. On behalf of Libro, we demand payment of the Indebtedness together with interest and all legal costs incurred to the date of payment in full.

We have been instructed to commence whatever further legal proceedings are deemed necessary unless payment or arrangements satisfactory to Libro are made within ten (10) days of the date hereof. No intermediate acts, negotiations or indulgences shall act as a waiver to Libro's rights, or demand as set out herein, unless so expressly stated in writing.

Enclosed please find a Notice of Intent to Enforce Security which is served upon you pursuant to the provisions of the *Bankruptcy and Insolvency Act*. Kindly date, sign and return the enclosed Waiver if you consent to early enforcement.

Please govern yourself accordingly.

Yours very truly,

HARRISON PENSA LLP



Michael Cassone
MEC/kwe

c. Client

NOTICE OF INTENTION TO ENFORCE SECURITY

(Section 244(1) of the *Bankruptcy and Insolvency Act*)

TO: Vaughan St GP Corp., an insolvent corporation

TAKE NOTICE THAT:

Libro Credit Union Limited ("**Libro**") a secured creditor, intends to enforce its security on the property of the insolvent person described as:

1373-1389 Gordon Street, Guelph, Ontario (the "**Property**")

All present and after acquired undertaking and personal property of Vaughan St GP Corp. and the proceeds thereof.

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

Mortgage registered against title to the Property as Instrument WC718653

General Security Agreement dated November 28, 2023

The total amount of indebtedness secured by the security is $3,033,834.01, plus interest as set out in the Loan, the Mortgage and the GSA plus all costs of enforcement on a solicitor and client basis.

The secured creditor will not have the right to enforce its security until after the expiry of the 10 day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at London, Ontario this 17th day of January, 2025

LIBRO CREDIT UNION LIMITED
by its solicitors, Harrison Pensa LLP

Per:_____
Michael E. Cassone
Harrison Pensa LLP
130 Dufferin Avenue, Suite 1101
London, Ontario N6A 5R2
(519) 679-9660
(519) 667-3362

WAIVER

Receipt of Notice of Intention to Enforce Security is acknowledged.

The undersigned hereby waives the notice period therein and consents to the immediate enforcement of the security.

DATED the _____ day of January, 2025

VAUGHAN ST GP CORP.

_____
Name:
Title:

I have authority to bind the corporation

Harrison Pensa
LAWYERS

Michael Cassone
Direct Line: (519) 661-6765
mcassone@harrisonpensa.com

Assistant: Kelsey Evanitski
Direct Line: (519) 850-5622
kevanitski@harrisonpensa.com

January 17, 2025

SENT BY REGULAR AND REGISTERED MAIL

RHH Rental Properties Ltd.
203-1515 Gordon Street
Guelph, ON N1L 1C9

RE: Your Indebtedness to Libro Credit Union Limited
Our File No. 203075

We act as the solicitors for Libro Credit Union Limited ("**Libro**").

You guaranteed the obligations owing by Vaughan St GP Corp (the "**Borrower**") to Libro pursuant to a guarantee dated November 28, 2023 (the "**Guarantee**").

As of January 13, 2025, the Borrower is indebted to Libro in the amount of $3,033,834.01. Libro's demand to the Borrower is enclosed.

On behalf of Libro we hereby demand payment of the above noted sum plus interest and all legal costs incurred.

Please also take notice that Libro is claiming prejudgment and postjudgment interest pursuant to the terms of the Guarantee.

We have been instructed to commence whatever further legal proceedings are deemed necessary unless payment or arrangements satisfactory to our client are made within ten (10) days of the date hereof. No intermediate acts, negotiations or indulgences shall act as a waiver of Libro's rights, or demand as set out herein, unless so expressly stated in writing.

Please govern yourself accordingly

Yours very truly,

HARRISON PENSA LLP



Michael Cassone
MEC/kwe
[Encl.]

Harrison Pensa
LAWYERS

Michael Cassone
Direct Line: (519) 661-6765
mcassone@harrisonpensa.com

Assistant: Kelsey Evanitski
Direct Line: (519) 850-5622
kevanitski@harrisonpensa.com

January 17, 2025

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Vaughan St GP Corp.
203-1515 Gordon Street
Guelph, ON N1L 1C9

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Our File No. 203075

We act as the solicitors for Libro Credit Union Limited ("**Libro**").

You are indebted to Libro pursuant to the terms of a Commitment Letter dated November 14, 2023, as amended, restated, supplemented or otherwise modified (the "**Commitment Letter**").

The Commitment Letter establishes the following outstanding credit facility:

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The Commitment Letter and the Loan are secured by: (i) a mortgage registered as Instrument WC718653 against title to the property known municipally as 1373-1389 Gordon Street, Guelph, Ontario (the "**Mortgage**"); (ii) a General Security Agreement dated November 28, 2023 (the "**GSA**").

The amount due and owing by you to Libro is $3,033,834.01 as of January 13, 2025, the particulars of which are as follows:

The Loan

Amount owing as of January 13, 2025	$3,033,834.01

Together with interest in the amount of $583.56 per day from January 13, 2025 until the date of payment, in full.

(the "**Indebtedness**")

Please also take notice that Libro is claiming prejudgment and postjudgment interest pursuant to the terms of the Loan, the Mortgage and the GSA.

The Loan, the Mortgage and the GSA are payable on demand. On behalf of Libro, we demand payment of the Indebtedness together with interest and all legal costs incurred to the date of payment in full.

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Yours very truly,

HARRISON PENSA LLP



Michael Cassone
MEC/kwe

c. Client

NOTICE OF INTENTION TO ENFORCE SECURITY

(Section 244(1) of the *Bankruptcy and Insolvency Act*)

TO: Vaughan St GP Corp., an insolvent corporation

TAKE NOTICE THAT:

Libro Credit Union Limited ("**Libro**") a secured creditor, intends to enforce its security on the property of the insolvent person described as:

1373-1389 Gordon Street, Guelph, Ontario (the "**Property**")

All present and after acquired undertaking and personal property of Vaughan St GP Corp. and the proceeds thereof.

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

Mortgage registered against title to the Property as Instrument WC718653

General Security Agreement dated November 28, 2023

The total amount of indebtedness secured by the security is $3,033,834.01, plus interest as set out in the Loan, the Mortgage and the GSA plus all costs of enforcement on a solicitor and client basis.

The secured creditor will not have the right to enforce its security until after the expiry of the 10 day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at London, Ontario this 17th day of January, 2025

LIBRO CREDIT UNION LIMITED
by its solicitors, Harrison Pensa LLP

Per:_____
Michael E. Cassone
Harrison Pensa LLP
130 Dufferin Avenue, Suite 1101
London, Ontario N6A 5R2
(519) 679-9660
(519) 667-3362

WAIVER

Receipt of Notice of Intention to Enforce Security is acknowledged.

The undersigned hereby waives the notice period therein and consents to the immediate enforcement of the security.

DATED the _____ day of January, 2025

VAUGHAN ST GP CORP.

_____
Name:
Title:

I have authority to bind the corporation

EXHIBIT “S”

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N:

LIBRO CREDIT UNION LIMITED

Plaintiff

- and -

VAUGHAN ST GP CORP., VAUGHAN ST LP, SCOTT O'REID and RHH RENTAL PROPERTIES LTD.

Defendants

STATEMENT OF CLAIM

TO THE DEFENDANTS

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the plaintiff. The claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a statement of defence in Form 18A prescribed by the Rules of Civil Procedure, serve it on the plaintiff's lawyer or, where the plaintiff does not have a lawyer, serve it on the plaintiff, and file it, with proof of service, in this court office, **WITHIN TWENTY DAYS** after this statement of claim is served on you, if you are served in Ontario.

If you are served in another province or territory of Canada or in the United States of America, the period of serving and filing your statement of defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

Instead of serving and filing a statement of defence, you may serve and file a notice of intent to defend in Form 18B prescribed by the Rules of Civil Procedure. This will entitle you to ten more days within which to serve and file your statement of defence.

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

IF YOU PAY THE PLAINTIFF(S) CLAIM AND **$1,750.00** for costs, within the time for serving and filing your statement of defence, you may move to have this proceeding dismissed by the court. If you believe the amount for costs is excessive, you may pay the plaintiff(s) claim and $700.00 for costs and have the costs assessed by the court.

TAKE NOTICE: THIS ACTION WILL AUTOMATICALLY BE DISMISSED if it has not been set down for trial or terminated by any means within five years after the action was commenced unless otherwise ordered by the court.

Date:_____ Issued by: _____

Local Registrar
Superior Court of Justice
491 Steeles Ave E.
Milton, Ontario

TO: Vaughan St Gp Corp.
203-1515 Gordon Street
Guelph, ON N1L 1C9

AND TO: Vaughan St LP
203-1515 Gordon Street
Guelph, ON N1L 1C9

AND TO: Scott O'Reid
203-1515 Gordon Street
Guelph, ON N1L 1C9

AND TO: RHH Rental Properties Ltd.
203-1515 Gordon Street
Guelph, ON N1L 1C9

CLAIM

1. The plaintiff, Libro Credit Union Limited (the "**Plaintiff**") claims as against the defendant, Vaughan St GP Corp. (the "**Borrower**") as follows:

    a) possession of the property known municipally as 1373-1389 Gordon Street, Guelph, Ontario and legally described as follows:

    PIN 71492-1472 (LT)
    Part Lot 7 Concession 7 Puslinch, being Part 1 on 61R-22249; Guelph (the "**Property**");

    b) payment of the sum of $3,033,834.01;

    c) prejudgment and postjudgment interest on the sum of $3,033,834.01 at Libro's Prime Rate plus 1.65% per annum from January 13, 2025 until the date of payment, in full;

    d) possession of the Personal Property (defined and described below);

    e) an order compelling the Borrower to provide the location of the Personal Property to the Plaintiff, the Plaintiff's Bailiff (the "**Bailiff**") and/or the sheriff of the county in which the Personal Property is located (the "**Sheriff**");

    f) an order compelling the Borrower to grant the Plaintiff, the Bailiff and/or the Sheriff access to the premises where the Personal Property is located for the purpose of removing same;

    g) the Plaintiff's costs of this action on a substantial indemnity basis; and

    h) such further and other relief as to this Honourable Court may seem just.

2. The Plaintiff claims as against the defendant, Vaughan St LP (the "**Beneficial Owner**") as follows:

    a) possession of the Property

    b) payment of the sum of $3,033,834.01;

    c) prejudgment and postjudgment interest on the sum of $3,033,834.01 at Libro's Prime Rate plus 1.65% per annum from January 13, 2025 until the date of payment, in full;

d) possession of the Personal Property of the Beneficial Owner (defined and described below);

e) an order compelling the Borrower to provide the location of the Personal Property of the Beneficial Owner to the Plaintiff, the Plaintiff's Bailiff (the "**Bailiff**") and/or the sheriff of the county in which the Personal Property of the Beneficial Owner is located (the "**Sheriff**");

f) an order compelling the Borrower to grant the Plaintiff, the Bailiff and/or the Sheriff access to the premises where the Personal Property of the Beneficial Owner is located for the purpose of removing same;

g) the Plaintiff's costs of this action on a substantial indemnity basis; and

h) such further and other relief as to this Honourable Court may seem just.

3. The Plaintiff Libro Credit Union Limited claims against the defendants, Scott O'Reid (**Mr. O'Reid**) and RHH Rental Properties Ltd. ("**RHH**") (collectively and hereinafter referred to as the "**Guarantors**") as follows:

a) payment of the sum of $3,033,834.01;

b) prejudgment and postjudgment interest on the sum of $3,033,834.01 at the Libro's Prime Rate plus 1.65% per annum from January 13, 2025 until the date of payment, in full;

c) the Plaintiff's costs of this action on a substantial indemnity basis; and

d) such further and other relief as to this Honourable Court may seem just.

<u>The Parties</u>

4. The Plaintiff is a Credit Union incorporated pursuant to the *Credit Unions and Caisse Populaires Act* of Ontario, carrying on business from a branch office in London Ontario.

5. The Borrower is a company incorporated pursuant to the laws of the province of Ontario. The Borrower is indebted to the Plaintiff pursuant to the terms of the Mortgage (defined and described below) and the GSA (defined and described below).

6. The Beneficial Owner is a Limited Partnership. The Beneficial Owner is indebted to the

Plaintiff pursuant to the terms of the Beneficial Owner Agreement (defined and described below) and the Beneficial Owner GSA.

7. Mr. O'Reid is an individual residing in the city of Guelph, in the province of Ontario. Mr. O'Reid is indebted to the Plaintff pursuant to the terms of the O'Reid Guarantee.

8. RHH is a company incorporated pursuant to the laws of the province of Ontario. RHH is indebted to the Plaintiff pursuant to the terms of the RHH Guarantee.

The Mortgage

9. The Plaintiff's claim against the Borrowers is on a mortgage made between the Borrower as mortgagor and the Plaintiff as mortgagee and receipted as Instrument WC718653 on December 4, 2023 in the Land Registry Office for Wellington (No. 61), under which the Borrower mortgaged the Property securing the sum of $3,000,000 (the "**Mortgage**") with interest at the ceiling rate equal to Libro's Prime Rate plus 5% per annum.

10. Upon default under the Mortgage, the principal amount becomes due and payable with interest as set forth therein and the Mortgagee [Plaintiff] is entitled to possession.

11. The Mortgage is payable on demand.

12. The Mortgage is secured by the following:

a) a beneficial owner agreement between the Plaintiff, the Borrower and the Beneficial Owner dated December 2023 (the "**Beneficial Owner Agreement**")

b) general security agreement from the Borrower dated November 28, 2023 (the "**GSA**") granting the Plaintiff a security interest in the personal property and undertaking of the Borrower as security for payment and performance of all existing and future liabilities of the Borrower (the "**Personal Property**");

c) general security agreement from the Beneficial Owner dated December 1, 2023 (the "**GSA of the Beneficial Owner**") granting the Plaintiff a security interest in

the personal property of the beneficial owner and undertaking of the Beneficial Owner as security for payment and performance of all existing and future liabilities of the Beneficial Owner (the "**Personal Property of the Beneficial Owner**");

d) an unlimited guarantee executed by Mr. O'Reid dated November 28, 2023 (the "**O'Reid Guarantee**");

e) an unlimited guarantee executed by RHH dated November 28, 2023 (the "**RHH Guarantee**").

13. Section 5 of the Beneficial Owner Agreement confirms that the Beneficial Owner agrees to be bound by all the covenants, terms and provisions of the Loan Documents (defined and described therein) executed by the Borrower. The Plaintiff states, that the Beneficial Owner is responsible for the amount due and owing by the Borrower to the Plaintiff.

14. The Plaintiff perfected its security interest in the Personal Property and Personal Property of the Beneficial Owner by registering financing statements pursuant to the provisions of the *Personal Property Security Act* (Ontario).

15. The GSA and GSA of the Beneficial Owner authorize the Plaintiff to take possession of the Personal Property and Personal Property of the Beneficial Owner in the event of default.

16. The Plaintiff pleads and relies upon all the terms of the Mortgage, the GSA, GSA of the Beneficial Owner and the Guarantee.

Demand

17. On January 17, 2025 the Plaintiff delivered a demand for payment and notice of intention to enforce security to the defendants (collectively the "**Demands**").

18. The defendants have refused or otherwise neglected to respond to the Demands.

19. The amount due and owing by the defendants to the Plaintiff is $3,033,834.01 with prejudgment and postjudgment interest accruing on the sum of $3,033,834.01 at the Plaintiff's Prim Rate plus 1.65% per annum until the date of payment, in full.

Rule 44 of the Rules of Civil Procedure

20. Libro states that the Borrower and Beneficial Owner have unlawfully detained the Personal Property and the Personal Property of the Beneficial Owner at the expense of and to the detriment of Libro. Libro pleads and relies on Rule 44 of the *Rules of Civil Procedure, R.R.O. 1990, Reg. 194*.

21. The Plaintiff proposes that the trial of this action occur in the city of Kitchener, in the province of Ontario.

Date: February 3, 2025

HARRISON PENSA LLP
Barristers & Solicitors
130 Dufferin Avenue, Suite 1101
London, ON N6A 5R2

Michael E. Cassone (LSUC #45073G)
Tel: (519) 679-9660
Fax: (519) 667-3362
mcassone@harrisonpensa.com

Solicitors for the Plaintiff

LIBRO CREDIT UNION LIMITED - and- VAUGHAN ST GP CORP., VAUGHAN ST LP, SCOTT O'REID and RHH RENTAL PROPERTIES LTD.

Plaintiff Defendants

Court File No.

ONTARIO

SUPERIOR COURT OF JUSTICE

Proceeding commenced at
Milton, Ontario

STATEMENT OF CLAIM

Harrison Pensa LLP
Barristers and Solicitors
130 Dufferin Avenue, Suite 1101
London, Ontario N6A 5R2

Michael Cassone (45073G)
Tel: (519) 679-9660
Fax: (519) 667-3362
E-mail: mcassone@harrisonpensa.com

Solicitors for the Plaintiff
File No. 203075/bol

EXHIBIT “T”

ONTARIO
SUPERIOR COURT OF JUSTICE

BETWEEN:

LIBRO CREDIT UNION LIMITED

Plaintiff

- and -

VAUGHAN ST GP CORP., VAUGHAN ST LP, SCOTT O'REID and RHH RENTAL PROPERTIES LTD.

Defendants

AFFIDAVIT OF SERVICE

I, ROBERT KAUS, Process Server for Tri City Process Servers, of the City of Kitchener, in the Regional Municipality of Waterloo, MAKE OATH AND SAY:

1. On Thursday February 6th, 2025, at approximately 10:10 a.m., I served the Defendant, SCOTT O'REID with a copy of the Statement of Claim by hand delivering a copy the document to SCOTT O'REID at 203 – 1515 Gordon Street, Guelph, Ontario, N1L 1C9.
2. I was able to identify the person position by means of verbal confirmation.

Sworn or Affirmed before me: (select one): ☒ in person OR ☐ by video conference

Sworn before me at the)
)
City of Kitchener)
)
in the Regional Municipality of Waterloo)
) ROBERT KAUS
on February 7th, 2025)
)
)
)
)
Commissioner for Taking Affidavits)

Adrienne Cecile Hummel, a Commissioner, etc., Regional Municipality of Waterloo, for Sorbara, Schumacher, McCann LLP, Barristers and Solicitors.
Expires November 13, 2026.

ONTARIO
SUPERIOR COURT OF JUSTICE

BETWEEN:

LIBRO CREDIT UNION LIMITED

Plaintiff

- and -

VAUGHAN ST GP CORP., VAUGHAN ST LP, SCOTT O'REID and RHH RENTAL PROPERTIES LTD.

Defendants

AFFIDAVIT OF SERVICE

I, ROBERT KAUS, Process Server for Tri City Process Servers, of the City of Kitchener, in the Regional Municipality of Waterloo, MAKE OATH AND SAY:

1. On Thursday February 6th, 2025, at approximately 10:10 a.m., I served the Defendant, RHH RENTAL PROPERTIES LTD., with a copy of the Statement of Claim by hand delivering a copy the document to Scott O'Reid, Owner, and a person who appeared to be in control or management of RHH RENTAL PROPERTIES LTD. at 203 – 1515 Gordon Street, Guelph, Ontario, N1L 1C9.
2. I was able to identify the person position by means of verbal confirmation.

Sworn or Affirmed before me: (select one): ☒ in person OR ☐ by video conference

Sworn before me at the)
)
City of Kitchener)
)
in the Regional Municipality of Waterloo) _____
) ROBERT KAUS
on February 7th, 2025)
)
)
)
Commissioner for Taking Affidavits)

Adrienne Cecile Hummel, a Commissioner, etc., Regional Municipality of Waterloo, for Sorbara, Schumacher, McCann LLP, Barristers and Solicitors.
Expires November 13, 2026.

ONTARIO
SUPERIOR COURT OF JUSTICE

BETWEEN:

LIBRO CREDIT UNION LIMITED

Plaintiff

- and -

VAUGHAN ST GP CORP., VAUGHAN ST LP, SCOTT O'REID and RHH RENTAL PROPERTIES LTD.

Defendants

AFFIDAVIT OF SERVICE

I, ROBERT KAUS, Process Server for Tri City Process Servers, of the City of Kitchener, in the Regional Municipality of Waterloo, MAKE OATH AND SAY:

1. On Thursday February 6th, 2025, at approximately 10:10 a.m., I served the Defendant, VAUGHAN ST LP, with a copy of the Statement of Claim by hand delivering a copy the document to Scott O'Reid, Owner, and a person who appeared to be in control or management of VAUGHAN ST LP at 203 – 1515 Gordon Street, Guelph, Ontario, N1L 1C9.
2. I was able to identify the person position by means of verbal confirmation.

Sworn or Affirmed before me: (select one): ☒ in person OR ☐ by video conference

Sworn before me at the)
)
City of Kitchener)
)
in the Regional Municipality of Waterloo)
) ROBERT KAUS
on February 7th, 2025)
)
)
)
Commissioner for Taking Affidavits)

Adrienne Cecile Hummel, a Commissioner, etc., Regional Municipality of Waterloo, for Sorbara, Schumacher, McCann LLP, Barristers and Solicitors.
Expires November 13, 2026.

ONTARIO
SUPERIOR COURT OF JUSTICE

BETWEEN:

LIBRO CREDIT UNION LIMITED

Plaintiff

- and -

VAUGHAN ST GP CORP., VAUGHAN ST LP, SCOTT O'REID and RHH RENTAL PROPERTIES LTD.

Defendants

AFFIDAVIT OF SERVICE

I, ROBERT KAUS, Process Server for Tri City Process Servers, of the City of Kitchener, in the Regional Municipality of Waterloo, MAKE OATH AND SAY:

1. On Thursday February 6th, 2025, at approximately 10:10 a.m., I served the Defendant, VAUGHAN ST GP CORP., with a copy of the Statement of Claim by hand delivering a copy the document to Scott O'Reid, Owner, and a person who appeared to be in control or management of VAUGHAN ST GP CORP.at 203 – 1515 Gordon Street, Guelph, Ontario, N1L 1C9.
2. I was able to identify the person position by means of verbal confirmation.

Sworn or Affirmed before me: (select one): ☒ in person OR ☐ by video conference

Sworn before me at the)
)
City of Kitchener)
)
in the Regional Municipality of Waterloo)
) ROBERT KAUS
on February 7th, 2025)
)
)
)
Commissioner for Taking Affidavits)

Adrienne Cecile Hummel, a Commissioner, etc.,
Regional Municipality of Waterloo, for Sorbara,
Schumacher, McCann LLP, Barristers and
Solicitors.
Expires November 13, 2026.

EXHIBIT “U”

Docusign Envelope ID: A6C345E5-1FBD-47B5-A0C0-7CDEE8BA27CD

Court File No. CV-25-00000654-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N:

LIBRO CREDIT UNION LIMITED

Plaintiff

- and -

VAUGHAN ST GP CORP., VAUGHAN ST LP, SCOTT O'REID and RHH RENTAL PROPERTIES LTD.

Defendants

MINUTES OF SETTLEMENT

The plaintiff, Libro Credit Union Limited (the "**Plaintiff**") and the defendants, Vaughan St GP Corp. ("**Vaughan GP**"), Vaughan St LP ("**Vaughan LP**"), Scott O'Reid ("**Mr. O'Reid**") and RHH Rental Properties Ltd. ("**RHH Rental**"), collectively hereinafter referred to as the "**Defendants**" agree to settle this matter on the following basis:

1. The Defendants acknowledge that they are indebted to the Plaintiff in the amount of $3,033,834.01 as of January 13, 2025 with interest accruing on the sum of $3,033,834.01 at Plaintiff's prime rate of interest plus 1.65% per annum from January 13, 2025 to the date of payment, in full (the "**Outstanding debt**").

2. The Defendants acknowledge and agree that the Outstanding Debt is secured by a mortgage registered against title to the property known municipally as 1373-1389 Gordon Street, Guelph, Ontario and legally described as:

Docusign Envelope ID: A6C345E5-1FBD-47B5-A0C0-7CDEE8BA27CD

PIN 08254-0121
Part Lot 20, Plan 58(W), as in 764932
City of London, County of Middlesex

(the "**Property**").

3. The Defendants will pay the Outstanding Debt plus any and all reasonable legal fees and disbursements incurred by the Plaintiff (the "**Legal Fees**")[1] and a forbearance fee of $5,000 (the "**Forbearance Fee**"), in readily available funds to the Plaintiff on or before June 19, 2025 (the "**Payment Schedule**").

4. The Defendants (contemporaneously with the Minutes of Settlement) will execute the consent to judgment in the form attached hereto as Exhibit "A" hereto (the "**Consent Judgment**").

5. The Plaintiff and the Defendants agree that the Defendants will be in default if: (i) the Outstanding Debt, the Legal Fees and the Forbearance Fee are not received in accordance with the Payment Schedule; (ii) payment is returned due to non-sufficient funds; or (iii) payment is stopped for any reason.

6. The Defendants acknowledge and agree that the Plaintiff will move to enter the Judgment against the Defendants and take immediate possession of the Property, Personal Property and Personal Property of the Beneficial Owner (defined and described in the Statement of Claim) in the event of a default pursuant to the Payment Schedule.

[1] Work in progress totals $7,096.63 as of February 20, 2025 (the "**WIP**"). The Defendants are responsible for the WIP plus any additional legals fees and disbursements incurred after February 20, 2025.

Docusign Envelope ID: A6C345E5-1FBD-47B5-A0C0-7CDEE8BA27CD

7. On receipt of the Outstanding Debt, the Legal Fees and the Forbearance Fee, the Plaintiff will file the notice of discontinuance attached hereto as Exhibit "B" with the Ontario Superior Court of Justice.

8. This agreement shall enure to the benefit and be binding upon the parties thereto, their respective heirs, executors, administrators, successors and assigns.

9. This agreement is subject to and shall be construed in accordance with the laws of the province of Ontario.

10. The parties agree to execute such further and other assurances as may be necessary to carry out the terms and conditions of this agreement which is entered into by the parties in good faith.

11. The terms set out above constitute the full and complete settlement between the parties with respect to the subject matter hereof and there are no representations, warranties, terms or conditions between the parties other than as expressly set forth herein.

12. This agreement may be executed in any number of counterparts and may be delivered to the other party by facsimile transmission, .pdf or other electronic means each of which so executed shall be deemed to be an original and such counterparts together shall constitute one and the same agreement

Docusign Envelope ID: A6C345E5-1FBD-47B5-A0C0-7CDEE8BA27CD

ACCEPTED THIS _____ day of _____, 2025.

LIBRO CREDIT UNION LIMITED

_____

Name: Terena Callard
Title: Director, Collections & Special Accounts

I have authority to bind the corporation

ACCEPTED THIS _____ day of 3/5/2025, 2025.

VAUGHAN ST GP CORP.

Signed by:
_____
CE3DE432D7D4442...

Name: Scott O'Reid
Title: ASO

I have authority to bind the corporation

ACCEPTED THIS _____ day of 3/5/2025, 2025.

.

VAUGHAN ST GP CORP. in its capacity as general partner of VAUGHAN ST LP

Signed by:
_____
CE3DE432D7D4442...

Name: Scott O'Reid
Title: ASO

I have authority to bind the corporation

Docusign Envelope ID: A6C345E5-1FBD-47B5-A0C0-7CDEE8BA27CD

ACCEPTED THIS _____ day of 3/5/2025, 2025.

Signed by:
CE30E433D7D4442...

_____ _____

Witness SCOTT O'REID

ACCEPTED THIS _____ day of 3/5/2025, 2025.

RHH RENTAL PROPERTIES LTD.

Signed by:
CE30E433D7D4442...

_____

Name: Scott O'Reid

Title: ASO

I have authority to bind the corporation

Docusign Envelope ID: A6C345E5-1FBD-47B5-A0C0-7CDEE8BA27CD

EXHIBIT "A"

Court File No. CV-25-00000654-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N:

LIBRO CREDIT UNION LIMITED

Plaintiff

- and -

VAUGHAN ST GP CORP., VAUGHAN ST LP, SCOTT O'REID and RHH RENTAL PROPERTIES LTD.

Defendants

CONSENT TO JUDGMENT

The plaintiff and the defendants by their solicitors, or individually, consent to judgment substantially in the form attached hereto as Schedule "A".

The plaintiff and the defendants by their solicitors or individually, hereby certify that the judgment being consented to does not affect the rights of any parties under disability.

Docusign Envelope ID: A6C345E5-1FBD-47B5-A0C0-7CDEE8BA27CD

SCHEDULE "A"

Court File No. CV-25-00000654-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

THE HONOURABLE	)	DAY THE
	)	
M . JUSTICE	)	DAY OF , 2025
	)	

B E T W E E N:

LIBRO CREDIT UNION LIMITED

Plaintiff

- and -

VAUGHAN ST GP CORP., VAUGHAN ST LP, SCOTT O'REID and RHH RENTAL PROPERTIES LTD.

Defendants

JUDGMENT

THIS MOTION for judgment made by the plaintiff, Libro Credit Union Limited (the "**Plaintiff**") was heard this day at the Court House, 491 Steeles Ave. E., Milton, Ontario.

ON READING the consent of the Plaintiff and the defendants, Vaughan St GP Corp. ("**Vaughan GP**"), Vaughan St LP ("**Vaughan LP**"), Scott O'Reid ("**Mr. O'Reid**") and RHH Rental Properties Ltd. ("**RHH Rental**") (collectively the "**Defendants**"), filed:

1. **THIS COURT ORDERS** that the Defendants pay to the Plaintiff the sum of $3,033,834.01 plus interest on the sum of $3,033,834.01 at the Plaintiff's prime rate of interest plus 1.65% per annum from January 13, 2025 to the date of payment, in full.

Docusign Envelope ID: A6C345E5-1FBD-47B5-A0C0-7CDEE8BA27CD

2. **THIS COURT ORDERS** that the Plaintiff is entitled to immediate possession of the property known municipally as 1373-1389 Gordon Street, Guelph, Ontario and legally described as:

   PIN 71492-1472 (LT)
   Part Lot 7 Concession 7 Puslinch, being Part 1 on 61R-22249; Guelph

   (the "**Property**").

3. **THIS COURT ORDERS** that the Plaintiff is entitled to immediate possession of the personal property of Vaughan GP (the "**Personal Property of Vaughan GP**") and Vaughan LP (the "**Personal Property of Vaughan LP**").

4. **THIS COURT ORDERS** Vaughan GP to provide the location of the Personal Property of Vaughan GP to the Plaintiff, the Plaintiff's Bailiff (the "**Bailiff**") and/or the sheriff of the county in which the Personal Property is located (the "**Sheriff**").

5. **THIS COURT ORDERS** Vaughan LP to provide the location of the Personal Property of Vaughan LP to the Plaintiff, the Bailiff and/or the Sheriff of the county in which the Personal Property is located.

6. **THIS COURT ORDERS** Vaughan GP to grant the Plaintiff, the Bailiff and/or the Sheriff access to the premises where the Personal Property of Vaughan GP is located for the purpose of removing same.

7. **THIS COURT ORDERS** the Vaughan LP to grant the Plaintiff, the Bailiff and/or the Sheriff access to the premises where the Personal Property of Vaughan LP is located for the purpose of removing same.

8. **THIS COURT ORDERS** that the Defendants pay the Plaintiff's costs of this motion and action on a full indemnity basis.

_____

Justice, *Ontario* Superior Court of Justice

Docusign Envelope ID: A6C345E5-1FBD-47B5-A0C0-7CDEE8BA27CD

LIBRO CREDIT UNION LIMITED
Plaintiff

- and-

VAUGHAN ST GP CORP. et al.
Defendants

Court File No. CV-25-00000654-0000

ONTARIO

SUPERIOR COURT OF JUSTICE

Proceeding commenced at
Milton, Ontario

CONSENT JUDGMENT

Harrison Pensa LLP
Barristers and Solicitors
130 Dufferin Ave., Suite 1101,
London ON, N6A 5R2

Michael Cassone (45073G)
Tel: (519) 679-9660
Fax: (519) 667-3362
E-mail: mcassone@harrisonpensa.com

Solicitors for the Plaintiff
File No. 203075

Docusign Envelope ID: A6C345E5-1FBD-47B5-A0C0-7CDEE8BA27CD

EXHIBIT "B"

Court File No. CV-25-00000654-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N:

LIBRO CREDIT UNION LIMITED

Plaintiff

- and -

VAUGHAN ST GP CORP., VAUGHAN ST LP, SCOTT O'REID and RHH RENTAL PROPERTIES LTD.

Defendants

CONSENT

The parties hereto, by themselves or their respective solicitors, where applicable, hereby consent to the Notice of Discontinuance attached hereto as Schedule "A".

The parties hereto, by themselves or their respective solicitors, where applicable, hereby certify that they are not under disability.

ACCEPTED THIS _____ day of _____, 2025

LIBRO CREDIT UNION LIMITED

Callard

_____

Name: Terena Callard
Title: Director, Collections & Special Accounts

I have authority to bind the corporation

Docusign Envelope ID: A6C345E5-1FBD-47B5-A0C0-7CDEE8BA27CD

ACCEPTED THIS _____ day of 3/5/2025, 2025

VAUGHAN ST GP CORP.

Signed by:
_____
CE30E432D7D4442...
Name: Scott O'Reid
Title: ASO

I have authority to bind the corporation

ACCEPTED THIS _____ day of 3/5/2025, 2025.

VAUGHAN ST GP CORP. in its capacity as general partner of VAUGHAN ST LP

Signed by:
_____
CE30E432D7D4442...
Name: Scott O'Reid
Title: ASO

I have authority to bind the corporation

ACCEPTED THIS _____ day of 3/5/2025, 2025.

Signed by:
_____ _____
CE30E432D7D4442...
Witness SCOTT O'REID

ACCEPTED THIS _____ day of 3/5/2025, 2025.

RHH RENTAL PROPERTIES LTD.

Signed by:
_____
CE30E432D7D4442...
Name: Scott O'Reid
Title: ASO

I have authority to bind the corporation

Docusign Envelope ID: A6C345E5-1FBD-47B5-A0C0-7CDEE8BA27CD

SCHEDULE "A"

Court File No. CV-25-00000654-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N:

LIBRO CREDIT UNION LIMITED

Plaintiff

- and -

VAUGHAN ST GP CORP., VAUGHAN ST LP, SCOTT O'REID and RHH RENTAL PROPERTIES LTD.

Defendants

NOTICE OF DISCONTINUANCE

The plaintiff, Libro Credit Union Limited and the defendants, Vaughan St GP Corp., Vaughan St LP, Scott O'Reid and RHH Rental Properties Ltd., wholly discontinue this action on consent, with prejudice and without costs.

_____, 2025

HARRISON PENSA LLP
Barristers & Solicitors
130 Dufferin Avenue, Suite 1101
London, Ontario

Michael E. Cassone (LSUC #45073G)
Tel: (519) 679-9660
Fax: (519) 667-3362
mcassone@harrisonpensa.com

Solicitors for the Plaintiff

Docusign Envelope ID: A6C345E5-1FBD-47B5-A0C0-7CDEE8BA27CD

LIBRO CREDIT UNION LIMITED
Plaintiff

- and-

VAUGHAN ST GP CORP. et al.
Defendants

Court File No. CV-25-00000654-0000

ONTARIO

SUPERIOR COURT OF JUSTICE

Proceeding commenced at
Milton, Ontario

NOTICE OF DISCONTINUANCE

Harrison Pensa LLP
Barristers and Solicitors
130 Dufferin Ave., Suite 1101,
London ON, N6A 5R2

Michael Cassone (45073G)
Tel: (519) 679-9660
Fax: (519) 667-3362
E-mail: mcassone@harrisonpensa.com

Solicitors for the Plaintiff
File No. 203075

EXHIBIT “V”

Chad and Carly Emeny-Wiseman
147 Farley drive, Guelph, Ontario N1L1L9
Phone: 289-828-5912
Email: wisey_21@hotmail.com

June 20, 2025

Delivered Via Courier and Email

RHH Rental Properties Ltd.
o/a Reid's Heritage Properties
1515 Gordon Street, Suite 203,
Guelph, Ontario, Canada, N1L 1C9
Attention: Melissa Macgregor, President

And to

c/o Vaughan St GP Corp.
1515 Gordon Street, Suite 202
Guelph, Ontario
N1L 1C9
Attention: Scott Reid, President
Email: scott@reidsproperties.com

RE: Chad and Carly Emeny-Wiseman (the "Lender") PPSA loans (the "Loans") to RHH Rental Properties Ltd. (the "Debtor"), and guaranteed by Vaughan St. LP o/a Vaughan St. GP Corp.

Ms. Macgregor:

On August 26, 2024, Scott Reid, as an Officer of RHH Rental Property Ltd. and Vaughan St. GP Corp, signed separate promissory note ("Notes") with Chad Wiseman and Carly Emeny-Wiseman.

Pursuant to the Loans, the Debtor is indebted to the Lender for the principal balance of the Loans in the sum of $500,000 to Carly Emeny-Wiseman and $100,000 to Chad Wiseman plus interest and costs as detailed below.

The Debtor has failed to make interest payment since February 2025 and as such is in breach of the Loans and also constitutes an "Event of Default" as defined in section 7 of the PPSA.

Accordingly, we hereby make formal demand for payment of the indebtedness owing by the Debtor to the Lender pursuant to the Loans, together with all interest accrued thereon, plus costs, legal fees and expenses which may be incurred by the Lender in connection with the recovery of the indebtedness owing by the Debtor. Interest will continue to accrue until payment is received. The following is a breakdown of the outstanding indebtedness:

Principal to Carly Emeny-Wiseman	$500,000
Interest as of June 1, 2025	$ 25,505

	$525,505
Principal to Chad Wiseman	$100,000
Interest as of June 1, 2025	$ 5,101

	$105,101
Out of Pocket Recovery Costs	$ 2,500

	$633,106.00

We enclose the Notice of Intention to Enforce Security which is delivered pursuant to s. 244 of the *Bankruptcy and Insolvency Act* and the applicable rules and regulations.

In the event that payment, in full, is not made by required on or before July 2, 2025, the Lender reserves the right to take whatever measures it hereafter may consider necessary or appropriate to preserve and protect its interest and to pursue its remedies under its security, without further notice to the Debtor. Please govern yourself accordingly.

Chad Wiseman

Carly Emeny-Wiseman

NOTICE OF INTENTION TO ENFORCE A SECURITY

Subsection 244(1) of the

Bankruptcy and Insolvency Act (Canada)

TO: RHH Rental Properties Ltd. o/a Reid's Heritage Properties (the "Debtor")
Vaughan St. GP Corp and Vaughan St. LP (the "Guarantor")

TAKE NOTICE THAT:

1) Chad Wiseman and Carly Emeny-Wiseman (the "Lenders"), as secured creditor, intends to enforce its security on the insolvent person's property described below:

   All present and future Real property, assets and undertaking of the Debtor including without limitations, accounts, books and records, chattel paper, documents of title, equipment, goods, instruments, intangibles (including intellectual property rights, contracts and permits), inventory, money, investment property, securities, contracts, licenses and agreements.

2) The total amount of indebtedness secured by the security is as follows:

Principal to Carly Emeny-Wiseman	$500,000
Interest as of June 1, 2025	$ 25,505

	$525,505
Principal to Chad Wiseman	$100,000
Interest as of June 1, 2025	$ 5,101

	$105,101
Out of Pocket Recovery Costs	$ 2,500

	$633,106.00

The Lender will not have the right to enforce the Security until after the expiry of the 10 day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Guelph, Ontario, this 20th day of June 2025.

Chad Wiseman

Carly Emeny-Wiseman

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

BETWEEN:

CHAD WISEMAN AND CARLY EMENY-WISEMAN (Lender)

And

RHH Rental Properties Ltd. o/a Reid's Heritage Properties (Debtor),
Vaughan St. GP Corp and Vaughan St. LP (Guarantor)

The parties hereto consent to the appointment of a receiver under section 8 of the PPSA and in accordance with the *Bankruptcy and Insolvency* Act and the *Personal Property Security Act*.

In accordance with section 8 the Receiver SHALL be deemed the agent of the Guarantor and not the Lender for the purpose of:

(i) carrying on and managing the business and affairs of the Guarantor, and

(ii) establishing liability for all acts or omissions of the Receiver while acting as such, and the Lender shall not be in any way responsible for any acts or omissions on the part of any such Receiver, its officers, employees and agents.

The LP hereby irrevocably authorizes the Lender to give instructions to the Receiver relating to the performance of its duties.

Dated this _____ day of June, 2025

RHH Rental Properties Ltd

_____
Scott Reid
Chief Executive Officer

Vaughan St. GP Corp

_____
Scott Reid
President

IN THE MATTER OF THE RECEIVERSHIP OF

Vaughan St. LP and Vaughan St GP Corp.

OF THE CITY OF GUELPH IN THE PROVINCE OF ONTARIO

Form 87 – Notice and Statement of the Receiver

(Subsections 245(1) and 246(1) of the BIA)

IN THE MATTER OF the Receivership of Vaughan St. LP and Vaughan St GP Corp. which is located at 1515 Gordon Street, 203, Guelph, Ontario, N1L 1C9.

TAKE NOTICE THAT:

1) On the 3rd day of July, 2025, the undersigned, Gary McHale, was appointed Receiver and Manager (the Receiver-Manager), and became Receiver-Manager under s. 243(1) of the *Bankruptcy and Insolvency Act* as allowed under section 8 of the PPSA signed by Scott Reid, President of Vaughan St GP Corp. on August 26, 2024. Section 8 of the PPSA states:

> Appointment of Receiver Upon the occurrence of an Event of Default, the Lender may appoint by instrument any Person, whether an officer or an employee of the Lender or not, to be any of a receiver, manager, receiver-manager and receiver and manager (a "Receiver") of Collateral and may remove any Receiver so appointed and appoint another in place of such Receiver in the same manner. Any such Receiver shall be deemed the agent of the LP and not of the Lender for the purpose of (i) carrying on and managing the business and affairs of the LP, and (ii) establishing liability for all acts or omissions of the Receiver while acting as such, and the Lender shall not be in any way responsible for any acts or omissions on the part of any such Receiver, its officers, employees and agents. The LP hereby irrevocably authorizes the Lender to give instructions to the Receiver relating to the performance of its duties. The LP hereby irrevocably waives any right it may have now or in the future under any applicable law, including, without limitation, the PPSA, to make application to a court for the removal, replacement or discharge of the Receiver or for directions on any matter relating to the duties of the Receiver (unless such duties are not being performed in a commercially reasonable manner) or in respect of the Receiver's accounts or remuneration or in respect of any other matter.
>
> Subject to the provisions of the instrument appointing it, any such Receiver shall have the power to take possession of Collateral, to preserve Collateral or its value in such manner as it considers appropriate, to carry on or concur in carrying on all or any part of the business of the LP and to sell, lease or otherwise dispose of or concur in selling,

leasing or otherwise disposing of Collateral in such manner and on such terms as it considers to be commercially reasonable. To facilitate the foregoing powers, any such Receiver may enter upon, use and occupy all premises owned or occupied by the LP wherein Collateral may be situate to the exclusion of all others to the extent permitted by law, including the LP, maintain Collateral upon such premises, borrow money on a secured or unsecured basis, incur reasonable expenses in the exercise of the rights, powers and remedies set out in this Agreement and use Collateral directly in carrying on the LP's business or as security for loans or advances to enable it to carry on the LP's business or otherwise, as such Receiver shall, in its discretion, determine. In addition, the Receiver shall have the following rights, powers and remedies:

> (a) to make payments to Persons having prior rights or Liens on properties on which the LP may hold a Lien and to Persons having prior rights or Liens on the Collateral; and
>
> (b) to demand, commence, continue or defend proceedings in the name of the Lender or of the Receiver or in the name of the LP for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of the Collateral and to give effectual receipts and discharges therefor.

Except as may be otherwise directed by the Lender, all Proceeds received from time to time by such Receiver in carrying out its appointment shall be received in trust for and paid over to the Lender. Every such Receiver may, in the discretion of the Lender, be vested with all or any of the rights and powers of the Lender.

2) The undersigned became Receiver-Manager in respect of the Property described in section 8 of the PPSA as quoted below, pursuant to the appointment by Chad Wiseman and Carly Emeny-Wiseman (the "Lenders"), as secured creditor,

> All present and future Real property, assets and undertaking of the Debtor including without limitations, accounts, books and records, chattel paper, documents of title, equipment, goods, instruments, intangibles (including intellectual property rights, contracts and permits), inventory, money, investment property, securities, contracts, licenses and agreements.

3) The undersigned took possession or control of the property described above on the 9th day of July 2025. The undersigned took possession and control of the operation of the business as authorized by the PPSA.

4) The following information relates to the receivership:

a. Address of the insolvent persons: 1515 Gordon Street, 203, Guelph, ON, N1L 1C9

b. Principal line of business: Land and Condo development

c. Location of business: 1515 Gordon Street, 203, Guelph, ON, N1L 1C9

d. The total amount of indebtedness secured by the security as of June 1, 2025, is as follows:

Principal to Carly Emeny-Wiseman	$500,000
Interest as of June 1, 2025	$ 25,505

	$525,505
Principal to Chad Wiseman	$100,000
Interest as of June 1, 2025	$ 5,101

	$105,101
Out of Pocket Recovery Costs	$ 2,500

	$633,106.00

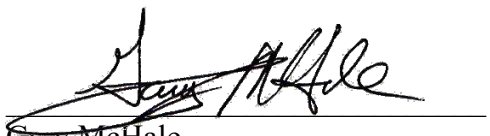
e. Unsecured Creditors are Unknown at this time.

f. The Receiver intends to conduct a sale process to attract a purchaser for the Property.

g. Contact person for Receiver is:

Gary McHale
106 Donald Bell Dr.
Binbrook, ON L0R 1C0
Cell: 905-902-2234
Email: GMcHale1980@gmail.com

Dated at Hamilton, this 9th day of July, 2025.



Gary McHale
In his capacity as appointed Receiver-Manager
of Vaughan St. LP and Vaughan St GP Corp.

GENERAL SECURITY AGREEMENT

THIS AGREEMENT is made August 26, 2024,

BETWEEN: VAUGHAN ST LP, a limited partnership formed under the laws of Ontario

(the "LP")

AND: Carly Emeny-Wiseman

(the "Lender")

RECITALS:

1. The LP is now or may hereafter become indebted or otherwise liable to the Lender pursuant to the provisions of a promissory note dated the date hereof (the "Note") issued by RHH Rental Properties Ltd. in favour of the Lender and guaranteed by the LP.

2. The Lender has requested, and the LP has agreed to provide the Lender with, a security interest on certain assets of the LP as contemplated in this Agreement.

NOW THEREFORE in consideration of the sum of $1.00 and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the LP agrees with the Lender as follows:

Article 1 - INTERPRETATION

1.1 **Definitions** In this Agreement the following words and phrases have the following meanings:

(a) **"this Agreement"**, **"hereto"**, **"herein"**, **"hereof"**, **"hereby"**, **"hereunder"** and any similar expressions refer to this Agreement and the Schedules hereto as they may be amended or supplemented from time to time, and not to any particular Article, section or other portion hereof or thereof;

(b) **"Business Day"** means any day, other than Saturday, Sunday or any statutory holiday in the Province of Ontario;

(c) **"Collateral"** means all of the undertaking, property and assets of the LP subject to, or intended to be subject to, the Security Interest, and any reference to "Collateral" shall be deemed to be a reference to "Collateral or any part thereof" except where otherwise specifically provided;

(d) **"Event of Default"** has the meaning attributed to such term in section 8.1;

(e) **"Lien"** means any mortgage, pledge, charge, assignment, security interest, hypothec, lien or other encumbrance, including, without limitation, any agreement to give any of the foregoing, or any conditional sale or other title retention agreement;

(f) **"Obligations"** means all of the obligations, liabilities and indebtedness of the LP to the Lender from time to time, whether present or future, absolute or contingent, liquidated or unliquidated, of whatsoever nature or kind, in any currency or otherwise, arising in connection with the Note and the performance and observance by the LP of all agreements, warranties, representations, covenants and conditions made pursuant to this Agreement;

(g) **"Permitted Liens"** means the Security Interest, those Liens existing at the date hereof and any Lien which arises hereafter which is permitted by the terms of this Agreement;

(h) **"Person"** means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or LP with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency, authority or entity however designated or constituted;

(i) **"PPSA"** means the *Personal Property Security Act* (Ontario) as amended from time to time and any Act substituted therefor and amendments thereto;

(j) **"Prime Rate"** means, at any time, the annual rate of interest which Royal Bank of Canada establishes at its principal office in Toronto as the reference rate of interest to determine interest rates it will charge at such time for demand loans in Canadian dollars made to its customers in Canada and which it refers to as its "prime rate of interest", such rate to be adjusted automatically and without the necessity of any notice to the LP upon each change to such rate;

(k) **"Receiver"** means any of a receiver, manager, receiver-manager and receiver and manager; and

(l) **"Security Interest"** has the meaning attributed to such term in section 2.1.

1.2 **Capitalized Terms** Unless otherwise defined in this Agreement, all capitalized terms will have the meanings given to those terms in the PPSA.

1.3 **Headings, Table of Contents, Gender and Number** The inclusion of headings and a table of contents in this Agreement is for convenience of reference only and shall not affect the construction or interpretation hereof. In this Agreement, unless the context requires otherwise, words importing the singular include the plural and vice versa and words importing gender include all genders. Whenever in this Agreement a particular Article, section or other portion thereof is referred to then, unless otherwise indicated, such reference pertains to the particular Article, section or portion thereof contained herein.

1.4 **Currency** All amounts in this Agreement are stated and shall be paid in Canadian currency.

Article 2 - SECURITY INTEREST

2.1 **Creation of Security Interest** As continuing security for the repayment, performance and satisfaction of the Obligations of the LP to the Lender, and subject to sections 2.2 and 2.3 hereof, the LP hereby grants to the Lender, by way of security interest, mortgage, pledge, charge, assignment and hypothec, a security interest (the "Security Interest") in the undertaking of the LP and in:

(a) all Goods (including without limitation all parts, accessories, attachments, additions and Accessions thereto) whether or not such Goods are now or hereafter become fixtures, all Accounts, all Chattel Paper, all Documents of Title (whether negotiable or not), all Instruments, all Intangibles, all Money and all Investment Property, and all other personal property, if any, in each case now owned or hereafter acquired by or on behalf of the LP or in respect of which the LP now or hereafter has any right, title or interest (including, without limitation, such as may be returned to or repossessed by the LP) and including, without limitation, all contracts, licenses, computer software, warranties, ownership certificates, manuals, publications, books, statements of account, bills, invoices, letters and other documents or records in any form evidencing or relating to any of the foregoing property;

(b) all renewals of, accretions to and substitutions for any of the property described in clause 2.1(a); and

(c) all Proceeds (including Proceeds of Proceeds) of any of the property described in clauses 2.1(a) and 2.1(b).

2.2 **Exception for Last Day of Leases** The Security Interest granted hereby does not and shall not extend to, and Collateral shall not include, the last day of the term of any lease

or sub-lease, oral or written, or any agreement therefor, now held or hereafter acquired by the LP, but upon the sale of the leasehold interest or any part thereof the LP shall stand possessed of such last day in trust to assign the same as the Lender shall direct.

2.3 **Exception for Contractual Rights** The Security Interest granted hereby does not and shall not extend to, and Collateral shall not include, any agreement, right, franchise, license or permit (the "contractual rights") to which the LP is a party or of which the LP has the benefit, to the extent that the creation of the Security Interest therein would constitute a breach of the terms of or permit any Person to terminate the contractual rights, but the LP shall hold its interest therein in trust for the Lender and shall assign such contractual rights to the Lender forthwith upon obtaining the consent of the other party thereto. The LP agrees that it shall, upon the request of the Lender, use all commercially reasonable efforts to obtain any consent required to permit any contractual rights to be subjected to the Security Interest.

2.4 **Attachment** The attachment of the Security Interest has not been postponed and the Security Interest shall attach to any particular Collateral as soon as the LP has rights in such Collateral.

2.5 **Proceeds in Trust** The LP will, and will be deemed to, hold all Proceeds separate and in trust for the benefit of the Lender until the Obligations have been paid, performed and satisfied in full.

Article 3 – OBLIGATIONS SECURED

3.1 **Obligations Secured** The Security Interest granted hereby secures payment, performance and satisfaction of the Obligations.

Article 4 REPRESENTATIONS AND WARRANTIES

4.1 **Representations and Warranties** The LP represents and warrants, and so long as this Agreement remains in effect shall be deemed continuously to represent and warrant, that:

(a) it is duly formed and validly existing under the laws Ontario and has the power and capacity to own its properties and assets and to carry on its business as presently carried on by it, it has the power and capacity to enter into this Agreement and to do all acts and things as are required or contemplated hereunder to be done, observed and performed by it;

(b) it has taken all necessary action to authorize the execution, delivery and performance of this Agreement;

(c) the entering into of this Agreement and the performance by the LP of its obligations hereunder does not and will not contravene, breach or result in any default under the organizational documents of the LP or under any mortgage, lease, agreement or other legally binding instrument, license, permit or law to which the LP is a party or by which the LP or any of its properties or assets may be bound and will not result in or permit the acceleration of the maturity of any indebtedness, liability or obligation of the LP under any mortgage, lease, agreement or other legally binding instrument of or affecting the LP;

(d) no authorization, consent or approval of, or filing with or notice to, any Person is required in connection with the execution, delivery or performance of this Agreement by the LP; and

(e) except as disclosed in writing to the Lender, there is no court, administrative, regulatory or similar proceeding (whether civil, quasi-criminal, or criminal); arbitration or other dispute settlement procedure; investigation or enquiry by any government body; or any similar matter or proceeding (collectively "proceedings") against or involving the LP (whether in progress or threatened) which, if determined adversely to the LP, would materially adversely affect its business, property, financial condition or prospects or its ability to perform any of the provisions of this Agreement; no event has occurred which might give rise to any proceedings and there is no judgment, decree, injunction, rule, award or order of any governmental body outstanding against the LP which has or may have a material adverse effect on its business, property, financial condition or prospects.

Article 5 - COVENANTS AND AGREEMENTS OF THE PARTIES

5.1 **General Agreements of LP** The LP agrees that it shall:

(a) pay or satisfy all Obligations when due;

(b) carry on and conduct its business in a proper and efficient manner and so as to protect and preserve the Collateral and shall keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for its business and accurate and complete records concerning Collateral, and shall mark any and all such records and Collateral at the Lender's request so as to indicate the existence of the Security Interest;

(c) pay all taxes, rates, levies, assessments and other charges of every kind which may be lawfully levied, assessed or imposed against or in respect of it or Collateral as and when the same become due and payable;

(d) not change its name without giving prior written notice to the Lender of the new name and the date upon which such change of name is to take effect;

(e) do, execute, acknowledge and deliver such financing statements and further assignments, transfers, documents, acts, matters and things (including further Schedules to this Agreement) as may be reasonably requested by the Lender or with respect to Collateral in order to give effect to this Agreement; and

(f) ensure that the representations and warranties set forth in section 4.1 shall be true and correct at all times.

5.2 **Permitted Dealings with Collateral** The LP may at any time, without the consent of the Lender:

(a) sell, assign, transfer, exchange, lease, consign or otherwise dispose of Inventory in the ordinary course of its business;

(b) sell or otherwise dispose of such part of its Equipment which is no longer necessary or useful in connection with its business or which has become worn out or obsolete or unsuitable for the purpose for which it was intended; and

(c) collect Accounts in the ordinary course of its business.

5.3 **Expenses** The LP shall pay to the Lender on demand all of the Lender's reasonable costs, charges and expenses (including, without limitation, legal fees on a solicitor and his own client basis and Receiver's fees) in connection with the preparation, registration or amendment of this Agreement, the perfection or preservation of the Security Interest, the enforcement by any means of any of the provisions hereof or the exercise of any rights, powers or remedies hereunder, including, without limitation, all such costs, charges and expenses in connection with taking possession of Collateral, carrying on the LP's business, collecting the LP's accounts and taking custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral, together with interest on such costs, charges and expenses from the dates incurred to the date of payment at the Prime Rate.

5.4 **Insurance** The LP shall obtain and maintain, at its own expense, insurance against loss or damage to the Collateral.

5.5 **Agreements of Lender** The Lender agrees that the Lender will:

(a) execute such documentation as is necessary to ensure that the LP may grant similar security as is granted to the Lender hereunder to other lenders who are loaning money to the LP and to ensure that such security will rank pari passu with the security granted by the LP to the Lender hereunder as amended from time to time. Without limiting the generality of the foregoing, the Lender specifically consents to the LP obtaining additional financing from other lenders and agrees to execute a pari passu agreement with such other lenders to give effect to this paragraph; and

(b) postpone the security granted to the Lender hereunder to any security granted to a lender providing construction and/or servicing financing in respect of the Property.

Article 6 - COLLECTION OF DEBTS

6.1 **Collection of Debts** After the occurrence of an Event of Default, the Lender may give notice of the Security Interest to any Person obligated to pay any debt or liability constituting Collateral and may also direct such Person to make all payments on account of any such debt or liability to the Lender. The LP acknowledges that any payments received by the LP from such Persons, whether before or after notification of the Security Interest to such Persons and whether before or after the occurrence of an Event of Default, shall be received and held by the LP in trust, or as agent in the Province of Quebec, for the Lender and shall be turned over to the Lender upon request.

6.2 **Application of Funds** Except where the LP, when not in default hereunder, so directs in writing at the time of payment, all money collected or received by the Lender in respect of the Collateral may be applied on account of such parts of the Obligations as the Lender in its sole discretion determines, or may be held unappropriated in a collateral account, or in the discretion of the Lender may be released to the LP, all without prejudice to the Lender's rights against the LP.

Article 7 - EVENTS OF DEFAULT

7.1 **Events of Default** The LP is in default under this Agreement upon the occurrence of any of the following events, each of which shall constitute an Event of Default:

(a) the LP defaults in payment when due of all or any part of the Obligations;

(b) any representation and warranty of the LP contained in this Agreement proves to be untrue;

(c) the LP admits its inability to pay its debts generally as they become due or otherwise acknowledges its insolvency;

(d) except to the extent permitted by the Lender in writing, the LP or any other Person institutes any proceeding or takes any corporate action or executes any agreement to authorize its participation in or commencement of any proceeding:

(i) seeking to adjudicate it a bankrupt or insolvent;

(ii) seeking liquidation, dissolution, winding up, reorganization, arrangement, protection, relief or composition of it or any of its property or debt, or making a proposal with respect to it under any law relating to bankruptcy, insolvency, reorganization or compromise of debts or other similar laws (including, without limitation, any application under the *Companies' Lenders Arrangement Act* (Canada) or any reorganization, arrangement or compromise of debt under the laws of the jurisdiction of incorporation of the LP); or

(iii) seeking appointment of a receiver, trustee, agent, custodian or other similar official for it or for any substantial part of its properties and assets or for any part of the Collateral;

(e) any proceeding is commenced against or affecting the LP:

(i) seeking to adjudicate it a bankrupt or insolvent;

(ii) seeking liquidation, dissolution, winding up, reorganization, arrangement, protection, relief or composition of it or any of its property or debt or making a proposal with respect to it under any law relating to bankruptcy, insolvency, reorganization or compromise of debts or other similar laws (including, without limitation, any reorganization, arrangement or compromise of debt under the laws of the jurisdiction of incorporation of LP); or

(iii) seeking appointment of a receiver, trustee, agent, custodian or other similar official for it or for any substantial part of its properties and assets or for any part of the Collateral;

and such proceeding is not being contested in good faith by appropriate proceedings or, if so contested remains outstanding, undismissed and unstayed more than 30 days from the institution of such first mentioned proceeding provided, however, that notwithstanding any such 30 day period shall not have

elapsed, an Event of Default shall be deemed to have occurred if such proceeding remains outstanding and, after the date of commencement of such proceeding, the LP does not satisfy a payroll obligation; or

(f) any Lender of the LP or any other Person shall privately appoint a receiver, trustee or similar official for any substantial part of the LP's properties and assets or for any part of the Collateral; or

(g) if any execution, distress or other enforcement process, whether by court order or otherwise, becomes enforceable against any property of the LP.

Article 8 - REMEDIES

8.1 **Appointment of Receiver** Upon the occurrence of an Event of Default, the Lender may appoint by instrument any Person, whether an officer or an employee of the Lender or not, to be any of a receiver, manager, receiver-manager and receiver and manager (a "Receiver") of Collateral and may remove any Receiver so appointed and appoint another in place of such Receiver in the same manner. Any such Receiver shall be deemed the agent of the LP and not of the Lender for the purpose of (i) carrying on and managing the business and affairs of the LP, and (ii) establishing liability for all acts or omissions of the Receiver while acting as such, and the Lender shall not be in any way responsible for any acts or omissions on the part of any such Receiver, its officers, employees and agents. The LP hereby irrevocably authorizes the Lender to give instructions to the Receiver relating to the performance of its duties. The LP hereby irrevocably waives any right it may have now or in the future under any applicable law, including, without limitation, the PPSA, to make application to a court for the removal, replacement or discharge of the Receiver or for directions on any matter relating to the duties of the Receiver (unless such duties are not being performed in a commercially reasonable manner) or in respect of the Receiver's accounts or remuneration or in respect of any other matter.

Subject to the provisions of the instrument appointing it, any such Receiver shall have the power to take possession of Collateral, to preserve Collateral or its value in such manner as it considers appropriate, to carry on or concur in carrying on all or any part of the business of the LP and to sell, lease or otherwise dispose of or concur in selling, leasing or otherwise disposing of Collateral in such manner and on such terms as it considers to be commercially reasonable. To facilitate the foregoing powers, any such Receiver may enter upon, use and occupy all premises owned or occupied by the LP wherein Collateral may be situate to the exclusion of all others to the extent permitted by law, including the LP, maintain Collateral upon such premises, borrow money on a secured or unsecured basis, incur reasonable expenses in the exercise of the rights,

powers and remedies set out in this Agreement and use Collateral directly in carrying on the LP's business or as security for loans or advances to enable it to carry on the LP's business or otherwise, as such Receiver shall, in its discretion, determine. In addition, the Receiver shall have the following rights, powers and remedies:

(a) to make payments to Persons having prior rights or Liens on properties on which the LP may hold a Lien and to Persons having prior rights or Liens on the Collateral; and

(b) to demand, commence, continue or defend proceedings in the name of the Lender or of the Receiver or in the name of the LP for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of the Collateral and to give effectual receipts and discharges therefor.

Except as may be otherwise directed by the Lender, all Proceeds received from time to time by such Receiver in carrying out its appointment shall be received in trust for and paid over to the Lender. Every such Receiver may, in the discretion of the Lender, be vested with all or any of the rights and powers of the Lender.

8.2 **Exercise of Remedies by Lender** Upon the occurrence of an Event of Default, the Lender may, either directly or through its agents or nominees, exercise all the powers and rights available to a Receiver by virtue of section 8.1. In addition to the rights granted in this Agreement and in any other agreement now or hereafter in effect between the LP and the Lender and in addition to any other rights the Lender may have at law or in equity or otherwise, the Lender shall have, both before and after the occurrence of an Event of Default, all rights and remedies of a secured party under the PPSA.

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

8.4 **Remedies Not Exclusive** All rights, powers and remedies of the Lender under this Agreement may be exercised separately or in combination and shall be in addition to, and not in substitution for, any other security now or hereafter held by the Lender and any other rights, powers and remedies of the Lender however created or arising. No single or partial exercise by the Lender of any of the rights, powers and remedies under this Agreement or under any other security now or hereafter held by the Lender shall preclude any other and further exercise of any other right, power or remedy pursuant to

this Agreement or any other security or at law, in equity or otherwise. The Lender shall at all times have the right to proceed against Collateral or any other security in such order and in such manner as it shall determine without waiving any rights, powers or remedies which the Lender may have with respect to this Agreement or any other security or at law, in equity or otherwise. No delay or omission by the Lender in exercising any right, power or remedy hereunder or otherwise shall operate as a waiver thereof or of any other right, power or remedy.

8.5 **Notice of Sale** Unless required by law, neither the Lender nor any Receiver appointed by it shall be required to give the LP any notice of any sale, lease or other disposition of the Collateral, the date, time and place of any public sale of Collateral or the date after which any private disposition of Collateral is to be made.

8.6 **Collection of Debts** After the occurrence of an Event of Default, the Lender may give notice of the Security Interest to any Person obligated to pay any debt or liability constituting Collateral and may also direct such Person to make all payments on account of any such debt or liability to the Lender. The LP acknowledges that any payments received by the LP from such Persons, whether before or after notification of the Security Interest to such Persons and whether before or after the occurrence of an Event of Default, shall be received and held by the LP in trust for the Lender and shall be turned over to the Lender upon request.

8.7 **Application of Funds** All money collected or received by the Lender in respect of the Collateral may be applied on account of such parts of the Obligations as the Lender in its sole discretion determines, or may be held unappropriated in a collateral account, or in the discretion of the Lender may be released to the LP, all without prejudice to the Lender's rights against the LP.

8.8 **LP Liable for Deficiency** The LP shall remain liable to the Lender for any deficiency after the proceeds of any sale, lease or disposition of Collateral are received by the Lender.

8.9 **Exclusion of Liability of Lender and Receiver** The Lender shall not, nor shall any Receiver appointed by it, be liable for any failure to exercise its rights, powers or remedies arising hereunder or otherwise, including without limitation any failure to take possession of, collect, enforce, realize, sell, lease or otherwise dispose of, preserve or protect the Collateral, to carry on all or any part of the business of the LP relating to the Collateral or to take any steps or proceedings for any such purposes. Neither the Lender nor any Receiver appointed by it shall have any obligation to take any steps or proceedings to preserve rights against prior parties to or in respect of Collateral including without limitation any Instrument, Chattel Paper or Securities, whether or not

in the Lender's or the Receiver's possession, and neither the Lender nor any Receiver appointed by it shall be liable for failure to do so. Subject to the foregoing, the Lender shall use reasonable care in the custody and preservation of the Collateral in its possession.

8.10 **Indemnity** The LP shall indemnify and save the Lender harmless from any and all costs, expenses, liabilities and damages which may be incurred by the Lender in connection with the Collateral and the enforcement of its rights hereunder, save only any costs, expenses, liabilities or damages resulting from any wilful misconduct or gross negligence by the Lender or its servants or agents.

Article 9 - APPLICATION OF PROCEEDS

9.1 **Application of Proceeds** The Proceeds arising from the enforcement of the Security Interest as a result of the possession by the Lender or the Receiver of the Collateral or from any sale, lease or other disposition of, or realization of security on, the Collateral (except following acceptance of Collateral in satisfaction of the Obligations) shall be applied by the Lender or the Receiver in the following order, except to the extent otherwise required by law:

(a) first, in payment of the Lender's reasonable costs, charges and expenses (including legal fees on a solicitor and his own client basis) incurred in the exercise of all or any of the rights, powers or remedies granted to it under this Agreement, and in payment of the reasonable remuneration of the Receiver, if any, and the reasonable costs, charges and expenses incurred by the Receiver, if any, in the exercise of all or any of the rights, powers or remedies granted under this Agreement;

(b) second, in payment of amounts paid by the Lender or the Receiver pursuant to clause 8.1(a);

(c) third, in payment of all money borrowed or advanced by the Lender or the Receiver, if any, pursuant to the exercise of the rights, powers or remedies set out in this Agreement and any interest thereon;

(d) fourth, in payment of the remainder of the Obligations in such order of application as the Lender may determine;

(e) fifth, subject to sections 9.2 and 9.3, to any Person who has a security interest in Collateral that is subordinate to that of the Lender and whose interest,

(i) was perfected by possession, the continuance of which was prevented by the Lender or the Receiver taking possession of Collateral, or

(ii) was, immediately before the sale, lease or other disposition by the Lender or the Receiver, perfected by registration;

(f) sixth, subject to sections 9.2 and 9.3, to any other Person with an interest in such Proceeds who has delivered a written notice to the Lender or the Receiver of the interest before the distribution of such Proceeds; and

(g) last, subject to sections 9.2 and 9.3, to the LP or any other Person who is known by the Lender or the Receiver to be an owner of the Collateral.

9.2 **Proof of Interest** The Lender or the Receiver may require any Person mentioned in clauses 9.1(e), 9.1(f) or 9.1(g) to furnish proof of that Person's interest, and unless the proof is furnished within ten days after demand by the Lender or the Receiver, the Lender or the Receiver need not pay over any portion of the Proceeds referred to therein to such Person.

9.3 **Payment Into Court** Where there is a question as to who is entitled to receive payment under clauses 9.1(e), 9.1(f) or 9.1(g), the Lender or the Receiver may pay the Proceeds referred to therein into court.

9.4 **Monies Actually Received** The LP shall be entitled to be credited only with the actual Proceeds arising from the possession, sale, lease or other disposition of, or realization of security on, the Collateral when received by the Lender or the Receiver and such actual Proceeds shall mean all amounts received in cash by the Lender or the Receiver upon such possession, sale, lease or other disposition of, or realization of security on, the Collateral.

9.5 **Indemnity** The LP shall indemnify and save the Lender harmless from any and all costs, expenses, liabilities and damages which may be incurred by the Lender in connection with the Collateral and the enforcement of its rights hereunder, save only any costs, expenses, liabilities or damages resulting from any wilful misconduct or gross negligence by the Lender or its servants or agents.

Article 10 - GENERAL

10.1 **Dealings with Others** The Lender may grant extensions of time and other indulgences, take and give up security, accept compositions, make settlements, grant releases and discharges and otherwise deal with the LP, borrowers of the LP, sureties and other Persons and with Collateral and other security as the Lender sees fit, without prejudice

to the liability of the LP to the Lender or the rights, powers and remedies of the Lender under this Agreement.

10.2 **Perfection of Security** The LP authorizes the Lender to file such financing statements and other documents and do such acts, matters and things as the Lender may consider appropriate to perfect and continue the Security Interest, to protect and preserve the interest of the Lender in Collateral and to realize upon the Security Interest.

10.3 **Discharge** Upon payment, performance and satisfaction in full of the Obligations and upon written request by the LP, the Lender shall, at the LP's expense, execute and deliver to the LP such documents as may reasonably be required to discharge the Security Interest created by this Agreement.

10.4 **Invalidity of Provisions** Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof.

10.5 **Waiver, Amendment** Except as expressly provided in this Agreement, no amendment or waiver of this Agreement shall be binding unless executed in writing by the party to be bound thereby. No waiver of any provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

10.6 **Communication** Any notice or other communication, including a demand or a direction, required or permitted to be given hereunder shall be in writing and shall be given by prepaid first-class mail, by facsimile or other means of electronic communication or by hand-delivery as hereinafter provided. Any such notice or other communication, if mailed by prepaid first-class mail at any time other than during or within three business days (which will exclude Saturdays, Sundays and statutory holidays in the Province of Ontario) prior to a general discontinuance of postal service due to strike, lockout or otherwise, shall be deemed to have been received on the fourth business day after the post-marked date thereof, or if sent by facsimile or other means of electronic communication, shall be deemed to have been received on the business day following the sending, or if delivered by hand shall be deemed to have been received at the time it is delivered to the applicable address noted below either to the individual designated below or to a senior employee of the addressee at such address with responsibility for matters to which the information relates. Notice of change of address shall also be governed by this section. In the event of a general discontinuance of postal service due to strike, lock-out or otherwise, notices or other

communications shall be delivered by hand or sent by facsimile or other means of electronic communication and shall be deemed to have been received in accordance with the foregoing. Notice and other communications shall be addressed as follows:

(a) if to the Lender:

Telephone:
Email:

(b) if to the LP:

c/o Vaughan St GP Corp.
1515 Gordon Street, Suite 202
Guelph, Ontario
N1L 1C9
Attention: Scott Reid
Email: scott@reidsproperties.com

Notwithstanding the foregoing, if the PPSA requires that a notice or other communication be given in a specified manner, then any such notice or communication shall be given in such manner.

10.7 **Successors and Assigns** This Agreement shall be binding on the LP and its successors and shall enure to the benefit of the Lender and its successors and assigns. This Agreement shall be assignable by the Lender free of any set-off, counter-claim or equities between the LP and the Lender, and the LP shall not assert against an assignee of the Lender any claim or defense that the LP has against the Lender.

10.8 **Governing Law, Attornment and Facsimile** 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 and the LP hereby irrevocably attorns to the jurisdiction of the courts of Ontario. This Agreement may be transmitted by facsimile or other electronic transmission and the reproduction of signatures will be deemed to be original and legally binding.

10.9 **Copy Received** The LP hereby acknowledges receipt of a copy of this Agreement and a copy of any financing statement/verification statement registered under the PPSA in respect of the Security Interest.

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first written above.

VAUGHAN ST LP, by its General Partner Vaughan St GP Corp.

_____

By: Scott Reid, President

Carly Emeny-Wiseman

_____

PROMISSORY NOTE

Date: August 26, 2024

The undersigned hereby promises to pay to or to the order of Carly Emeny-Wiseman (the "Lender") the aggregate unpaid principal balance of all advances made by the Lender as recorded on the grid attached hereto as Schedule "A" on August 26, 2025 or with 90 days prior notice to the undersigned.

The principal sum outstanding hereunder from and after the dates of advance thereof and from time to time shall bear interest at the rate of 12% per annum both before and after maturity and both before and after default calculated and payable monthly with interest on overdue interest at the same rate.

Payments of principal and interest hereunder shall be made at such location as may be notified in writing to the undersigned by Lender provided that if such date is not a business day, such payments will be payable on the next business day.

If the undersigned fails to pay any amount payable hereunder, whether on account of principal or interest, on the date specified herein for payment and such failure continues for a period of three business days after written notice thereof has been given by the Lender to the undersigned, the entire principal amount of this Promissory Note may, by written notice from the Lender to the undersigned, be declared due and payable in full, together with interest thereon accrued to that date as provided above.

Some or all of the principal amounts owing from time to time under this Promissory Note may be prepaid at any time and from time to time without notice, bonus or penalty.

This Promissory Note is not, and is not intended to be, a negotiable instrument.

This Promissory Note shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

RHH RENTAL PROPERTIES LTD.

By: _____
Name: Scott Reid
Title: President

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the undersigned, Joseph's Place Breslau LP (the "Guarantor"), the Guarantor hereby unconditionally guarantees the due payment and performance of all obligations of RHH Rental Properties Ltd. arising pursuant to or in connection with this Note (the "Obligations"). This guarantee herein shall be a continuing guarantee of the payment and performance of all the Obligations and shall apply to and secure any ultimate balance thereof due or remaining unpaid to the Lender. The guarantee herein shall not be considered as wholly or partially satisfied by the intermediate payment or satisfaction at any time of all or any part of the Obligations.

VAUGHAN ST LP by its General Partner, Vaughan St GP Corp.

By: _____
Name: Scott Reid
Title: President

SCHEDULE "A"

ADVANCES AND PAYMENTS OF PRINCIPAL

Date	Amount of Advance	Amount of Principal Paid or Repaid	Unpaid Principal Balance	Notation Made By
August 26, 2024	$500,000		$500,000	**Todd Neill** 

GENERAL SECURITY AGREEMENT

THIS AGREEMENT is made August 26, 2024,

BETWEEN: VAUGHAN ST LP, a limited partnership formed under the laws of Ontario

(the "LP")

AND: Chad Wiseman

(the "Lender")

RECITALS:

1. The LP is now or may hereafter become indebted or otherwise liable to the Lender pursuant to the provisions of a promissory note dated the date hereof (the "Note") issued by RHH Rental Properties Ltd. in favour of the Lender and guaranteed by the LP.

2. The Lender has requested, and the LP has agreed to provide the Lender with, a security interest on certain assets of the LP as contemplated in this Agreement.

NOW THEREFORE in consideration of the sum of $1.00 and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the LP agrees with the Lender as follows:

Article 1 - INTERPRETATION

1.1 **Definitions** In this Agreement the following words and phrases have the following meanings:

(a) **"this Agreement"**, **"hereto"**, **"herein"**, **"hereof"**, **"hereby"**, **"hereunder"** and any similar expressions refer to this Agreement and the Schedules hereto as they may be amended or supplemented from time to time, and not to any particular Article, section or other portion hereof or thereof;

(b) **"Business Day"** means any day, other than Saturday, Sunday or any statutory holiday in the Province of Ontario;

(c) **"Collateral"** means all of the undertaking, property and assets of the LP subject to, or intended to be subject to, the Security Interest, and any reference to "Collateral" shall be deemed to be a reference to "Collateral or any part thereof" except where otherwise specifically provided;

(d) **"Event of Default"** has the meaning attributed to such term in section 8.1;

(e) **"Lien"** means any mortgage, pledge, charge, assignment, security interest, hypothec, lien or other encumbrance, including, without limitation, any agreement to give any of the foregoing, or any conditional sale or other title retention agreement;

(f) **"Obligations"** means all of the obligations, liabilities and indebtedness of the LP to the Lender from time to time, whether present or future, absolute or contingent, liquidated or unliquidated, of whatsoever nature or kind, in any currency or otherwise, arising in connection with the Note and the performance and observance by the LP of all agreements, warranties, representations, covenants and conditions made pursuant to this Agreement;

(g) **"Permitted Liens"** means the Security Interest, those Liens existing at the date hereof and any Lien which arises hereafter which is permitted by the terms of this Agreement;

(h) **"Person"** means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or LP with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency, authority or entity however designated or constituted;

(i) **"PPSA"** means the *Personal Property Security Act* (Ontario) as amended from time to time and any Act substituted therefor and amendments thereto;

(j) **"Prime Rate"** means, at any time, the annual rate of interest which Royal Bank of Canada establishes at its principal office in Toronto as the reference rate of interest to determine interest rates it will charge at such time for demand loans in Canadian dollars made to its customers in Canada and which it refers to as its "prime rate of interest", such rate to be adjusted automatically and without the necessity of any notice to the LP upon each change to such rate;

(k) **"Receiver"** means any of a receiver, manager, receiver-manager and receiver and manager; and

(l) **"Security Interest"** has the meaning attributed to such term in section 2.1.

1.2 **Capitalized Terms** Unless otherwise defined in this Agreement, all capitalized terms will have the meanings given to those terms in the PPSA.

1.3 **Headings, Table of Contents, Gender and Number** The inclusion of headings and a table of contents in this Agreement is for convenience of reference only and shall not affect the construction or interpretation hereof. In this Agreement, unless the context requires otherwise, words importing the singular include the plural and vice versa and words importing gender include all genders. Whenever in this Agreement a particular Article, section or other portion thereof is referred to then, unless otherwise indicated, such reference pertains to the particular Article, section or portion thereof contained herein.

1.4 **Currency** All amounts in this Agreement are stated and shall be paid in Canadian currency.

Article 2 - SECURITY INTEREST

2.1 **Creation of Security Interest** As continuing security for the repayment, performance and satisfaction of the Obligations of the LP to the Lender, and subject to sections 2.2 and 2.3 hereof, the LP hereby grants to the Lender, by way of security interest, mortgage, pledge, charge, assignment and hypothec, a security interest (the "Security Interest") in the undertaking of the LP and in:

(a) all Goods (including without limitation all parts, accessories, attachments, additions and Accessions thereto) whether or not such Goods are now or hereafter become fixtures, all Accounts, all Chattel Paper, all Documents of Title (whether negotiable or not), all Instruments, all Intangibles, all Money and all Investment Property, and all other personal property, if any, in each case now owned or hereafter acquired by or on behalf of the LP or in respect of which the LP now or hereafter has any right, title or interest (including, without limitation, such as may be returned to or repossessed by the LP) and including, without limitation, all contracts, licenses, computer software, warranties, ownership certificates, manuals, publications, books, statements of account, bills, invoices, letters and other documents or records in any form evidencing or relating to any of the foregoing property;

(b) all renewals of, accretions to and substitutions for any of the property described in clause 2.1(a); and

(c) all Proceeds (including Proceeds of Proceeds) of any of the property described in clauses 2.1(a) and 2.1(b).

2.2 **Exception for Last Day of Leases** The Security Interest granted hereby does not and shall not extend to, and Collateral shall not include, the last day of the term of any lease

or sub-lease, oral or written, or any agreement therefor, now held or hereafter acquired by the LP, but upon the sale of the leasehold interest or any part thereof the LP shall stand possessed of such last day in trust to assign the same as the Lender shall direct.

2.3 **Exception for Contractual Rights** The Security Interest granted hereby does not and shall not extend to, and Collateral shall not include, any agreement, right, franchise, license or permit (the "contractual rights") to which the LP is a party or of which the LP has the benefit, to the extent that the creation of the Security Interest therein would constitute a breach of the terms of or permit any Person to terminate the contractual rights, but the LP shall hold its interest therein in trust for the Lender and shall assign such contractual rights to the Lender forthwith upon obtaining the consent of the other party thereto. The LP agrees that it shall, upon the request of the Lender, use all commercially reasonable efforts to obtain any consent required to permit any contractual rights to be subjected to the Security Interest.

2.4 **Attachment** The attachment of the Security Interest has not been postponed and the Security Interest shall attach to any particular Collateral as soon as the LP has rights in such Collateral.

2.5 **Proceeds in Trust** The LP will, and will be deemed to, hold all Proceeds separate and in trust for the benefit of the Lender until the Obligations have been paid, performed and satisfied in full.

Article 3 – OBLIGATIONS SECURED

3.1 **Obligations Secured** The Security Interest granted hereby secures payment, performance and satisfaction of the Obligations.

Article 4 REPRESENTATIONS AND WARRANTIES

4.1 **Representations and Warranties** The LP represents and warrants, and so long as this Agreement remains in effect shall be deemed continuously to represent and warrant, that:

(a) it is duly formed and validly existing under the laws Ontario and has the power and capacity to own its properties and assets and to carry on its business as presently carried on by it, it has the power and capacity to enter into this Agreement and to do all acts and things as are required or contemplated hereunder to be done, observed and performed by it;

(b) it has taken all necessary action to authorize the execution, delivery and performance of this Agreement;

(c) the entering into of this Agreement and the performance by the LP of its obligations hereunder does not and will not contravene, breach or result in any default under the organizational documents of the LP or under any mortgage, lease, agreement or other legally binding instrument, license, permit or law to which the LP is a party or by which the LP or any of its properties or assets may be bound and will not result in or permit the acceleration of the maturity of any indebtedness, liability or obligation of the LP under any mortgage, lease, agreement or other legally binding instrument of or affecting the LP;

(d) no authorization, consent or approval of, or filing with or notice to, any Person is required in connection with the execution, delivery or performance of this Agreement by the LP; and

(e) except as disclosed in writing to the Lender, there is no court, administrative, regulatory or similar proceeding (whether civil, quasi-criminal, or criminal); arbitration or other dispute settlement procedure; investigation or enquiry by any government body; or any similar matter or proceeding (collectively "proceedings") against or involving the LP (whether in progress or threatened) which, if determined adversely to the LP, would materially adversely affect its business, property, financial condition or prospects or its ability to perform any of the provisions of this Agreement; no event has occurred which might give rise to any proceedings and there is no judgment, decree, injunction, rule, award or order of any governmental body outstanding against the LP which has or may have a material adverse effect on its business, property, financial condition or prospects.

Article 5 - COVENANTS AND AGREEMENTS OF THE PARTIES

5.1 **General Agreements of LP** The LP agrees that it shall:

(a) pay or satisfy all Obligations when due;

(b) carry on and conduct its business in a proper and efficient manner and so as to protect and preserve the Collateral and shall keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for its business and accurate and complete records concerning Collateral, and shall mark any and all such records and Collateral at the Lender's request so as to indicate the existence of the Security Interest;

(c) pay all taxes, rates, levies, assessments and other charges of every kind which may be lawfully levied, assessed or imposed against or in respect of it or Collateral as and when the same become due and payable;

(d) not change its name without giving prior written notice to the Lender of the new name and the date upon which such change of name is to take effect;

(e) do, execute, acknowledge and deliver such financing statements and further assignments, transfers, documents, acts, matters and things (including further Schedules to this Agreement) as may be reasonably requested by the Lender or with respect to Collateral in order to give effect to this Agreement; and

(f) ensure that the representations and warranties set forth in section 4.1 shall be true and correct at all times.

5.2 **Permitted Dealings with Collateral** The LP may at any time, without the consent of the Lender:

(a) sell, assign, transfer, exchange, lease, consign or otherwise dispose of Inventory in the ordinary course of its business;

(b) sell or otherwise dispose of such part of its Equipment which is no longer necessary or useful in connection with its business or which has become worn out or obsolete or unsuitable for the purpose for which it was intended; and

(c) collect Accounts in the ordinary course of its business.

5.3 **Expenses** The LP shall pay to the Lender on demand all of the Lender's reasonable costs, charges and expenses (including, without limitation, legal fees on a solicitor and his own client basis and Receiver's fees) in connection with the preparation, registration or amendment of this Agreement, the perfection or preservation of the Security Interest, the enforcement by any means of any of the provisions hereof or the exercise of any rights, powers or remedies hereunder, including, without limitation, all such costs, charges and expenses in connection with taking possession of Collateral, carrying on the LP's business, collecting the LP's accounts and taking custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral, together with interest on such costs, charges and expenses from the dates incurred to the date of payment at the Prime Rate.

5.4 **Insurance** The LP shall obtain and maintain, at its own expense, insurance against loss or damage to the Collateral.

5.5 **Agreements of Lender** The Lender agrees that the Lender will:

(a) execute such documentation as is necessary to ensure that the LP may grant similar security as is granted to the Lender hereunder to other lenders who are loaning money to the LP and to ensure that such security will rank pari passu with the security granted by the LP to the Lender hereunder as amended from time to time. Without limiting the generality of the foregoing, the Lender specifically consents to the LP obtaining additional financing from other lenders and agrees to execute a pari passu agreement with such other lenders to give effect to this paragraph; and

(b) postpone the security granted to the Lender hereunder to any security granted to a lender providing construction and/or servicing financing in respect of the Property.

Article 6 - COLLECTION OF DEBTS

6.1 **Collection of Debts** After the occurrence of an Event of Default, the Lender may give notice of the Security Interest to any Person obligated to pay any debt or liability constituting Collateral and may also direct such Person to make all payments on account of any such debt or liability to the Lender. The LP acknowledges that any payments received by the LP from such Persons, whether before or after notification of the Security Interest to such Persons and whether before or after the occurrence of an Event of Default, shall be received and held by the LP in trust, or as agent in the Province of Quebec, for the Lender and shall be turned over to the Lender upon request.

6.2 **Application of Funds** Except where the LP, when not in default hereunder, so directs in writing at the time of payment, all money collected or received by the Lender in respect of the Collateral may be applied on account of such parts of the Obligations as the Lender in its sole discretion determines, or may be held unappropriated in a collateral account, or in the discretion of the Lender may be released to the LP, all without prejudice to the Lender's rights against the LP.

Article 7 - EVENTS OF DEFAULT

7.1 **Events of Default** The LP is in default under this Agreement upon the occurrence of any of the following events, each of which shall constitute an Event of Default:

(a) the LP defaults in payment when due of all or any part of the Obligations;

(b) any representation and warranty of the LP contained in this Agreement proves to be untrue;

(c) the LP admits its inability to pay its debts generally as they become due or otherwise acknowledges its insolvency;

(d) except to the extent permitted by the Lender in writing, the LP or any other Person institutes any proceeding or takes any corporate action or executes any agreement to authorize its participation in or commencement of any proceeding:

(i) seeking to adjudicate it a bankrupt or insolvent;

(ii) seeking liquidation, dissolution, winding up, reorganization, arrangement, protection, relief or composition of it or any of its property or debt, or making a proposal with respect to it under any law relating to bankruptcy, insolvency, reorganization or compromise of debts or other similar laws (including, without limitation, any application under the *Companies' Lenders Arrangement Act* (Canada) or any reorganization, arrangement or compromise of debt under the laws of the jurisdiction of incorporation of the LP); or

(iii) seeking appointment of a receiver, trustee, agent, custodian or other similar official for it or for any substantial part of its properties and assets or for any part of the Collateral;

(e) any proceeding is commenced against or affecting the LP:

(i) seeking to adjudicate it a bankrupt or insolvent;

(ii) seeking liquidation, dissolution, winding up, reorganization, arrangement, protection, relief or composition of it or any of its property or debt or making a proposal with respect to it under any law relating to bankruptcy, insolvency, reorganization or compromise of debts or other similar laws (including, without limitation, any reorganization, arrangement or compromise of debt under the laws of the jurisdiction of incorporation of LP); or

(iii) seeking appointment of a receiver, trustee, agent, custodian or other similar official for it or for any substantial part of its properties and assets or for any part of the Collateral;

and such proceeding is not being contested in good faith by appropriate proceedings or, if so contested remains outstanding, undismissed and unstayed more than 30 days from the institution of such first mentioned proceeding provided, however, that notwithstanding any such 30 day period shall not have

elapsed, an Event of Default shall be deemed to have occurred if such proceeding remains outstanding and, after the date of commencement of such proceeding, the LP does not satisfy a payroll obligation; or

(f) any Lender of the LP or any other Person shall privately appoint a receiver, trustee or similar official for any substantial part of the LP's properties and assets or for any part of the Collateral; or

(g) if any execution, distress or other enforcement process, whether by court order or otherwise, becomes enforceable against any property of the LP.

Article 8 - REMEDIES

8.1 **Appointment of Receiver** Upon the occurrence of an Event of Default, the Lender may appoint by instrument any Person, whether an officer or an employee of the Lender or not, to be any of a receiver, manager, receiver-manager and receiver and manager (a "Receiver") of Collateral and may remove any Receiver so appointed and appoint another in place of such Receiver in the same manner. Any such Receiver shall be deemed the agent of the LP and not of the Lender for the purpose of (i) carrying on and managing the business and affairs of the LP, and (ii) establishing liability for all acts or omissions of the Receiver while acting as such, and the Lender shall not be in any way responsible for any acts or omissions on the part of any such Receiver, its officers, employees and agents. The LP hereby irrevocably authorizes the Lender to give instructions to the Receiver relating to the performance of its duties. The LP hereby irrevocably waives any right it may have now or in the future under any applicable law, including, without limitation, the PPSA, to make application to a court for the removal, replacement or discharge of the Receiver or for directions on any matter relating to the duties of the Receiver (unless such duties are not being performed in a commercially reasonable manner) or in respect of the Receiver's accounts or remuneration or in respect of any other matter.

Subject to the provisions of the instrument appointing it, any such Receiver shall have the power to take possession of Collateral, to preserve Collateral or its value in such manner as it considers appropriate, to carry on or concur in carrying on all or any part of the business of the LP and to sell, lease or otherwise dispose of or concur in selling, leasing or otherwise disposing of Collateral in such manner and on such terms as it considers to be commercially reasonable. To facilitate the foregoing powers, any such Receiver may enter upon, use and occupy all premises owned or occupied by the LP wherein Collateral may be situate to the exclusion of all others to the extent permitted by law, including the LP, maintain Collateral upon such premises, borrow money on a secured or unsecured basis, incur reasonable expenses in the exercise of the rights,

powers and remedies set out in this Agreement and use Collateral directly in carrying on the LP's business or as security for loans or advances to enable it to carry on the LP's business or otherwise, as such Receiver shall, in its discretion, determine. In addition, the Receiver shall have the following rights, powers and remedies:

(a) to make payments to Persons having prior rights or Liens on properties on which the LP may hold a Lien and to Persons having prior rights or Liens on the Collateral; and

(b) to demand, commence, continue or defend proceedings in the name of the Lender or of the Receiver or in the name of the LP for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of the Collateral and to give effectual receipts and discharges therefor.

Except as may be otherwise directed by the Lender, all Proceeds received from time to time by such Receiver in carrying out its appointment shall be received in trust for and paid over to the Lender. Every such Receiver may, in the discretion of the Lender, be vested with all or any of the rights and powers of the Lender.

8.2 **Exercise of Remedies by Lender** Upon the occurrence of an Event of Default, the Lender may, either directly or through its agents or nominees, exercise all the powers and rights available to a Receiver by virtue of section 8.1. In addition to the rights granted in this Agreement and in any other agreement now or hereafter in effect between the LP and the Lender and in addition to any other rights the Lender may have at law or in equity or otherwise, the Lender shall have, both before and after the occurrence of an Event of Default, all rights and remedies of a secured party under the PPSA.

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

8.4 **Remedies Not Exclusive** All rights, powers and remedies of the Lender under this Agreement may be exercised separately or in combination and shall be in addition to, and not in substitution for, any other security now or hereafter held by the Lender and any other rights, powers and remedies of the Lender however created or arising. No single or partial exercise by the Lender of any of the rights, powers and remedies under this Agreement or under any other security now or hereafter held by the Lender shall preclude any other and further exercise of any other right, power or remedy pursuant to

this Agreement or any other security or at law, in equity or otherwise. The Lender shall at all times have the right to proceed against Collateral or any other security in such order and in such manner as it shall determine without waiving any rights, powers or remedies which the Lender may have with respect to this Agreement or any other security or at law, in equity or otherwise. No delay or omission by the Lender in exercising any right, power or remedy hereunder or otherwise shall operate as a waiver thereof or of any other right, power or remedy.

8.5 **Notice of Sale** Unless required by law, neither the Lender nor any Receiver appointed by it shall be required to give the LP any notice of any sale, lease or other disposition of the Collateral, the date, time and place of any public sale of Collateral or the date after which any private disposition of Collateral is to be made.

8.6 **Collection of Debts** After the occurrence of an Event of Default, the Lender may give notice of the Security Interest to any Person obligated to pay any debt or liability constituting Collateral and may also direct such Person to make all payments on account of any such debt or liability to the Lender. The LP acknowledges that any payments received by the LP from such Persons, whether before or after notification of the Security Interest to such Persons and whether before or after the occurrence of an Event of Default, shall be received and held by the LP in trust for the Lender and shall be turned over to the Lender upon request.

8.7 **Application of Funds** All money collected or received by the Lender in respect of the Collateral may be applied on account of such parts of the Obligations as the Lender in its sole discretion determines, or may be held unappropriated in a collateral account, or in the discretion of the Lender may be released to the LP, all without prejudice to the Lender's rights against the LP.

8.8 **LP Liable for Deficiency** The LP shall remain liable to the Lender for any deficiency after the proceeds of any sale, lease or disposition of Collateral are received by the Lender.

8.9 **Exclusion of Liability of Lender and Receiver** The Lender shall not, nor shall any Receiver appointed by it, be liable for any failure to exercise its rights, powers or remedies arising hereunder or otherwise, including without limitation any failure to take possession of, collect, enforce, realize, sell, lease or otherwise dispose of, preserve or protect the Collateral, to carry on all or any part of the business of the LP relating to the Collateral or to take any steps or proceedings for any such purposes. Neither the Lender nor any Receiver appointed by it shall have any obligation to take any steps or proceedings to preserve rights against prior parties to or in respect of Collateral including without limitation any Instrument, Chattel Paper or Securities, whether or not

in the Lender's or the Receiver's possession, and neither the Lender nor any Receiver appointed by it shall be liable for failure to do so. Subject to the foregoing, the Lender shall use reasonable care in the custody and preservation of the Collateral in its possession.

8.10 **Indemnity** The LP shall indemnify and save the Lender harmless from any and all costs, expenses, liabilities and damages which may be incurred by the Lender in connection with the Collateral and the enforcement of its rights hereunder, save only any costs, expenses, liabilities or damages resulting from any wilful misconduct or gross negligence by the Lender or its servants or agents.

Article 9 - APPLICATION OF PROCEEDS

9.1 **Application of Proceeds** The Proceeds arising from the enforcement of the Security Interest as a result of the possession by the Lender or the Receiver of the Collateral or from any sale, lease or other disposition of, or realization of security on, the Collateral (except following acceptance of Collateral in satisfaction of the Obligations) shall be applied by the Lender or the Receiver in the following order, except to the extent otherwise required by law:

(a) first, in payment of the Lender's reasonable costs, charges and expenses (including legal fees on a solicitor and his own client basis) incurred in the exercise of all or any of the rights, powers or remedies granted to it under this Agreement, and in payment of the reasonable remuneration of the Receiver, if any, and the reasonable costs, charges and expenses incurred by the Receiver, if any, in the exercise of all or any of the rights, powers or remedies granted under this Agreement;

(b) second, in payment of amounts paid by the Lender or the Receiver pursuant to clause 8.1(a);

(c) third, in payment of all money borrowed or advanced by the Lender or the Receiver, if any, pursuant to the exercise of the rights, powers or remedies set out in this Agreement and any interest thereon;

(d) fourth, in payment of the remainder of the Obligations in such order of application as the Lender may determine;

(e) fifth, subject to sections 9.2 and 9.3, to any Person who has a security interest in Collateral that is subordinate to that of the Lender and whose interest,

(i) was perfected by possession, the continuance of which was prevented by the Lender or the Receiver taking possession of Collateral, or

(ii) was, immediately before the sale, lease or other disposition by the Lender or the Receiver, perfected by registration;

(f) sixth, subject to sections 9.2 and 9.3, to any other Person with an interest in such Proceeds who has delivered a written notice to the Lender or the Receiver of the interest before the distribution of such Proceeds; and

(g) last, subject to sections 9.2 and 9.3, to the LP or any other Person who is known by the Lender or the Receiver to be an owner of the Collateral.

9.2 **Proof of Interest** The Lender or the Receiver may require any Person mentioned in clauses 9.1(e), 9.1(f) or 9.1(g) to furnish proof of that Person's interest, and unless the proof is furnished within ten days after demand by the Lender or the Receiver, the Lender or the Receiver need not pay over any portion of the Proceeds referred to therein to such Person.

9.3 **Payment Into Court** Where there is a question as to who is entitled to receive payment under clauses 9.1(e), 9.1(f) or 9.1(g), the Lender or the Receiver may pay the Proceeds referred to therein into court.

9.4 **Monies Actually Received** The LP shall be entitled to be credited only with the actual Proceeds arising from the possession, sale, lease or other disposition of, or realization of security on, the Collateral when received by the Lender or the Receiver and such actual Proceeds shall mean all amounts received in cash by the Lender or the Receiver upon such possession, sale, lease or other disposition of, or realization of security on, the Collateral.

9.5 **Indemnity** The LP shall indemnify and save the Lender harmless from any and all costs, expenses, liabilities and damages which may be incurred by the Lender in connection with the Collateral and the enforcement of its rights hereunder, save only any costs, expenses, liabilities or damages resulting from any wilful misconduct or gross negligence by the Lender or its servants or agents.

Article 10 - GENERAL

10.1 **Dealings with Others** The Lender may grant extensions of time and other indulgences, take and give up security, accept compositions, make settlements, grant releases and discharges and otherwise deal with the LP, borrowers of the LP, sureties and other Persons and with Collateral and other security as the Lender sees fit, without prejudice

to the liability of the LP to the Lender or the rights, powers and remedies of the Lender under this Agreement.

10.2 **Perfection of Security** The LP authorizes the Lender to file such financing statements and other documents and do such acts, matters and things as the Lender may consider appropriate to perfect and continue the Security Interest, to protect and preserve the interest of the Lender in Collateral and to realize upon the Security Interest.

10.3 **Discharge** Upon payment, performance and satisfaction in full of the Obligations and upon written request by the LP, the Lender shall, at the LP's expense, execute and deliver to the LP such documents as may reasonably be required to discharge the Security Interest created by this Agreement.

10.4 **Invalidity of Provisions** Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof.

10.5 **Waiver, Amendment** Except as expressly provided in this Agreement, no amendment or waiver of this Agreement shall be binding unless executed in writing by the party to be bound thereby. No waiver of any provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

10.6 **Communication** Any notice or other communication, including a demand or a direction, required or permitted to be given hereunder shall be in writing and shall be given by prepaid first-class mail, by facsimile or other means of electronic communication or by hand-delivery as hereinafter provided. Any such notice or other communication, if mailed by prepaid first-class mail at any time other than during or within three business days (which will exclude Saturdays, Sundays and statutory holidays in the Province of Ontario) prior to a general discontinuance of postal service due to strike, lockout or otherwise, shall be deemed to have been received on the fourth business day after the post-marked date thereof, or if sent by facsimile or other means of electronic communication, shall be deemed to have been received on the business day following the sending, or if delivered by hand shall be deemed to have been received at the time it is delivered to the applicable address noted below either to the individual designated below or to a senior employee of the addressee at such address with responsibility for matters to which the information relates. Notice of change of address shall also be governed by this section. In the event of a general discontinuance of postal service due to strike, lock-out or otherwise, notices or other

communications shall be delivered by hand or sent by facsimile or other means of electronic communication and shall be deemed to have been received in accordance with the foregoing. Notice and other communications shall be addressed as follows:

(a) if to the Lender:

Telephone:
Email:

(b) if to the LP:

c/o Vaughan St GP Corp.
1515 Gordon Street, Suite 202
Guelph, Ontario
N1L 1C9
Attention: Scott Reid
Email: scott@reidsproperties.com

Notwithstanding the foregoing, if the PPSA requires that a notice or other communication be given in a specified manner, then any such notice or communication shall be given in such manner.

10.7 **Successors and Assigns** This Agreement shall be binding on the LP and its successors and shall enure to the benefit of the Lender and its successors and assigns. This Agreement shall be assignable by the Lender free of any set-off, counter-claim or equities between the LP and the Lender, and the LP shall not assert against an assignee of the Lender any claim or defense that the LP has against the Lender.

10.8 **Governing Law, Attornment and Facsimile** 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 and the LP hereby irrevocably attorns to the jurisdiction of the courts of Ontario. This Agreement may be transmitted by facsimile or other electronic transmission and the reproduction of signatures will be deemed to be original and legally binding.

10.9 **Copy Received** The LP hereby acknowledges receipt of a copy of this Agreement and a copy of any financing statement/verification statement registered under the PPSA in respect of the Security Interest.

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first written above.

VAUGHAN ST LP, by its General Partner Vaughan St GP Corp.

_____

By: Scott Reid, President

Chad Wiseman

_____

PROMISSORY NOTE

Date: August 26, 2024

The undersigned hereby promises to pay to or to the order of Chad Wiseman (the “Lender”) the aggregate unpaid principal balance of all advances made by the Lender as recorded on the grid attached hereto as Schedule “A” on August 26, 2025 or with 90 days prior notice to the undersigned.

The principal sum outstanding hereunder from and after the dates of advance thereof and from time to time shall bear interest at the rate of 12% per annum both before and after maturity and both before and after default calculated and payable monthly with interest on overdue interest at the same rate.

Payments of principal and interest hereunder shall be made at such location as may be notified in writing to the undersigned by Lender provided that if such date is not a business day, such payments will be payable on the next business day.

If the undersigned fails to pay any amount payable hereunder, whether on account of principal or interest, on the date specified herein for payment and such failure continues for a period of three business days after written notice thereof has been given by the Lender to the undersigned, the entire principal amount of this Promissory Note may, by written notice from the Lender to the undersigned, be declared due and payable in full, together with interest thereon accrued to that date as provided above.

Some or all of the principal amounts owing from time to time under this Promissory Note may be prepaid at any time and from time to time without notice, bonus or penalty.

This Promissory Note is not, and is not intended to be, a negotiable instrument.

This Promissory Note shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

RHH RENTAL PROPERTIES LTD.

By:_____
Name: Scott Reid
Title: President

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the undersigned, Joseph's Place Breslau LP (the "Guarantor"), the Guarantor hereby unconditionally guarantees the due payment and performance of all obligations of RHH Rental Properties Ltd. arising pursuant to or in connection with this Note (the "Obligations"). This guarantee herein shall be a continuing guarantee of the payment and performance of all the Obligations and shall apply to and secure any ultimate balance thereof due or remaining unpaid to the Lender. The guarantee herein shall not be considered as wholly or partially satisfied by the intermediate payment or satisfaction at any time of all or any part of the Obligations.

VAUGHAN ST LP by its General Partner, Vaughan St GP Corp.

By:_____
Name: Scott Reid
Title: President

SCHEDULE "A"

ADVANCES AND PAYMENTS OF PRINCIPAL

Date	Amount of Advance	Amount of Principal Paid or Repaid	Unpaid Principal Balance	Notation Made By
August 26, 2024	$150,000		$150,000	**Todd Neill**
November 30, 2024		$50,000	$100,000	Todd Neill

EXHIBIT “W”

From: gmchale1980@gmail.com <gmchale1980@gmail.com>
Sent: Wednesday, July 16, 2025 1:12 PM
To: 'Chad Wiseman' <wisey_21@hotmail.com>; Michael Cassone <mcassone@harrisonpensa.com>
Subject: Receiver-Manager

You don't often get email from gmchale1980@gmail.com. Learn why this is important

[EXTERNAL EMAIL]

Mr. Cassone:

Please see attached letter and legal writeup about the appointment of Receivers in Ontario.

Chad Wiseman

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize and can verify the sender and know the content is safe.

Gary McHale
106 Donald Bell Dr.
Binbrook, ON L0R 1C0
GMcHale1980@gmail.com
905-902-2234

Date: July 16, 2025

Attn: Michael Cassone
Harrison Pensa LLP
Counsel for Creditor
Libro Credit Union Limited
mcassone@harrisonpensa.com
519-661-6764

RE: Vaughan St. LP and Vaughan St GP Corp.
Receivership and Management as appointed by
Chad Wiseman and Carly Emeny-Wiseman

Mr. Cassone:

You have confirmed that you received our Demand Letter, Notice of Intention to Enforce a Security and the Form 87 – Notice and Statement of the Receiver whereby I was appointed as Receiver-Manager.

As the Receiver-Manager, and behalf of the Wisemans, we can state the following:

1) We ask that you acknowledge the Wisemans as registered secured creditors?

2) We also ask you to confirm that it isn't your client's intension to interfere with the Wisemans collecting their debt?

3) It is not our intention NOT to interfere with the sale of the property.

4) It is not our intention NOT to interfere with Libro Credit Union Limited ability to collect their debit.

In order to ensure all parties are paid out on by the sale of the property, I would ask you to provide me with payout paperwork for your client. As the Receiver-Manager I will move to ensure the payments are made by the sale.

I have attached legal writing regarding the appointment of Receiver-Manager in Ontario. You apparently fail to understand the legal basis for the appointment of a private receiver. You are also of the view that a private receiver must be licensed as a Bankruptcy Trustee – this simply is not legally correct.

I would point out the following:

> "courts have found that privately appointed receivers often wear two hats: a) they act as an agent for the debtor when carrying on the business of the debtor; and, b) they act as an agent for the creditor when realizing security" *Peat Marwick Ltd. v Consumers' Gas Co.*, 1980 CarswellOnt 167
>
> "While private receivers do not have fiduciary obligations, they have a duty to act honestly and in good faith and to deal with the property in their possession or under their control in a commercially reasonable manner. This is consistent with section 17 of the PPSA, which requires that a secured party exercise reasonable care in the custody and preservation of collateral in its possession. However, the receiver's obligations do not go so far as to require that they take all measures a prudent person might take in selling their own property. The receiver must fulfill its duties pursuant to the security instruments and is accountable to the security holder. They also have a common law duty to exercise the power of sale *bona fide* and to take reasonable precautions to obtain the best price possible in the circumstances. However, this does not need to be the highest price available."

As such, I am making an honest attempt to ensure your client's debt is paid out. If you have any legal basis for challenging my appointment, I would request you properly express this in writing.

It will be far more difficult moving forward if you simply believe you can intimidate the Wisemans and/or ignore my appointment by the creditors. The last thing either party needs is to waste the next few years in court because you refused to understand that the appointment of private receivers is lawful in Ontario.

We look forward to your reply. Failure to reply will inform us that you are not willing to work together to resolve the outstanding debts.

Gary McHale

In his capacity as appointed Receiver-Manager

of Vaughan St. LP and Vaughan St GP Corp.

TAB 12A

CCLA | ABCC
COUNTY OF CARLETON LAW ASSOCIATION
ASSOCIATION DU BARREAU DU COMTÉ DE CARLETON

39th Annual Civil Litigation Conference

Friday, November 15 – Saturday, November 16, 2019

The ABCs of Appointing a Receiver

Karen Perron

Borden Ladner Gervais LLP

2019 CanLIIDocs 3839

The ABCs of Appointing a Receiver[1]

Introduction

Following an event of default under the governing loan and security instruments, a receiver may be appointed to take possession and control of a debtor's property with the overarching goal of maximizing recovery for creditors. There are two methods of appointing a receiver: private appointment and court appointment.

The focus of this paper is to provide an overview of the legislation and case law relating to the appointment of receivers in a debtor/creditor relationship, including the mandatory procedural steps that must be followed by creditors prior to the receiver's appointment.

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Notice Prior to Moving for Appointment of a Receiver

In order to trigger the appointment of a receiver, there must usually be an event of default by the debtor under the applicable loan and security instruments.[2]

Pursuant to section 244 of the *Bankruptcy and Insolvency Act* (the "**BIA**"), a secured creditor who intends to enforce its security on all or substantially all of the inventory, accounts receivable or the other property of an insolvent person that was acquired for, or is used in relation to a business must provide at least 10 days advance notice of that intention to the insolvent person [emphasis added].[3] Generally, a secured creditor will not be able to enforce its security, including the appointment of a receiver, until the expiry of the ten day notice unless the insolvent person consents to earlier enforcement.[4] Exceptions can be made in circumstances where the secured creditor must act with urgency in order to protect and preserve assets that are in peril.[5]

At common law, a debtor is also entitled to reasonable notice of a creditor's demand for payment of the indebtedness prior to the creditor's enforcement of its security. The amount of reasonable notice depends on the circumstances of each case, including the following factors: the amount of the loan, the risk of loss to the creditor, the length of the relationship between the debtor and the creditor, the character and reputation of the debtor, the potential ability to raise the money required in a short period and the circumstances surrounding the demand for payment.[6]

In *Kavcar*, the court held that while the debtor will be afforded a reasonable amount of time pursuant to the circumstances of each case to raise funds, what constitutes "reasonable" will generally be of short duration. However, any very short notice (i.e. less than one day) is *prima facie* unreasonable, requiring the creditor to justify how the period allowed was reasonable.[7]

---

[1] Paper written by Karen Perron (Borden Ladner Gervais LLP) with thanks and recognition to Christine Kucey.
[2] Section 60 of the *Personal Property Security Act* does not require a default prior to the appointment of a receiver under that section. However, in practice, a receiver is appointed following a default under the applicable security instrument.
[3] *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 [BIA], s 244(1).
[4] BIA, s 244(2). **Practice Tip**: when serving the NITES, also include a consent for earlier enforcement.
[5] See for example *Paciorka v TD Waterhouse*, 2007 OJ No 2890 at paras 55, 59.
[6] *Royal Bank v W. Got & Associates Electric Ltd.*, 1999 CarswellAlta 892 at para 18.
[7] *Kavcar Investments Ltd v Aetna Financial Services Ltd*, 1989 CarswellOnt 191 at paras 26, 33.

Courts have also found that the reasonable time to pay after a demand is a very finite time, measured in days rather than weeks.[8]

In view of the above, as a common practice, creditors will usually serve their demand letter and Notice of Intention to Enforce Security ("**NITES**") at the same time and provide the debtor with a minimum of 10 days to correct its default and reimburse the indebtedness prior to any enforcement.

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Appointment of Private Receivers

A receiver may be privately appointed following an event of default by a borrower, provided that the governing loan and security instruments afford this remedy to the creditor. A privately-appointed receiver is instructed directly by the appointing creditor and its powers are limited to those expressly set out in the security instrument or applicable legislation. Therefore, it is prudent for creditors to pursue the appointment of a private receiver in cases where they anticipate cooperation from the debtor, there are not many other stakeholders or creditors with interests in the debtor's assets and the sale/distribution of assets is not expected to be complex.

Parts V and VI of the *Personal Property Security Act*[9] (the "**PPSA**") provide statutory recognition of a creditor's contractual right to appoint a receiver pursuant to the loan and security instruments entered into between the creditor and the borrower. See for example the following sections of the PPSA:

a) Section 59: upon default by the debtor, a secured party has the rights and remedies set out in the security agreement (as well as the statutory rights in the PPSA) and may enforce its security interest by any method permitted by law;

b) Section 60: recognizes a secured party's right to appoint a receiver or receiver and manager pursuant to a security agreement. Section 60 also sets out the Court's powers relating to receiverships. This section should be read in conjunction with the provisions in the BIA that govern court-appointed receiverships;

c) Section 67: sets out the Court's broad jurisdiction to provide directions and/or determine matters affecting the rights of a debtor, creditor, an obligor or any person who has an interest in the collateral; and,

d) Section 72: confirms that except in cases where they conflict with the express provisions set out in the PPSA, the principles of law and equity including the law of contract, principal and agent, fraud, estoppel, misrepresentation, duress, coercion and mistake continue to apply and supplement the act.

In the case of an insolvent person or a bankrupt, the provisions set out in Part XI of the Bankruptcy and Insolvency Act will also apply to privately-appointed receivers.[10] Furthermore,

[8] *Toronto Dominion Bank v Pritchard*, 1997 CarswellOnt 4277 at para 5.
[9] *Personal Property Security Act*, RSO 1990, c P 10. [PPSA]
[10] BIA, s 243(2)(b)(i).

in the case of either private or court-appointed receivers, the receiver must be a licensed insolvency trustee.[11]

Private receivers usually require that the appointing creditor provide an indemnity to the receiver for the proper discharge of its powers and duties as well as a retainer to fund the receiver's anticipated costs. Because of the potential liability for a security holder when appointing a private receiver, it is common for security instruments to make the receiver an agent of the debtor, meaning that the debtor is responsible for the receiver's acts, defaults and remuneration.[12] However, courts have found that privately appointed receivers often wear two hats: a) they act as an agent for the debtor when carrying on the business of the debtor; and, b) they act as an agent for the creditor when realizing security.[13]

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While private receivers do not have fiduciary obligations, they have a duty to act honestly and in good faith and to deal with the property in their possession or under their control in a commercially reasonable manner. This is consistent with section 17 of the PPSA, which requires that a secured party exercise reasonable care in the custody and preservation of collateral in its possession.[14] However, the receiver's obligations do not go so far as to require that they take all measures a prudent person might take in selling their own property. The receiver must fulfill its duties pursuant to the security instruments and is accountable to the security holder. They also have a common law duty to exercise the power of sale *bona fide* and to take reasonable precautions to obtain the best price possible in the circumstances. However, this does not need to be the highest price available.[15]

A Few Advantages of Private Receiverships

Subject to the terms of the security instrument, private receivers can sell both real and personal property. They owe their duties primarily to the appointing creditor. A significant benefit is that a creditor can appoint the private receiver quickly and court approval is not required to market, sell or dispose of assets. These considerations can therefore greatly reduce the overall time and costs associated with the enforcement of the security.

A Few Disadvantages of Private Receiverships

A private receiver is not empowered to require cooperation by a debtor or third parties if they refuse to cooperate. While most security agreements provide that a private receiver is an agent of the debtor, there is a risk that the court may find otherwise and the appointing creditor may become liable for the receiver's actions. Similarly, a private receiver does not have the benefit of a court-supervised and sanctioned process.

Appointing a private receiver does not result in an automatic stay of proceedings (which is usually the case with a court-appointed receiver). This may complicate enforcement if multiple

[11] BIA, s 243(4).
[12] Frank Bennett, *Bennett on Receiverships*, 3rd ed (Toronto: Carswell, 2011) [Bennett] at 224.
[13] *Peat Marwick Ltd. v Consumers' Gas Co.*, 1980 CarswellOnt 167 at para 19.
[14] PPSA, s. 17(1).
[15] *Ostrander v Niagara Helicopters Ltd.*, 1973 CarswellOnt 325 at para 9 [Ostrander]. See also Bennett at 224.

creditors take steps to enforce their security against the debtor's assets, particularly if priority disputes arise between the competing creditors' claims.

Private receivers are only afforded the powers expressly set out in the security instrument or by statute. If certain powers are required to administer the estate but are omitted under the security instrument, the receiver cannot act.[16]

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Court-Appointed Receivers

The purpose of a court-appointed receiver is substantially the same as that of a private receiver: to manage and sell the debtor's assets in order to satisfy the obligations owed to creditors. However, the Court may also appoint a receiver for other purposes, including operating the debtor's business pending the resolution of a director or shareholder dispute, administering a trust fund or managing other businesses, either with or without the power to sell the debtor's assets.[17] Court-appointed receivers derive their powers from the appointment order therefore it is important to given consideration to the terms of the order. The standard model order[18] approved by the Commercial List Users' Best Practices Subcommittee has widely become the standard-form precedent order. However, the order should be tailored as appropriate to the individual circumstances of each case.

A priori, the party applying to court for the appointment of a receiver must demonstrate a legal or proprietary interest in the property over which the receivership will be imposed. This will typically include a mortgagee, a secured creditor, or an unsecured creditor in the appropriate circumstances. As will be discussed below, the receiver's duties are not only owed to the court, but also to all other interested parties.[19]

Generally, the receiver's costs are recovered from the proceeds of sale of the debtor's property and receivers are not liable for costs unless the court orders otherwise.[20] They can also look to the security holder who requested the appointment for any shortfall in costs and for indemnification.[21]

The primary statutory provisions governing the Court's authority to appoint a receiver are set out in the *Courts of Justice Act* (the "**CJA**")[22], the BIA and the PPSA[23]. However, as will be discussed below in this paper, the Court's power to appoint a receiver can also be found in other

[16] Bennett at 42.
[17] Bennett at 6.
[18] http://www.ontariocourts.ca/scj/files/forms/com/receivership-order-EN.doc. The commercial list practice directives should also be consulted for other model orders including receivers' discharge orders and approval and vesting orders.
[19] *Canadian Commercial Bank v Simmons Drilling Ltd*, 1989 CarswellSask 48 at para 14.
[20] BIA, section 197(3).
[21] Bennett at 48.
[22] *Courts of Justice Act*, RSO 1990, c. C.43 [CJA].
[23] See sections 60 and 67 of the PPSA, also discussed above under private receiverships.

statutes such as the Ontario *Business Corporations Act*[24] and the *Canadian Business Corporations Act*.[25]

Secured creditors moving under their security instruments will commonly rely on sections 101 of the CJA, section 243 of the BIA and section 67 of the PPSA in their moving materials when seeking the appointment of a court-appointed receiver.

Section 101 of the CJA provides that:

> In the Superior Court of Justice, […] a receiver or receiver and manager may be appointed by an interlocutory order, where it appears to a judge of the court to be just and convenient to do so.[26]

Section 243 of the BIA reiterates the test under the CJA and further provides that:

> [Subject to the 10-day notice provision set out in section 244] on application by a secured creditor, a court may appoint a receiver to do any or all of the following if it considers it to be just or convenient to do so:
>
> (a) take possession of all or substantially all of the inventory, accounts receivable or other property of an insolvent person or bankrupt that was acquired for or used in relation to a business carried on by the insolvent person or bankrupt;
>
> (b) exercise any control that the court considers advisable over that property and over the insolvent person's or bankrupt's business; or
>
> (c) take any other action that the court considers advisable.

Section 67 of the PPSA provides express authority to obtain declarations of right and other forms of injunctive relief:

> 67.(1) Upon application to the Superior Court of Justice by a debtor, a creditor of a debtor, a secured party, an obligor who may owe payment or performance of the obligation secured or any person who has an interest in collateral which may be affected by an order under this section, the court may,
>
> (a) make an order, including binding declarations of right and injunctive relief, that is necessary to ensure compliance with Part V, section 17 or subsection 34(3) or 35(4); […] and,
>
> (e) make any order necessary to ensure protection of the interests of any person in the collateral, but only on terms that are just for all parties concerned.

[24] *Business Corporations Act*, RSO 1990, c B-16. [OBCA]
[25] *Canada Business Corporations Act*, RSC 1985, c C-44. [CBCA]
[26] CJA, section 101(1). See also Rule 41 of the *Rules of Civil Procedure*, RRO 1990, Reg. 194.

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The application seeking the appointment of the receiver must be brought in the judicial district of the locality of the debtor.[27]

Just and Convenient Test

Courts have provided guidance on the "just and convenient" test mandated by the legislature and have articulated the test in three parts:

1) There must be a *prima facie* case that the applicant's right to recovery is in serious jeopardy;
2) The moving party would suffer irreparable harm if the motion is refused; and,
3) The balance of convenience weighs in the favour of the applicant.[28]

In regards to satisfying this test, the court will consider a number of factors in determining whether it is appropriate to appoint a receiver including, but not limited to, the following[29]:

a) Whether irreparable harm will be caused if a receiver is not appointed[30];
b) The risk to the security holder including the size of the debtor's equity in the assets and the need for preservation and protection of the property;
c) The nature of the property;
d) The balance of convenience for all parties;
e) Whether the creditor has a right to appoint a receiver under its loan and security instruments[31];
f) The extraordinary nature of the relief should be granted cautiously and sparingly;
g) The effect of the order on the parties;
h) The conduct of the parties;
i) The anticipated duration and costs of the receivership; and,
j) The likelihood of maximizing return to the parties.

Court-appointed receivers are officers of the court and must report to the court on their activities, as well as seek the approval of the court as appropriate or required throughout the course of the receivership. Section 247 of the BIA expressly provides that the receiver must act honestly and in good faith and deal with the property of the insolvent person or the bankrupt in a commercially reasonable manner.[32] Moreover, court-appointed receivers have a fiduciary duty

[27] BIA, sections 243(5). See also BIA sections 46(5), 47(4) and 47.1(4) for applications seeking the appointment of interim receivers.
[28] *Garratt v Charlton*, 2012 ONSC 1129 at para 28.
[29] See *Enterprise Cape Breton Corp. v Crown Jewel Resort Ranch Inc.*, 2014 NSSC 128 at para 26.
[30] If the debtor is in default of its obligations under the loan and security instruments, a creditor is not required to establish irreparable harm if a receiver is not appointed. See: *Swiss Bank Corp. (Canada) v Odyssey Industries Inc.* [1995] OJ No 144 at paras 28, 38 and *Royal Bank of Canada v 605298 Ontario Inc.* [1998] OJ No 4859 at para 9.
[31] If the security instruments provide the creditor with a right to appoint a receiver, this is an important factor to be considered. Courts have found that if this contractual right is present, the extraordinary nature of the remedies sought is less essential to the inquiry. See *Bank of Montreal v Carnival National Leasing Ltd*., 2011 ONSC 1007 at paras 24-28. See also *Bank of Nova Scotia v Freure Village on Clair Creek* [1996] OJ No 5088 at para 12.
[32] BIA, Section 247. The legislature has recently expanded the statutory obligation to act in good faith to all "interested persons" involved in the BIA proceedings (Section 4.2 of the BIA) but this obligation has been long-standing for receivers.

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to act honestly and fairly on behalf of all claimants with an interest in the debtor's property, including the debtor and any shareholders.[33]

Receivers must act with meticulous correctness, but the court will not mandate a standard of perfection.[34] Receivers must pursue the debtor's rights, although it is up to the receiver to carefully consider the available information and use his or her expertise to determine how to maximize the value of those rights.[35]When the court reviews a sale by a court-appointed receiver, it exercises considerable caution in doing so, and will interfere only in special circumstances.[36] While the court will carefully scrutinize the receiver's conduct and procedures, including the marketing and sale of assets and the management of the debtor's affairs, the court will heavily rely on the receiver's expertise and is reluctant to second-guess a receiver's business decisions.[37] The conduct of the receiver should also be scrutinized in light of the specific mandate given to them by the court.[38]

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In the seminal case of *Royal Bank of Canada* v *Soundair Corp.*, the court outlined the factors to be considered in assessing the propriety of the receiver's exercise of its duties in respect of the sale of assets. The four-part analysis is as follows:

(a) Whether the receiver has made a sufficient effort to get the best price and has not acted improvidently;
(b) The interests of all parties, including the purchaser of the assets;
(c) The efficacy and integrity of the process by which offers are obtained; and
(d) Whether there has been unfairness in the working out of the process.[39]

The court will not however, afford the same level of deference to receivers in reviewing the reasonableness of their fees. Receivers bear the burden of proving that their fees are fair and reasonable.[40]

A Few Advantages of Court-Appointed Receiverships

Although the receiver will draw its powers from the appointing order, a court-appointed receiver typically has the ability to sell all or substantially all of the debtor's assets and property, including both real and personal property. The order appointing a receiver will also usually includes a stay of proceedings, which brings all creditors under the same proceeding. The order will also provide that other persons must cooperate with the receiver in the exercise of its mandate. A court-appointed receiver is also usually empowered to disclaim contracts and to operate the debtor's business as a going-concern.

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[33] Ostrander at para 6.
[34] *Regal Constellation Hotel Ltd., Re*, (2004), 71 OR (3d) 355 [Regal] at para 26.
[35] *1117387 Ontario Inc. v National Trust Company*, 2010 ONCA 340 at para 43.
[36] Regal at para 23.
[37] Regal at para 23; *Royal Bank v Soundair Corp*., (1991) 4 OR (3d) 1 at para 14 [Soundair].
[38] Soundair at para 14.
[39] Soundair at paras 16, 21-22, 40, 43-47 and 58.
[40] *HSBC Bank Canada v Lechcier-Kimel*, 2014 ONCA 721 at para 16. *Bank of Nova Scotia v Diemer*, 2014 ONCA 851 at paras 44-46.

The appointing order will also usually set out the monetary value of transactions or dealings that the receiver can undertake without requiring court approval. Therefore, the court does not need to be involved in smaller transactions dealing with the debtor's property.

Each of the above provisions are set out in the standard model order approved by the Commercial List Users' Best Practices Subcommittee.

A Few Disadvantages of Court-Appointed Receiverships

Court-appointed receivers are independent from the appointing creditor and should retain independent counsel to avoid any issues of conflict of interest. As such, creditors have less control over the process, although the appointing creditor is usually consulted by the receiver in making important decisions along with other major stakeholders.

The receiver's costs and expenses will ultimately be borne from proceeds of sale (or the appointing creditor in the event of a shortfall), which will reduce the net realization available for the appointing creditor and other stakeholders. This can also be significant for debtors because less recovery to the creditors may increase the debtor's exposure pursuant to other security instruments, in particular, personal guarantees. The court-appointment process is also more cumbersome and time consuming because the receiver must report to the court as part of the court's overall supervisory role, which adds to the total cost of the proceeding.

Interim Receivers and Equitable Receivers

Interim Receivers

Section 46 of the BIA allows the court to appoint an interim receiver where an application for a bankruptcy order has been filed, but before a bankruptcy order is made. Pursuant to section 47, an interim receiver can also be appointed after a creditor has sent, or is about to send, a NITES, signaling the creditor's intention to commence enforcement proceedings of its security. The appointment of an interim receiver is also possible under section 47.1 of the BIA after the debtor files a notice of intention to make a proposal or after the debtor files a proposal. Generally, it will be necessary for the moving party to show that the appointment of the interim receiver is necessary for the protection of the debtor's estate or the interests of the secured creditor moving for the appointment, or the body of creditors generally. [41]

Pursuant to the applicable provision of the BIA governing its appointment, and subject to the specific directions provided by the Court, an interim receiver can: take conservatory measures, summarily dispose of perishable property or property that is likely to rapidly depreciate in value, take possession of all or part of a debtor's property and exercise such control over that property and the debtor's business.[42]

In exceptional circumstances, the court will make an order to appoint an interim receiver without notice to the debtor. For this to happen, the security holder must show that there is urgency, for

[41] See BIA at sections 46 to 47.1.
[42] BIA, sections 46 to 47.1.

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example, if there is a material risk that the assets will disappear or dissipate quickly if the debtor were to receive notice of the motion.[43]

Equitable Receiverships

A receiver may also be appointed pursuant to the general principles of equity available to the court under Section 101 of the CJA. Because it is court-appointed, the equitable receivership is similar to a court-appointed receivership. The use of equitable receiverships is rare but should be considered when ordinary remedies to enforce against security have been exhausted and it is necessary or more practical to resort to equitable execution. These circumstances include the following:

(1) To receive income from a reversionary interest under a last will and testament;
(2) To receive income from a trust fund where the income is due and payable in the future;
(3) To receive moneys payable by the Crown which are otherwise not subject to garnishment, and wages of Crown employees where there is no other convenient means of collection;
(4) To attach the interests of a debtor in an RRSP provided that the trust/trustee are within the province or where the debtor is controlling the investments in a self-directed Plan;
(5) To claim over against a trustee so that the receiver may make a claim for indemnity against its beneficiaries;
(6) To intercept a payment under a retirement fund that is not subject to garnishment proceedings, attachment, or seizure under legislation;
(7) To intercept annuity payments to the debtor which would otherwise be exempt under provincial insurance legislation; and
(8) To attach money payable annually under an agreement of purchase and sale.[44]

CBCA and OBCA: Receivers in the Context of Oppression

Subsection 248(3) of the OBCA allows any security holder, creditor, director or officer of a corporation who has experienced oppressive or unfairly prejudicial conduct to apply to the court to have a receiver/manager appointed[45]. Relief under the OBCA applies not only to conduct that has been carried out or effected, but also to conduct that is threatened to be carried out or conducted in the future.[46]

In *Adshade* v *TDCI Bracebridge Inc.*, the court considered whether it was appropriate to appoint a receiver-manager in the context of an oppression remedy action. The applicants moved under both the CJA and the OBCA. Adopting the "just and convenient" test set out in section 101 of the CJA, the court found that it was both just and convenient to appoint a receiver-manager in order to preserve the company's assets and to protect the interests of all stakeholders while the proceedings took their course[47]. The court also followed the "just and convenient" test in

[43] *Imperial Broadloom Co., Re*, 1978 CarswellOnt 202.
[44] Bennett at 794-796.
[45] OBCA, s 248.
[46] OBCA, s 248.
[47] *Adshade v TDCI Bracebridge* Inc. 2015 ONSC 1275 at para 26.

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determining whether to appoint a receiver in the context of an oppression case in *DBDC Spadina Ltd* v *Walton*. The court in Walton also clarified that the "just and convenient" test requires a consideration of the effect of the order on the parties, as well as the conduct of the parties. Therefore, the test under section 101 of the CJA, even when seeking interim relief, is not materially different from the test for injunctive relief set out by *RJR MacDonald*.[48]

Section 241 is the equivalent provision set out in the federal regime under the CBCA which provides that a complainant (security holder, director, creditor or officer of a corporation) may apply to the court for relief where an act or omission of a corporation is oppressive or unfairly prejudicial.[49] This relief includes the appointment of a receiver/manager under subsection 241(3)(b). Similar relief is also found at subsection 253(3)(b) of the *Canada Not-for-profit Corporations Act*.[50]

When determining whether or not to appoint a receiver pending the determining of an action based in oppression under the CBCA, courts have also followed the "just and convenient" test set out in section 101 of the CJA. In the context of an oppression remedy action, this includes a strong *prima facie* case of the oppressive or unfairly prejudicial conduct, but not to the same degree as required for a *mareva* injunction.[51]

Conclusion

Receivers play an important role in helping to preserve, manage and distribute collateral and, in appropriate circumstances, property that may be exigible pending the outcome of proceedings. Whether a receiver can be appointed privately generally depends on whether or not such a remedy is set out in the applicable security instrument. Courts have authority to appoint a court-appointed receiver pursuant to various statutes including the CJA, BIA, PPSA and other legislation. If both private and court-appointed remedies are available, care and consideration should be given as to which route to follow including the anticipated degree of cooperation by stakeholders, the complexity of the receivership and the need for a court-supervised process.

[48] DBDC Spadina Ltd. v. Walton 2013 ONSC 6833 at paras 41-44.
[49] CBCA, section 241.
[50] *Canada Not-for-profit Corporations Act*, S.C. 2009, c. 23.
[51] See for example *Greka Energy Corp. v Northsun Energy Ltd.*, (2001), 21 BLR (3d) 10, *Halsey v. Genoil* 2017 ONSC 4817 and *Bacic v. Millenium Educational and Research Charitable Foundation* 2013 ONSC 4545 and 2013 ONSC 5234.

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EXHIBIT “X”

From: Michael Cassone
Sent: Wednesday, July 16, 2025 2:04 PM
To: 'wisey_21@hotmail.com' <wisey_21@hotmail.com>; 'gmchale1980@gmail.com' <gmchale1980@gmail.com>
Subject: FW: Receiver-Manager [IMAN-HPMAIN.FID1013597]

Gary, you are purporting to act as a private receiver for Mr. Wiseman. The role of a receiver is reserved for licensed insolvency trustees (see below). I also refer you to the top of page three of the second PDF which confirms my point.

It is my understanding that you are not a licensed insolvency trustee.

Definition of *receiver*
243(2) Subject to subsections (3) and (4), in this Part, ***receiver*** **means a person who**

- **(a)** is appointed under subsection (1); or
- **(b) is appointed to take or takes possession or control** — of all or substantially all of the inventory, accounts receivable or other property of an insolvent person or bankrupt that was acquired for or used in relation to a business carried on by the insolvent person or bankrupt **— under**
  - **(i) an agreement under which property becomes subject to a security (in this Part referred to as a "security agreement"),** or
  - **(ii)** a court order made under another Act of Parliament, or an Act of a legislature of a province, that provides for or authorizes the appointment of a receiver or receiver-manager.

Trustee to be appointed
243(4) Only a trustee may be appointed under subsection (1) or under an agreement or order referred to in paragraph (2)(b).

I have written to the Office of the Superintendent of Bankruptcy to report this matter.

Mr. Wiseman, I strongly recommend that you seek the advice of legal counsel or the advice of a licensed insolvency trustee as you have no authority to sell the property.

Chad please call me to discuss.

Michael Cassone | Harrison Pensa LLP | 130 Dufferin Avenue, Suite 1101, London, Ontario N6A 5R2 | *tel* 519-661-6765 | *fax* 519-667-3362 | mcassone@harrisonpensa.com

Clerk | Kelsey Evanitski | *tel* 519-850-5622 | kevanitski@harrisonpensa.com

This e-mail may contain information that is privileged or confidential. If you are not the intended recipient, please delete the e-mail and any attachments and notify us immediately.

From: gmchale1980@gmail.com <gmchale1980@gmail.com>
Sent: Wednesday, July 16, 2025 1:12 PM
To: 'Chad Wiseman' <wisey_21@hotmail.com>; Michael Cassone <mcassone@harrisonpensa.com>
Subject: Receiver-Manager

You don't often get email from gmchale1980@gmail.com. Learn why this is important

[EXTERNAL EMAIL]

Mr. Cassone:

Please see attached letter and legal writeup about the appointment of Receivers in Ontario.

Chad Wiseman

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize and can verify the sender and know the content is safe.

EXHIBIT “Y”

ONTARIO PERSONAL PROPERTY SECURITY ACT

IN THE MATTER OF

Vaughan St. LP and Vaughan St GP Corp.

OF THE CITY OF GUELPH IN THE PROVINCE OF ONTARIO

Notice and Appointment of the Receiver
(Subsections 60.1 *PPSA*)

IN THE MATTER OF the Receivership of Vaughan St. LP and Vaughan St GP Corp. which is located at 1515 Gordon Street, 203, Guelph, Ontario, N1L 1C9.

TAKE NOTICE THAT:

1) On the 3rd day of July, 2025, the undersigned, Gary McHale, was appointed Receiver and Manager (the Receiver-Manager), and became Receiver-Manager under 60.1 of the *Ontario Personal Property Security Act* as allowed under section 8 of the PPSA signed by Scott Reid, President of Vaughan St GP Corp. on August 26, 2024. Section 8 of the PPSA states:

> Appointment of Receiver Upon the occurrence of an Event of Default, the Lender may appoint by instrument any Person, whether an officer or an employee of the Lender or not, to be any of a receiver, manager, receiver-manager and receiver and manager (a "Receiver") of Collateral and may remove any Receiver so appointed and appoint another in place of such Receiver in the same manner. Any such Receiver shall be deemed the agent of the LP and not of the Lender for the purpose of (i) carrying on and managing the business and affairs of the LP, and (ii) establishing liability for all acts or omissions of the Receiver while acting as such, and the Lender shall not be in any way responsible for any acts or omissions on the part of any such Receiver, its officers, employees and agents. The LP hereby irrevocably authorizes the Lender to give instructions to the Receiver relating to the performance of its duties. The LP hereby irrevocably waives any right it may have now or in the future under any applicable law, including, without limitation, the PPSA, to make application to a court for the removal, replacement or discharge of the Receiver or for directions on any matter relating to the duties of the Receiver (unless such duties are not being performed in a commercially reasonable manner) or in respect of the Receiver's accounts or remuneration or in respect of any other matter.
>
> Subject to the provisions of the instrument appointing it, any such Receiver shall have the power to take possession of Collateral, to preserve Collateral or its value in such manner as it considers appropriate, to carry on or concur in carrying on all or any part of the business of the LP and to sell, lease or otherwise dispose of or concur in selling,

leasing or otherwise disposing of Collateral in such manner and on such terms as it considers to be commercially reasonable. To facilitate the foregoing powers, any such Receiver may enter upon, use and occupy all premises owned or occupied by the LP wherein Collateral may be situate to the exclusion of all others to the extent permitted by law, including the LP, maintain Collateral upon such premises, borrow money on a secured or unsecured basis, incur reasonable expenses in the exercise of the rights, powers and remedies set out in this Agreement and use Collateral directly in carrying on the LP's business or as security for loans or advances to enable it to carry on the LP's business or otherwise, as such Receiver shall, in its discretion, determine. In addition, the Receiver shall have the following rights, powers and remedies:

> (a) to make payments to Persons having prior rights or Liens on properties on which the LP may hold a Lien and to Persons having prior rights or Liens on the Collateral; and
>
> (b) to demand, commence, continue or defend proceedings in the name of the Lender or of the Receiver or in the name of the LP for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of the Collateral and to give effectual receipts and discharges therefor.

Except as may be otherwise directed by the Lender, all Proceeds received from time to time by such Receiver in carrying out its appointment shall be received in trust for and paid over to the Lender. Every such Receiver may, in the discretion of the Lender, be vested with all or any of the rights and powers of the Lender.

2) The undersigned became Receiver-Manager in respect of the Property described in section 8 of the PPSA as quoted below, pursuant to the appointment by Chad Wiseman and Carly Emeny-Wiseman (the "Lenders"), as secured creditor,

> All present and future Real property, assets and undertaking of the Debtor including without limitations, accounts, books and records, chattel paper, documents of title, equipment, goods, instruments, intangibles (including intellectual property rights, contracts and permits), inventory, money, investment property, securities, contracts, licenses and agreements.

3) The undersigned took possession or control of the property described above on the 9th day of July 2025. The undersigned took possession and control of the operation of the business as authorized by the PPSA.

4) The following information relates to the receivership:

a. Address of the insolvent persons: 1515 Gordon Street, 203, Guelph, ON, N1L 1C9

b. Principal line of business: Land and Condo development

c. Location of business: 1515 Gordon Street, 203, Guelph, ON, N1L 1C9

d. The total amount of indebtedness secured by the security as of June 1, 2025, is as follows:

Principal to Carly Emeny-Wiseman	$500,000
Interest as of June 1, 2025	$ 25,505

	$525,505
Principal to Chad Wiseman	$100,000
Interest as of June 1, 2025	$ 5,101

	$105,101
Out of Pocket Recovery Costs	$ 2,500

	$633,106.00

e. Unsecured Creditors are Unknown at this time.

f. The Receiver intends to conduct a sale process to attract a purchaser for the Property.

g. Contact person for Receiver is:

Gary McHale
106 Donald Bell Dr.
Binbrook, ON L0R 1C0
Cell: 905-902-2234
Email: GMcHale1980@gmail.com

Dated at Hamilton, this 9th day of July, 2025.



Gary McHale
In his capacity as appointed Receiver-Manager
of Vaughan St. LP and Vaughan St GP Corp.

ONTARIO PERSONAL PROPERTY SECURITY ACT

IN THE MATTER OF

Vaughan St. LP and Vaughan St GP Corp.

OF THE CITY OF GUELPH IN THE PROVINCE OF ONTARIO

THIS PROPERTY. AS RELATED TO VAUGHAN ST., IS IN THE POSSESSION OF GARY MCHALE, APPOINTED RECEIVER-MANAGER OF:

CHAD WISEMAN AND CARLY EMENY-WISEMAN

REMOVAL BY ANY PERSON IS UNLAWFUL

For information in regard to:

1. Property or Assets or

2. In case of emergency

CONTACT THE RECEIVER-MANAGER:

Gary McHale 905-902-2234

Dated at Hamilton, this 10th day of July, 2025.

Gary McHale
106 Donald Bell Dr.
Binbrook, ON L0R 1C0
Cell: 905-902-2234
Email: GMcHale1980@gmail.com

EXHIBIT “Z”

From: Michelin, Yannick (ISED/ISDE) <Yannick.Michelin@ised-isde.gc.ca>
Sent: Tuesday, July 22, 2025 2:57 PM
To: gmchale1980@gmail.com
Cc: Michael Cassone <mcassone@harrisonpensa.com>; 'Chad Wiseman' <wisey_21@hotmail.com>
Subject: RE: FORM 87 [IMAN-HPMAIN.FID1013597]

[EXTERNAL EMAIL]

Dear Mr. McHale,

I understand that you may be confused between the definition of a "Receiver" and the "Official Receiver".

As per ss. 12(2) of the BIA: "***(2)*** *The Governor in Council shall appoint one or more official receivers in each bankruptcy division who shall be deemed to be officers of the court and shall have and perform the duties and responsibilities specified by this Act and the General Rules*".

To be clear: I am an Official Receiver employed by the Office of the Superintendent of Bankruptcy, the federal entity who, amongst other things, regulates the insolvency profession and supervises the administration of estates. As such, I was not appointed as Receiver over Vaughan St.

I must also reiterate what I stated in my previous email: the provisions of the BIA apply to any Receiver appointed over an insolvent debtor, which appears to be the status of Vaughan St. The BIA supersedes and supplements provincial statutes such as the Ontario PPSA when these circumstances arise.

As per my previous request, I expect you to confirm that you will not take any further steps to act as Receiver for any insolvent debtor.

Mr. Wiseman should also be aware that he may be entitled to appoint a LIT as a private receiver if he wishes.

Best regards,

Yannick Michelin, LL.B., LIT/SAI

Senior Bankruptcy Analyst, Office of the Superintendent of Bankruptcy
Innovation, Science and Economic Development Canada / Government of Canada
E: yannick.michelin@ised-isde.gc.ca | Tel: 416-524-0873 | TTY: 1-866-694-8389

Analyste principal des faillites, Bureau du surintendent des faillites
Innovation, Sciences et Développement économique Canada / Gouvernement du Canada
E: yannick.michelin@ised-isde.gc.ca | Tél: 416-524-0873 | ATS: 1-866-694-8389

From: gmchale1980@gmail.com
Sent: July 22, 2025 10:21 AM
To: Michelin, Yannick (ISED/ISDE)
Cc: 'Michael Cassone' ; 'Chad Wiseman'
Subject: RE: FORM 87 [IMAN-HPMAIN.FID1013597]

Hi Mr. Yannick:

See attached – my appointment is under the PPSA which doesn't require me to be licensed under the BIA.

Furthermore, unless you state otherwise, you are not appointed as a receiver for Vaught St. LP or Vaughan St. GP Corp.?

As such, the Wisemans tell me they will continue their claim against RHP as required under the BIA as I am not a Receiver or Manager of RHP.

However, all authority to manage Vaught ST. LP and/or Vaughan St. GP Corp. has been transferred to me under the signed PPSA agreement. While RHP office is the same as Vaught St. LP and Vanught St. GP Corp., it should be understood you have no authority over the records and/or property of these companies unless you are now claiming some authority.

Please acknowledge that you are not an Officer Receiver of the Vaughan St. businesses.

Gary McHale

From: Michelin, Yannick (ISED/ISDE) <Yannick.Michelin@ised-isde.gc.ca>
Sent: Tuesday, July 22, 2025 10:03 AM
To: gmchale1980@gmail.com
Cc: 'Michael Cassone' <mcassone@harrisonpensa.com>; 'Chad Wiseman' <wisey_21@hotmail.com>
Subject: RE: FORM 87 [IMAN-HPMAIN.FID1013597]

Dear Mr. McHale,

I am an Official Receiver appointed pursuant to ss. 12(2) of the Bankruptcy and Insolvency Act ("**BIA**").

It was brought to my attention that you issued several notices advising certain parties of your appointment as Receiver and Manager of Vaughan St. LP and Vaughan St GP Corp. ("**Vaughan St.**" or the "**Debtor**"):

- A Notice dated July 8, 2025 advising of your appointment dated July 3, 2025 pursuant to ss. 245(1) and 246(1) of the BIA (the "**BIA Notice**").

- A Notice dated July 9, 2025 advising of your appointment dated July 3, 2025 pursuant to ss. 60.1 (sic) of the Ontario Personal Property Security Act ("**PPSA**") (the "**PPSA Notice**").

As I chaired the First Meeting of Creditors in the bankruptcy of RHH Rental Properties ("**RHP**"), the parent or holding company of the Debtor, I was also made aware of BDO's preliminary report ("**Preliminary Report**") providing certain information indicating that the Debtor is most likely insolvent.

Based on our records, it is my understanding that you are not a Licenced Insolvency Trustee ("**LIT**") as defined under s. 2 of the BIA. Further, a search in our database indicates that we did not receive a copy of your BIA Notice pursuant to BIA ss. 246(1) and that we did not issue an appointment certificate for you to act as Receiver under the BIA.

You should be aware that only a LIT can be appointed as Receiver under the BIA pursuant to ss. 243(4). Further, the provisions of the BIA apply to any Receiver appointed over the assets and undertaking of an insolvent debtor pursuant to ss. 243(2)(b) of the BIA, notwithstanding the act under which this appointment is purported to have been made (such as the PPSA).

You should also note that, pursuant to the definition of an *Insolvent Person* under s. 2 of the BIA, to be considered insolvent, an entity does not need to be bankrupt.

In the circumstances, I must advise you that ss. 202(1)(a) of the BIA provides that a person who "*not being a licensed trustee, does any act as, or represents himself to be, a licensed trustee [...] is guilty of an offence punishable on summary conviction and is liable to a fine not exceeding five thousand dollars, or to imprisonment for a term not exceeding one year, or to both*".

In accordance with ss. 10(1) of the BIA, I reported your activities to the Superintendent for further investigation.

As such, I ask that you confirm by no later than **July 24, 2025,** that you will not take any further steps to act as Receiver over the assets and undertaking of any insolvent debtor.

Best regards,

Yannick Michelin, LL.B., LIT/SAI

Senior Bankruptcy Analyst, Office of the Superintendent of Bankruptcy
Innovation, Science and Economic Development Canada / Government of Canada
E: yannick.michelin@ised-isde.gc.ca | Tel: 416-524-0873 | TTY: 1-866-694-8389

Analyste principal des faillites, Bureau du surintendent des faillites
Innovation, Sciences et Développement économique Canada / Gouvernement du Canada
E: yannick.michelin@ised-isde.gc.ca | Tél: 416-524-0873 | ATS: 1-866-694-8389

EXHIBIT “AA”

SET OF STANDARD CHARGE TERMS

LAND REGISTRATION REFORM ACT

Filed by: LIBRO CREDIT UNION LIMITED

Filing Number: 202003
Filing Date: April 2, 2020

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

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1. DEFINITIONS

(a) General Definitions

The following terms shall have the following meanings irrespective of whether the Charge is an ERS Charge or a Form 2 Charge:

(i) "Charge" - means a Form 2 Charge or ERS Charge in which this set of standard charge terms is deemed to be included pursuant to the Land Registration Reform Act and includes any schedules attached to it, any additional provisions contained in it, any renewals or extensions thereof, amendments thereto, and includes this set of standard charge terms;

(ii) "Chargee" means Libro Credit Union Limited;

(iii) "Charge Rate" - has the meaning given to it in section 4 of these standard charge terms, as applicable;

(iv) "Charged Premises" - means the lands and premises described in the Charge, including all improvements thereto and all fixtures forming a part thereof;

(v) "CMHC" means Canada Mortgage and Housing Corporation, and its successors.

(vi) "Commitment" – means any written agreement entered into between the Chargor and the Chargee (with or without other parties) which includes, but is not limited to a loan agreement, line of credit agreement, or other similar agreements pursuant to which the Chargee agrees to extend a Loan or Loans to the Chargor, and for which this Charge provides security. It is acknowledged that the Commitment may be amended, extended, replaced, or supplemented by the parties thereto from time to time in writing and shall be incorporated herein, as applicable;

(vii) "Condominium Act" - means the *Condominium Act*, 1998, S.O. 1998, c. 19, as amended or replaced from time to time;

(viii) "Condominium Corporation" – means, pursuant to the Condominium Act, the condominium corporation created by the registration of a Declaration in which a portion of the lands described in the Declaration are the Charged Premises;

(ix) "Declaration" - means the declaration which, together with a description, was registered pursuant to the Condominium Act thereby creating the Condominium Corporation, as same may be amended from time to time;

(x) "Default" – means failure by the Chargor to make payments of any kind required to be made by the Chargor under the Charge and/or Commitment, or failure by the Chargor to perform or observe any of the terms, conditions, and provisions required of the Chargor under the Charge and/or Commitment;

(xi) "ERS Charge" - means a Charge in an electronic format registered electronically pursuant to the provisions of the Land Registration Reform Act and the regulations made pursuant thereto;

(xii) "Event of Default" – means any occurrence of Default by the Chargor;

(xiii) "Form 2 Charge" - means a Charge/Mortgage of Land registered using a paper based system of registration pursuant to the provisions of the Land Registration Reform Act and the regulations made pursuant thereto;

(xiv) "Insured Loan" means an insured mortgage Loan made pursuant to the *National Housing Act*, R.S.C., 1985, C. N.11, as may be amended or replaced from time to time.

(xv) "Land Registration Reform Act" - means the *Land Registration Reform Act*, R.S.O. 1990, c.L.4, as amended or replaced from time to time;

(xvi) "Lease" - has the meaning given to it in section 13 of these standard charge terms;

(xvii) "Libro Credit Union Prime Rate" means the variable rate of interest per year declared by the Chargee from time to time to be its prime rate for Canadian dollar loans made by the Chargee in Canada;

(xviii) "Loan" or "Loans" - means each loan or credit facility extended or granted to the Chargor by the Chargee, from time to time, pursuant to a Commitment, with each Loan being a separate and distinct Loan, including any supplement, amendment, renewal, replacement, refinance, re-advance, increase, additional or further advancing of a Loan made from time to time, including obligations, debts and liabilities which are past, present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, and at any time owing or remaining unpaid, pursuant to a Commitment, and which this Charge is intended to secure. In the interests of clarity, in the case of fluctuating or revolving loans or lines of credit, including any re-advance, increase, additional or further advancing of a Loan made from time to time, either (i) each further or additional advance is considered to be a separate and distinct Loan, or (ii) all of the further or additional advances in the aggregate are considered to be a separate and distinct Loan from the Insured Loan, pursuant to such Commitment, from time to time.

(xix) "Loan Insurer" means, in respect of any Insured Loan, the insurer under the mortgage loan default insurance policy, which may be CMHC or another loan insurer.

(xx) "NHA Program" means a mortgagee financing or private or public mortgage insurance program under the *National Housing Act* (Canada), R.S.C., 1985, c. N-11 and associated regulations, as such may be amended, re-enacted or replaced from time to time.

(xxi) "Program Administrator" means CMHC, acting in the capacity as administrator and trustee of, and guarantor of timely payment of securities issued under, any NHA Program.

(xxii) "Renting" - means the renting, leasing, entering into of a tenancy agreement with, or allowing occupancy by a Tenant of the whole or any part of the Charged Premises;

(xxiii) "Reversion" - has the meaning given to it in paragraph 13(b) of these standard charge terms;

(xxiv) "Taxes" or "taxes" - means all municipal taxes, school taxes and local improvement rates chargeable against the Charged Premises;

(xxv) "Tenant" - has the meaning set out in Section 2 of the *Residential Tenancies Act, 2006,* S.O. 2006, c. 17, as amended or replaced from time to time; and

(xxvi) "Term" or "term" - means the period of time from the Interest Adjustment Date to the maturity date of the Charge as set out in the Commitment.

(b) Form 2 Charge Definitions

If the Charge is a Form 2 Charge, the following terms shall have the following meanings:

(i) "Balance Due Date" - means the date indicated in Box 9(i);

(ii) "Box" - means a box contained in the Form 2 Charge in which the names of parties to and the terms of the Form 2 Charge may be indicated;

(iii) "Chargee" - means the party referenced in Box 14 being Libro Credit Union Limited;

(iv) "Chargor" - means each and every party referenced in Box 11;

(v) "Covenantor" - has the meaning given to it in section 38 of these standard charge terms. Covenantor shall mean any guarantor to the Charge;

(vi) "First Payment Date" - means the date indicated in Box 9(f) or as agreed to in writing between the Chargor and Chargee;

(vii) "Fixed Rate Mortgage" - has the meaning given to it in section 4(a) of these standard charge terms;

(viii) "Interest Adjustment Date" - means the date indicated in Box 9(d) or as agreed to in writing between the Chargor and Chargee;

(ix) "Interest Rate" – means the interest rate expressed in words and/or numbers in Box 9(b) or as set out in the Commitment;

(x) "Last Payment Date" - means the date indicated in Box 9(g) or as agreed to in writing between the Chargor and Chargee;

(xi) "Payment Amount" - means the dollar amount of money indicated in Box 9(h) or as agreed to in writing between the Chargor and Chargee;

(xii) "Principal" or "Principal Amount" - means the dollar amount of money indicated in Box 4;

(c) ERS Charge Definitions

If the Charge is an ERS Charge, the following terms shall have the following meanings:

(i) "Balance Due Date" - means the date indicated in the Computer Field entitled "Balance Due Date" or as agreed to in writing between the Chargor and Chargee;

(ii) "Chargee" - means the party indicated in the Computer Field entitled "Chargee(s)"being Libro Credit Union Limited;

(iii) "Chargor" - means each and every party indicated in the Computer Field entitled "Chargor(s)";

(iv) "Covenantor" - has the meaning given to it in section 38 of these standard charge terms. Covenantor shall mean any guarantor to the Charge;

(v) "Computer Field" - means a computer data entry field in an ERS Charge into which the names of the parties to and the terms of an ERS Charge may be indicated;

(vi) "First Payment Date" - means the date indicated in the Computer Field entitled "First Payment Date" or as agreed to in writing between the Chargor and Chargee;

(vii) "Fixed Rate Mortgage" - has the meaning given to it in section 4(a) of these standard charge terms;

(viii) "Interest Adjustment Date" - means the date indicated in the Computer Field entitled "Interest Adjustment Date" or as agreed to in writing between the Chargor and Chargee;

(ix) "Interest Rate" – means the interest rate expressed in words and/or numbers indicated in the Computer Field entitled "Interest Rate" or as set out in the Commitment;

(x) "Last Payment Date" - means the date indicated in the Computer Field entitled "Last Payment Date" or as agreed to in writing between the Chargor and Chargee;

(xi) "Payment Amount" - means the dollar amount of money indicated in the Computer Field entitled "Payments" or as agreed to in writing between the Chargor and Chargee;

(xii) "Principal" or "Principal Amount" - means the dollar amount of money indicated in the Computer Field entitled "Principal";

2. FREEHOLD CHARGE

If the Chargor named in the Charge has a fee simple interest in the Charged Premises the following paragraph applies to the Charge:

The Chargor named in the Charge of which this set of standard charge terms forms a part by reference to its filing number in such Charge charges the Charged Premises with the payment to the Chargee of the Principal and interest and other monies secured by the Charge upon the terms as set out in the Commitment.

3. COLLATERAL SECURITY

The Chargor has, at the request of the Chargee, agreed to give this Charge as a continuing collateral security for the payment and satisfaction to the Chargee for all Loans made by the Chargee to the Chargor, from time to time, pursuant to a Commitment, including, but not limited to, all obligations, debts and liabilities, past, present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed at any time owing by the Chargor to the Chargee or remaining unpaid by the Chargor to the Chargee heretofore or hereafter incurred or arising and whether incurred by or arising from a Commitment between the Chargee and the Chargor or from any agreement or dealings with any third party by which the Chargee may be or become in any manner whatsoever a creditor of the Chargor or however otherwise incurred or arising anywhere within or outside Canada and whether the Chargor be bound alone or with another or others and whether as principal or surety and any ultimate unpaid balance thereof and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again but it being agreed that this Charge at any one time will secure only that portion of the Principal Amount of the Loan(s) outstanding at such time which does not exceed the sum either set forth in Box 4 of a Form 2 Charge or set out in the Computer Field entitled Principal in an ERS Charge, together with any interest or compound interest accrued on the Principal Amount at such time at the Charge Rate, plus such costs and expenses to which the Chargee is entitled pursuant to the Charge, and in all cases this Charge shall be subject to the terms hereof including, in particular, Section 64.

4. CHARGE RATE

Notwithstanding the fixed rate of interest set forth in the Charge, if the Chargor and the Chargee have agreed in writing that a lower rate of interest is applicable to the Principal Amount, then such lower rate of interest shall apply.

(a) Fixed Rate Mortgage

If the Charge is a Fixed Rate Mortgage, the rate of interest chargeable upon the Principal Amount and all other amounts payable under the Charge shall be: (i) if the Charge is an ERS Charge, the percentage per annum indicated in the Computer Field entitled "Interest Rate"; or (ii) if the Charge is a Form 2 Charge, the percentage per annum indicated in Box 9(b); or (iii) such rate as agreed to in writing between the Chargor and Chargee (such rate of interest being hereinafter referred to as the "Charge Rate") calculated and compounded half-yearly, not in advance as well as before and after maturity of the Charge, and both before and after Default and judgment until paid.

(b) Variable Rate Mortgage

If the Charge is a Variable Rate Mortgage, the rate of interest chargeable upon the Principal Amount and all other amounts payable under the Charge shall be the rate specified in the Charge as follows:

(i) if the Charge is an ERS Charge, the Libro Credit Union Prime Rate per annum, as the same will vary from time to time, as indicated in the Computer Field entitled "Interest Rate" plus or minus the number of percentage points per annum, if any, indicated in the Computer Field entitled "Interest Rate"; or

(ii) if the Charge is a Form 2 Charge, the Libro Credit Union Prime Rate per annum, as the same will vary from time to time, as indicated in Box 9(b) plus or minus the number of percentage points, per annum, if any, indicated in Box 9(b); or

(iii) the percentage per annum agreed to in writing between the Chargor and the Chargee;

such rate of interest being hereinafter referred to as the "Charge Rate", calculated daily, compounded and payable monthly not in advance, as well as before and after maturity of the Charge, and both before and after Default and judgment until paid.

If the Charge is a Variable Rate Mortgage, the Charge Rate will vary automatically, without notice to the Chargor, each time there is a change in the Libro Credit Union Prime Rate. The Charge Rate will always be the Libro Credit Union Prime Rate plus or minus the number of percentage points per annum, if any, indicated in the Computer Field entitled "Interest Rate" of an ERS Charge, in Box 9(b) of a Form 2 Charge or as agreed to in writing between the Chargor and Chargee, as applicable, calculated daily, compounded and payable monthly, not in advance.

The Charge Rate calculated monthly not in advance is equivalent to the rate of interest calculated daily, compounded and payable monthly, not in advance shown in the equivalent rate table found in Section 10 of these standard charge terms. The Chargor may determine the equivalent rate by locating the Charge Rate in the column entitled "Interest Rate Calculated Monthly Not in Advance (%)" and comparing that rate of interest to the rate of interest indicated in the column immediately to the right of such rate of interest entitled "Equivalent Interest Rate Calculated Half-Yearly Not in Advance (%)". The half-yearly equivalent for the Charge Rate can be determined in the same way.

In the event that it may be necessary at any time for the Chargee to prove the Libro Credit Union Prime Rate applicable as at any time or times, it is agreed that the certificate in writing of the Chargee setting forth the Libro Credit Union Prime Rate as at any time or times shall be deemed to be conclusive evidence as to the Libro Credit Union Prime Rate as set forth in the certificate.

5. DEFEASANCE

(a) The provisions relating to defeasance contained in subsection 6(2) of the Land Registration Reform Act, as may be amended from time to time, shall be and are hereby expressly excluded from the terms of the Charge;

(b) Provided the Charge shall be void upon the Chargor paying on demand to the Chargee all of the Loans including, without limitation, the Principal Amount with interest thereon at the Charge Rate, calculated and payable monthly or half-yearly, as the case may be, as well as before and after maturity, Default and judgment, with interest on overdue interest at the Charge Rate as on the Principal Amount and all other amounts payable by the Chargor under the Charge and Commitment and paying any taxes, rates, levies, charges or assessments upon the Charged Premises no matter by whom or what authority imposed and observing and performing all covenants, provisos and conditions contained in the Commitment.

6. TAXES

It is mutually agreed between the parties to the Charge that at the sole discretion of the Chargee:

(a) The Chargee may deduct from any advance of monies to the Chargor an amount sufficient to pay the property taxes related to the Charged Premises which have become or will become due and payable at the date of such advance and are unpaid at the date of such advance;

(b) The Chargor shall pay to the Chargee in monthly installments or the dates on which installments of Principal and interest are payable under the Charge, sums sufficient to enable the Chargee to pay the whole amount of the property taxes related to the Charged Premises on or before the due date for payment thereof or, if such amount is payable in installments, on or before the due date for payment of the first installment of said taxes;

(c) Where the period between the date of the advance and the end of the calendar year is less than one year, the Chargor shall pay to the Chargee in equal monthly installments, or on the dates on which installments of Principal and interest are payable under the Charge, during such period and during the next succeeding 12 month period, an amount estimated by the Chargee to be sufficient to pay, on or before the expiration of the said 12 month period, all property taxes relating to the Charged Premises which shall become due and payable during the said two periods and during the balance of the year in which the said 12 month period expires; and the Chargor shall also pay to the Chargee on demand the amount, if any, by which the actual taxes exceed such estimated amount;

(d) Except as provided in the last preceding clause, the Chargor shall, in each and every month, pay to the Chargee one-twelfth of the amount (as estimated by the Chargee) of the property taxes relating to the Charged Premises next becoming due and payable, and the Chargor shall also pay to the Chargee on demand the amount, if any, by which the said actual taxes exceed such estimated amount;

(e) The Chargee shall allow the Chargor interest on the average monthly balances standing in the Charge account from time to time to the credit of the Chargor for payment of property taxes at a rate per annum, and at such times, as the Chargee may determine in its sole discretion; and the Chargor shall be charged interest at the Charge Rate, on the debit balance, if any, in the Charge account outstanding after payment of property taxes by the Chargee, until such debit balance is fully repaid.

The Chargee agrees, if collected, to apply the foregoing deductions and payments to the property taxes chargeable against the Charged Premises so long as the Chargor is not in Default under any covenant, proviso or agreement contained in the Charge, but nothing contained in the Charge shall obligate the Chargee to apply such payments on account of property taxes more often than yearly. Provided, however, that if, before any sum or sums so paid to the Chargee shall have been so applied, there shall be Default by the Chargor in respect of any payment of Principal or interest as provided in the Charge, the Chargee may apply such sum or sums in or towards payment of the Principal and/or interest in Default. The Chargor further covenants and agrees to transmit to the Chargee the assessment notices, tax bills and other notices affecting the imposition of property taxes forthwith after the receipt of same by the Chargor.

Notwithstanding the provisions set out in this section, the Chargee may elect not to require payment of property taxes to it in which case the Chargor will pay all property taxes as they fall due and will provide the Chargee with receipts confirming payment of same as the Chargee may require.

The Chargor shall pay to the Chargee, on demand, the amount of any income, corporate, withholding or similar taxes other than the Chargee's income taxes (the "Income Taxes") that may be imposed upon or in respect of the Principal Amount from time to time outstanding, together with interest thereon that the Chargee may be called upon to pay, together with interest from the date on which such Income Taxes are paid by the Chargee at the rate and compounded in the manner provided in the Charge.

7. COMPOUND INTEREST

It is agreed that if Default is made in the payment of any amount to become due for interest at any time appointed for payment thereof, compound interest shall be payable and the amount in arrears for interest from time to time, as well as before and after maturity, shall bear interest at the Charge Rate, and in case the interest and compound interest are not paid on the next interest payment date after the date of Default, compound interest at the Charge Rate shall be payable on the aggregate amount then due, as well as before and after maturity, and so on from time to time, and all such interest and compound interest shall be a charge upon the Charged Premises and shall be secured by the Charge.

8. OBLIGATION TO MAINTAIN ACCOUNT

The Chargor agrees that, if regular payments of Principal and/or interest (and property taxes, if applicable) are required to be made by the provisions of the Charge or pursuant to a written agreement between the Chargor and the Chargee, the Chargor shall maintain, with a branch of the Chargee, an account of a type satisfactory to the Chargee, and, unless the Chargor has made alternate arrangements with the Chargee, the Chargee shall be entitled to automatically debit such account, by an amount equal to each payment of Principal and/or interest (and property taxes, if applicable), when each such payment is due. The Chargor covenants to ensure that such account always has sufficient funds on deposit to satisfy each such payment when due. If the Chargor breaches this covenant, or cancels the said authorization or closes the account (without opening and maintaining a substitute account), then such action or omission shall constitute a Default.

9. PREPAYMENT

Unless otherwise specified in the Commitment between the Chargor and the Chargee, this Charge shall be closed with no right of prepayment.

10. EQUIVALENT INTEREST RATES

This section sets out a table of equivalent interest rates. The equivalent interest rates are provided for disclosure purposes only and do not affect the calculation of interest under the Variable Rate Mortgage which calculation is set out in paragraph 4(b) of these standard charge terms. The following table sets out interest rates calculated half-yearly, not in advance which are equivalent to interest rates calculated monthly not in advance. The Chargor may determine the equivalent rate by locating the rate of interest payable under the Chargor's Variable Rate Mortgage in the column headed "Interest Rate Calculated Monthly Not in Advance (%)" and comparing that rate of interest to the rate of interest indicated in the column immediately to the right of such rate of interest entitled "Equivalent Interest Rate Calculated Half-Yearly Not in Advance (%)".

EQUIVALENT RATES TABLE

Interest Rate Calculated Monthly Not In Advance (%)	Equivalent Interest Rate Calculated Half-Yearly Not In Advance (%)	Interest Rate Calculated Monthly Not In Advance (%)	Equivalent Interest Rate Calculated Half-Yearly Not In Advance (%)
1.000	1.002	10.500	10.732
1.125	1.128	10.625	10.863
1.250	1.253	10.750	10.994
1.375	1.379	10.875	11.124
1.500	1.505	11.000	11.255
1.625	1.631	11.125	11.386
1.750	1.756	11.250	11.517
1.875	1.882	11.375	11.648
2.000	2.008	11.500	11.779
2.125	2.134	11.625	11.910
2.250	2.261	11.750	12.041
2.375	2.387	11.875	12.173
2.500	2.513	12.000	12.304
2.625	2.639	12.125	12.435
2.750	2.766	12.250	12.567
2.875	2.892	12.375	12.698
3.000	3.019	12.500	12.830
3.125	3.145	12.625	12.962
3.250	3.272	12.750	13.094
3.375	3.399	12.875	13.225
3.500	3.526	13.000	13.357
3.625	3.652	13.125	13.489
3.750	3.779	13.250	13.621
3.875	3.906	13.375	13.753
4.000	4.033	13.500	13.885
4.125	4.161	13.625	14.018
4.250	4.288	13.750	14.150
4.375	4.415	13.875	14.282
4.500	4.542	14.000	14.415
4.625	4.670	14.125	14.547
4.750	4.797	14.250	14.680
4.875	4.925	14.375	14.812
5.000	5.052	14.500	14.945
5.125	5.180	14.625	15.078
5.250	5.308	14.750	15.211

5.375	5.436	14.875	15.344
5.500	5.563	15.000	15.477
5.625	5.691	15.125	15.610
5.750	5.819	15.250	15.743
5.875	5.947	15.375	15.876
6.000	6.076	15.500	16.009
6.125	6.204	15.625	16.143
6.250	6.332	15.750	16.276
6.375	6.460	15.875	16.409
6.500	6.589	16.000	16.543
6.625	6.717	16.125	16.677
6.750	6.846	16.250	16.810
6.875	6.974	16.375	16.944
7.000	7.103	16.500	17.078
7.125	7.232	16.625	17.212
7.250	7.360	16.750	17.345
7.375	7.489	16.875	17.480
7.500	7.618	17.000	17.614
7.625	7.747	17.125	17.748
7.750	7.876	17.250	17.882
7.875	8.005	17.375	18.016
8.000	8.135	17.375	18.016
8.125	8.264	17.500	18.151
8.250	8.393	17.625	18.285
8.375	8.522	17.750	18.419
8.500	8.652	17.875	18.554
8.625	8.781	18.000	18.689
8.750	8.911	18.125	18.823
8.875	9.041	18.250	18.958
9.000	9.170	18.375	19.093
9.125	9.300	18.500	19.228
9.250	9.430	18.625	19.363
9.375	9.560	18.750	19.498
9.500	9.690	18.825	19.633
9.625	9.820	19.000	19.768
9.750	9.950	19.125	19.903
9.875	10.080	19.250	20.039
10.000	10.211	19.375	20.174
10.125	10.341	19.500	20.310
10.250	10.471	19.625	20.445
10.375	10.602	19.750	20.581

11. DEEMED COVENANTS EXCLUDED

The covenants deemed to be included in a Charge by subsection 7(1) of the Land Registration Reform Act shall be and are hereby expressly excluded from the terms of the Charge.

12. COVENANTS IN LIEU OF STATUTORY COVENANTS

The Chargor does hereby covenant, promise and agree to and with the Chargee, as follows:

(a) To Maintain Membership in Credit Union

That during the currency of the Charge, the Chargor shall maintain at all times the Chargor's status as a member in good standing of Libro Credit Union Limited (including any successors and assigns);

(b) To Comply With All Provisions of Commitment

That during the currency of the Charge, the Chargor shall maintain and comply with the provisions of any Commitment entered into with the Chargee;

(c) To Pay and Observe Covenants

That the Chargor shall pay or cause to be paid to the Chargee, without deduction or abatement, the Principal Amount, and any other amounts secured by the Charge with interest at the Charge Rate at the times and in the manner prescribed for payment thereof, and shall do, observe, perform, fulfill and keep all the provisions, covenants, agreements and stipulations particularly set forth in the Charge and/or Commitment, and, without limitation, shall pay any taxes, rates, levies, charges or assessments including, without limitation, utility charges, upon the Charged Premises or in respect thereof, no matter by whom or by what authority imposed, which the Chargee has paid or has been rendered liable to pay;

(d) For Good Title

If the Charge is a charge of a fee simple estate, that the Chargor, at the time of execution and delivery of the Charge, in the case of a Form 2 Charge, or at the time of delivery for registration, in the case of an ERS Charge, is and stands solely, rightfully and lawfully seized of a good, sure, perfect, absolute and indefeasible title, and is the registered and beneficial owner in fee simple to the Charged Premises free of any trusts, reservations, limitations, provisos or conditions (except those contained in the original grant thereof from the Crown) or any other matter or thing to alter, charge, change, encumber or defeat the same;

(e) Right to Charge

That the Chargor has good right, capacity, full power and lawful and absolute authority to charge the Charged Premises with their appurtenances unto the Chargee, in the manner set out in the Charge;

(f) Quiet Possession on Default

That from and after Default in the payment of the portion of the Principal Amount then outstanding and the interest thereon, or any part thereof or of any other amounts payable under the Charge or in the doing, observing, performing, fulfilling or keeping of one or more of the provisions, agreements or stipulations contained in the Charge and/or Commitment, then in every such case, it shall be lawful for the Chargee, peaceably and quietly to enter into, have, hold, use, occupy, possess and enjoy the Charged Premises or lands and premises intended to be charged by the Charge, with their appurtenances, without the let, suit, hindrance, interruption or denial of the Chargor, or any other person or persons whomsoever, free and clear of all arrears of taxes and assessments whatsoever due or payable upon or in respect of the Charged Premises or any part thereof and of and from all former conveyances, mortgages, charges, rights, annuities, debts, executions and recognizance and of any other charges or encumbrances whatsoever;

(g) Further Assurances

That from and after Default in the payment of the portion of the Principal Amount then outstanding, or the interest thereon, or any part thereof or of any other amounts payable under the Charge and/or Commitment, or in the doing, observing, performing, fulfilling or keeping of one or more of the provisions, agreements or stipulations in the Charge and/or Commitment, then and in every such case the Chargor and all and every person or persons whosoever having, or lawfully claiming, or who shall or may have or lawfully claim any estate, right, title, interest or trust of, in, to or out of the Charged Premises by, from, under or in trust for the Chargor shall and will, from time to time, and at all times thereafter, make, do, suffer, execute, deliver, authorize and register or cause or procure to be made, done, suffered, executed, delivered, authorized and registered all and every such further and other reasonable act or acts, deed or deeds, devices, conveyances and assurances in the law for the further, better and more perfectly and absolutely conveying, charging and assuring the Charged Premises unto the Chargee, as by the Chargee or its solicitor shall or may be lawfully and reasonably devised, advised, or required;

(h) No Act to Encumber

That the Chargor has not at any time heretofore made, done, committed, executed or willfully or knowingly suffered any act, deed, matter or thing whatsoever whereby the Charged Premises or the lands and premises intended to be charged by the Charge, or any part thereof, are, is or shall or may be in any way impeached, charged, affected or encumbered in title, estate, or otherwise howsoever;

(i) Insurance

(i) That the Chargor will forthwith insure and during the continuance of the Charge keep insured in favour of the Chargee against loss or damage by fire, lightning, windstorm, hail, explosion, impact, vandalism, malicious acts, civil disturbance or riot, smoke, falling objects and other risks, hazards and perils which the Chargee might require to the full extent of their replacement cost in lawful money of Canada, each and every building on the Charged Premises and which may hereafter be erected thereon, both during erection and thereafter and all fixtures as hereinafter defined or referred to, and all other risks, hazards and perils of any nature or kind which the Chargee might require depending on the nature of the Charged Premises or the use thereof, with a company or companies duly authorized to carry on business as such and shall pay all premiums and sums of money necessary for such purpose as the same shall become due; each policy of insurance shall provide that loss, if any, shall be payable to the Chargee as its interest may appear, subject to a standard form of mortgage clause or other mortgage clause approved by the Chargee and the Chargor will forthwith assign, transfer and deliver over unto the Chargee the policy of insurance and receipts thereto appertaining; and if the Chargor shall neglect to keep the Charged Premises insured as aforesaid, or to deliver such policies and receipts or to produce to the Chargee at least fifteen days before the termination of any insurance, evidence of renewal thereof, the Chargee shall be entitled but shall not be obliged to insure the Charged Premises, and if the Chargee shall pay any premiums or sums of money for insurance for the Charged Premises or any part thereof the amount of such payment shall be added to the debt secured by the Charge and shall bear interest at the Charge Rate from the time of such payments and shall be payable at the time appointed for the next ensuing payment of interest on the said debt; and the Chargor shall forthwith on the happening of any loss or damage, furnish at his own expense all necessary proofs and do all necessary acts to enable the Chargee to obtain payment of the insurance monies and the production of a copy of the Charge, if the Charge is a Form 2 Charge, or printed copy of the Charge if the Charge is an ERS Charge, shall be sufficient authority for the said insurance company to pay any such loss to the Chargee, and the said insurance company is hereby directed thereupon to pay the same to the Chargee; and any insurance monies received may, at the option of the Chargee, be applied in rebuilding, reinstating or repairing the Charged Premises or be paid to the Chargor or any other person appearing by the registered title to be or to have been the owner of the Charged Premises or be applied or paid partly in one way and partly in another, or it may be applied, in the sole discretion of the Chargee, in whole or in part on the Charge on account of the amounts secured by this Charge or any part thereof whether due or not then due;

(ii) If the Charged Premises are part of a condominium the insurance provisions set out above will not apply and the following will apply to the Charge:

That the Chargor or the Condominium Corporation or both of them will forthwith insure and during the continuance of the Charge keep insured in favour of the Chargee against loss or damage by fire, lightning, windstorm, hail, explosion, impact, vandalism, malicious acts, civil disturbance or riot, smoke, falling objects and other risks, hazards and perils which the Chargee might require to the full extent of their replacement cost in lawful money of Canada, of the Charged Premises, and which may hereafter be erected thereon, both during erection and thereafter and all fixtures as hereinafter defined or referred to and all other risks, hazards and perils of any nature or kind which the Chargee might require depending on the nature of the Charged Premises or the use thereof, with a company or companies approved by the Chargee; and the Chargor and the Condominium Corporation will forthwith assign, transfer and deliver unto the Chargee the policy or policies of insurance and receipts thereof appertaining and if the Chargor or Condominium Corporation or both of them shall neglect to keep the Charged Premises insured aforesaid, or to deliver such policy or policies, and receipts or produce to the Chargee at least fifteen days before the termination of any insurance, evidence of renewal thereof, the Chargee shall be entitled but shall not be obligated to insure the Charged Premises; and the Chargor or the Condominium

Corporation or both of them shall forthwith on the happening of any loss or damage comply fully with the terms of the policy, or policies, of insurance and, without limiting the generality of the obligation of the Chargor to observe and perform all the duties and obligations imposed on the Chargor by the Condominium Act and by the Declaration and by-laws of the Condominium Corporation as hereinafter provided, shall comply with the insurance provisions of the Declaration; and the Chargor as a member of the Condominium Corporation shall seek the full compliance by the Condominium Corporation of the aforementioned covenants.

13. LEASEHOLD PROVISIONS

If the interest of the Chargor in the Charged Premises derives from a lease, sublease, agreement to lease, tenancy, right of use or occupation, right of first refusal to lease, option to lease or licence of the Charged Premises (such lease, sublease, agreement to lease, tenancy, right of use or occupation, right of first refusal to lease, option to lease or licence including any renewal, extension, modification, replacement or assignment thereof is hereinafter collectively called the "Lease"), then the following additional provisions apply with respect to such interest:

(a) all references herein to "Charged Premises" shall include all right, title and interest of the Chargor from time to time in and to the Lease and the lands and premises demised under the Lease, including any greater right, title or interest therein or in any part thereof acquired after the date of the Charge;

(b) the Chargor grants, mortgages, demises, sub-leases and charges to the Chargee all estate, term, right, title and interest of the Chargor in and to the Lease and the Charged Premises, together with any and all other, further or additional title, estate, interest or right therein or any part thereof which may at any time be acquired by the Chargor in or to the lands and premises demised by the Lease during the term of the Charge, together with the Lease and all right, title and interest of the Chargor in the Lease and all benefit and advantage therefrom for the Chargee including any right or option to purchase or to lease contained therein, to have and to hold for and during the remainder of the term of the Lease, save and except the last day thereof (the "Reversion"), as security for the payment to the Chargee of the Principal Amount and interest on such amounts and all other amounts secured by the Charge including, without limitation, the liabilities and for the performance of all liabilities and obligations secured by the Charge upon the terms set out in the Charge;

(c) the Chargor represents and warrants to the Chargee as follows:

(i) the Chargor has good leasehold title to the Charged Premises free and clear of any liens, charges and other encumbrances except those specifically approved in writing by the Chargee;

(ii) the Lease is, at the time of execution and delivery of the Charge in the case of a Form 2 Charge, and at the time of delivery for registration in the case of an ERS Charge, a good, valid and subsisting lease and has not been surrendered or forfeited or become void or voidable and the Chargor has not done or failed to do any act as a result of which the Lease would be rendered invalid or its validity impaired;

(iii) there have been no modifications to the Lease that have not been provided to the Chargee;

(iv) the rents, covenants and conditions contained in the Lease have been duly paid, observed and performed by the Chargor up to the date of the Charge;

(v) the Chargor has a good right, full power and lawful and absolute authority to demise and sublet the Lease to the Chargee in the manner aforesaid;

(d) the Chargor covenants and agrees with the Chargee as follows:

(i) the Chargor shall stand possessed of the Reversion in trust for the Chargee to assign and dispose of the Reversion in such manner as the Chargee shall, by notice in writing, direct (subject to the right of redemption in the Charge) and the Chargor hereby irrevocably appoints the Chargee to be the attorney of the Chargor to assign the term of the Lease as the Chargee shall at any time direct;

(ii) the Chargor, at the request of the Chargee but at the cost, charge and expense of the Chargor, will grant and assign to the Chargee, or to whomever the Chargee may appoint, the Reversion or any renewal or substituted term of the Lease;

(iii) the Chargor shall pay the rent reserved by and other amounts due under the Lease and shall observe and perform each and every covenant, agreement, condition and proviso contained in the Lease and shall not be guilty of any acts of Default which may cause the Lease to be forfeited or determined and the Chargor shall indemnify the Chargee against all actions, claims and demands whatsoever in respect of the rent and covenants or anything relating thereto;

(iv) the Chargor shall not, during the continuance of the Charge, transfer, assign, sub-lease, surrender or terminate the Lease or any of its rights or interest in the Lease;

(v) the Chargor shall not, during the continuance of the Charge, enter into any agreement purporting to modify, alter or amend the Lease, without the prior written consent of the Chargee;

(vi) the Chargor shall not allow any options (to renew or otherwise) or any rights of first refusal under the Lease to lapse and subject to any contrary directions from the Chargee, shall exercise any such options or rights so as to maintain or continue the term of the Lease for the whole of the period during which any debts or liabilities secured by the Charge remain outstanding;

(vii) any breach or Default under the Lease shall be deemed to be a Default under the Charge and/or Commitment entitling the Chargee to demand repayment of all amounts then secured by the Charge;

(viii) if the Chargor becomes the owner of the freehold of the lands and premises demised by the Lease the Charge shall increase to be a charge of the freehold interest in the lands and premises demised by the Lease to the same extent and effect as if the Chargor had been the owner of the freehold, free from encumbrances, at the date the Charge took effect. To give effect to the foregoing the Chargor does hereby grant and mortgage the freehold interest in the Charged Premises unto the Chargee, such grant to take effect upon the Chargor acquiring freehold title to the said Charged Premises. The Chargor covenants and agrees to execute and deliver, in the case of a Form 2 Charge or, in the case of an ERS Charge, authorize the delivery for registration, at the Chargor's expense, forthwith on

demand therefor, such further and other documents as the Chargee may reasonably require for the purpose of validly giving effect to the foregoing;

(ix) the Chargor shall immediately notify the Chargee of any notice or advice from the lessor under the Lease of the lessor's intention to terminate the Lease prior to the expiration of the term of the Lease or any other notice or request received from the lessor;

(e) any reference in the Charge or Commitment to any charges payable in respect of the Charged Premises shall include all taxes, assessments, rates, costs or charges of whatever kind payable by the Chargor under the Lease and if any amounts are paid by the Chargee in respect of amounts owing under the Lease such amounts shall be a charge against the Charged Premises, shall bear interest at the Charge Rate and shall be secured by the Charge;

(f) in the event of any Default in any payment of rent or other monies due under the Lease or in performance or observance of any covenant, agreement, condition or proviso contained in the Lease the Chargee shall, at its option but without incurring any liability to do so, be at liberty to pay such rent or to observe or perform such covenant, agreement, condition or proviso, as the case may be, and all money expended by the Chargee in so doing shall be payable forthwith by the Chargor to the Chargee, shall bear interest at the Charge Rate and shall be a charge on the Charged Premises secured by the Charge;

(g) the Chargor hereby irrevocably appoints the Chargee to be the attorney of the Chargor to enforce any covenants of the tenant under the Lease and to exercise any options to renew the Lease in the Chargee's discretion.

14. EXPROPRIATION

It is agreed between the parties to the Charge that if all of the Charged Premises is expropriated, then the outstanding Principal Amount together with all interest thereon under the Charge shall become immediately due and payable. If only part of the Charged Premises is expropriated, then the amount awarded to the Chargor for the partial expropriation shall be paid to the Chargee and credited to the Principal Amount and any interest then outstanding. If, in the opinion of the Chargee, the remainder of the Charged Premises, after the partial expropriation, does not constitute adequate security for the Principal Amount then outstanding, then the Principal Amount or such part thereof as the Chargee may determine shall immediately become due and payable together with all interest thereon.

15. RELEASE

The Chargor by these presents does release, remise, and forever quit claims unto the Chargee, all right, title, interest, claim and demand whatsoever of, unto and out of the Charged Premises and every part thereof, so that the Chargor shall not or may not at any time hereafter have, claim, pretend to, challenge or demand the Charged Premises or any part thereof in any manner howsoever, subject always to the proviso for defeasance.

16. ENTRY AFTER DEFAULT AND POWER OF SALE

Provided that the Chargee on Default by the Chargor of payment of the portion of the Principal Amount then outstanding and interest or any part thereof as required by the Charge and/or Commitment, or in the observing, performing, fulfilling or keeping of one or more of the covenants of the Chargor provided in the Charge and/or Commitment, may enter into possession of the Charged Premises or the lands and premises intended to be charged and take the rents, issues and profits and, whether in or out of possession, make such lease or leases as it shall think fit, and also on fifteen days' Default as aforesaid and after giving at least thirty-five days' written notice to the persons and in the manner prescribed by Part III of the *Mortgages Act*, R.S.O., 1990, c.M.40, as amended (the "Mortgages Act"), may sell the Charged Premises or the lands and premises intended to be charged by the Charge or any part or parts thereof by public auction or private contract, or partly the one and partly the other, and may convey and assure the same when so sold to the purchaser or purchasers thereof, his or their heirs, successors or assigns, or as he or they shall direct and may do all such assurances, acts, matters and things as may be found necessary for the purposes aforesaid, and the Chargee shall not be responsible for any loss which may arise by reason of any such leasing or sale as aforesaid unless the same shall happen by reason of its willful neglect or Default. In the event that the giving of such notice shall not be required by law, or to the extent that such requirements shall not be applicable, it is agreed that notice may be effectually given by leaving it with a person who is 18 years of age or older at the Charged Premises, if occupied, or by placing it on some portion of the Charged Premises, if unoccupied, or at the option of the Chargee, by mailing it by registered mail addressed to the Chargor at the Chargor's last known address, and such notice shall be sufficient although not addressed to any person or persons by name or designation and notwithstanding that any person or persons to be affected thereby may be unknown, unascertained or under disability. It is hereby further agreed that the proceeds of sale under the Charge may be applied in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the Charged Premises or by reason of non-payment or procuring payment of monies, secured by the Charge or otherwise, and that the Chargee may sell all or any part of the Charged Premises on such terms as to credit and otherwise as shall appear to it most advantageous and for such prices as can reasonably be obtained therefor and may make any stipulation as to title or evidence or commencement of title or otherwise which it shall deem proper, and may buy in or rescind or vary any contract for the sale of the whole or any part of the Charged Premises and resell without being answerable for any loss occasioned thereby, and, in the case of a sale on credit, the Chargee shall be bound to pay the Chargor only such monies as have been actually received from purchasers after the satisfaction of the claims of the Chargee and for any of said purposes may make and execute all agreements and assurances as it shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease under the Charge; and that the title of a purchaser or lessee upon a sale or lease made in professed exercise of the above power shall not be liable to be impeached on the ground that no case had arisen to authorize the exercise of such power or that such power had been improperly or irregularly exercised, or that such notice had not been given in compliance with the Mortgages Act, or had been given improperly, but any person harmed by an unauthorized, improper, or irregular exercise of the power shall have his remedy against the person exercising the power in damages only. The Chargee may sell fixtures, machinery, crops and standing or fallen trees apart from the Charged Premises, and the purchaser as well as the Chargee shall have all necessary access for securing, cutting and removal. It is agreed between the parties to the Charge that nothing in this section contained shall prejudice or diminish any other rights and remedies and powers of the Chargee contained in the Charge, Commitment, or existing at law by virtue thereof.

It is further agreed between the parties to the Charge that until such sale or sales shall be made as aforesaid, the Chargee shall and will stand possessed of the rents and profits of the Charged Premises in case it shall take possession of them on

Default as aforesaid and after such sale or sales shall stand possessed of the monies to arise and be produced from such sales, or which might arise from any insurance upon the Charged Premises or any part thereof upon trust firstly in payment of all the expenses incident to the sales, leases, conveyances, or attempted sales, conveyances or leases, secondly in payment of all costs, charges, damages and expenses of the Chargee relating to taxes, rents, insurance, repairs, utilities and any other amounts which the Chargee may have paid relating to the Charged Premises, thirdly in discharge of all interest and costs then due in respect of the Charge, fourthly in discharge of the portion of the Principal Amount then outstanding, fifthly in payment of any subsequent encumbrancers according to their priorities and the residue shall be paid to the Chargor as the Chargor may direct and shall also, in such event, at the request, cost and expense of the Chargor transfer, release and assure unto the Chargor or to such person or persons as the Chargor shall direct and appoint, all such parts of the Charged Premises as shall remain unsold for the purposes aforesaid, discharged from all the Charge, but no person who shall be required to make or execute any such assurances shall be compelled for the making thereof to go or travel from his usual place of abode. Provided always, and it is hereby further declared and agreed by and between the parties to the Charge that, notwithstanding the power of sale and the other powers and provisions contained in the Charge, the Chargee shall have and be entitled to its right of foreclosure of the fee interest or equity of redemption of the Chargor in the Charged Premises as fully and effectually as it might have exercised and enjoyed the same in case the power of sale, and the other former provisos and trusts incident thereto had not been contained in the Charge and/or Commitment.

17. DISTRESS

It is further agreed by and between the parties to the Charge that the Chargee may distrain for arrears of interest against the Charged Premises or any part thereof and recover by way of rent reserved as in the case of a demise the arrears of interest and all costs and expenses incurred in such levy or distress and may also distrain for arrears of Principal and monthly payments of taxes, if required, in the same manner as if the same were arrears of interest.

18. PRINCIPAL DUE ON DEFAULT

It is hereby further expressly declared and agreed, that if any Default shall occur in the payment of interest secured by the Charge, or any part thereof, or in payment of any installment of Principal as the same matures, or of any instrument, promissory note, bill of exchange or other obligations now or at any time held by the Chargee in respect of or representing or securing the liabilities secured by the Charge or any part thereof, or in the performance of any covenant, proviso or agreement contained in the Charge and/or Commitment, or if any waste be committed or suffered on the Charged Premises then at the option of the Chargee, the portion of the Principal Amount then outstanding secured by the Charge or intended so to be shall forthwith become due and payable in like manner and with the like consequences and effects as if the time mentioned for payment of the Charge had fully come and expired. The Chargee may, however, waive its right to call in the Principal Amount and shall not be therefore debarred from asserting and exercising its right to call in the Principal Amount upon the happening of any future Default or breach.

19. CHARGOR'S QUIET POSSESSION UNTIL DEFAULT

It is agreed that until Default in the payment of Principal or interest secured by the Charge or intended so to be, or any part of either of the same or in the performance of any of the provisions set forth in the Charge and/or Commitment contrary to the true intent and meaning thereof, it shall be lawful for the Chargor peaceably and quietly to have, hold, use, occupy, possess and enjoy the Charged Premises, and receive and take the rents and profits thereof to the Chargor's own use and benefit, without let, suit, hindrance, interruption, or denial by the Chargee, or of or by any other person or persons whomsoever lawfully claiming, or who shall, or may lawfully claim by, from, under or in trust for the Chargee.

20. BUILDINGS, ADVANCES AND COST OF SEARCH

It is the intention of the Chargor and Chargee that the building or buildings erected or to be erected on the Charged Premises form part of the security for the full amount secured by the Charge; and that all advances are to be made in such manner at such times and in such amounts up to the Principal Amount as the Chargee in its sole discretion may determine and subject always to the provision to which the Chargor hereby agrees that notwithstanding the execution or registration of the Charge, in the case of a Form 2 Charge, or delivery for registration in the case of an ERS Charge, or the advancement of any part of the Principal Amount, the Chargee is not bound to advance the full Principal Amount or any unadvanced portion thereof and the advance of the full Principal Amount or any part thereof from time to time shall be in the sole discretion of the Chargee, but nevertheless the Charge shall, in the case of a Form 2 Charge, take effect forthwith upon the execution of the Charge by the Chargor or, in the case of an ERS Charge, upon the delivery for registration of the Charge, and the expenses of the examination of the title and of the Charge and valuation are to be secured by the Charge in the event of the whole or any balance of the Principal Amount not being advanced, the same to be charged by the Charge upon the Charged Premises and shall be without demand thereof, payable forthwith with interest at the Charge Rate and in Default the said Chargee's power of sale given by the Charge, and all other remedies under the Charge and/or Commitment or at law shall be exercisable.

21. FIXTURES

It is mutually covenanted and agreed by and between the Chargor and the Chargee that all erections and improvements fixed or otherwise now on or after the date of the Charge put upon the Charged Premises, including but without limiting the generality of the foregoing, all fences, heating, piping, plumbing, aerials, air-conditioning, ventilating, lighting and water heating equipment, cooking and refrigeration equipment, cleaning and drying equipment, window blinds, radiators and covers, fixed mirrors, fitted blinds, storm windows and storm doors, window screens and screen doors, shutters and awnings, floor coverings, and all apparatus and equipment appurtenant thereto, and all farm machinery and improvements, fixed or otherwise and even though not attached to the Charged Premises otherwise than by their own weight, are and shall, in addition to other fixtures thereon, be and become fixtures and form part of the Charged Premises and shall form part of the security for the amounts secured by the Charge.

22. PARTIAL RELEASE

Provided that the Chargee may at all times release any part or parts of the Charged Premises or any other security or any surety for payment of all or any part of the amounts secured by the Charge or may release the Chargor or any other person from any covenant or other liability to pay the said amounts or any part thereof, either with or without any consideration therefor, and without being accountable for the value thereof or for any amounts except those actually received by the Chargee and without thereby releasing any other part of the Charged Premises, or any other securities or covenants contained in the Charge, it being especially agreed that notwithstanding any such release the Charged

Premises, securities and covenants remaining unreleased shall stand charged with the whole of the amounts secured by the Charge.

23. DEFAULT IN PRIOR CHARGES

It is agreed by and between the Chargor and the Chargee that should Default be made by the Chargor in the observance or performance of any of the covenants, provisos, agreements or conditions contained in any mortgage, charge, lien or encumbrance to which the Charge is subject or subordinate, then and in that event the amounts secured by the Charge shall forthwith become due and be payable, at the option of the Chargee, and all the powers in and by the Charge conferred shall become exercisable, and the powers of sale contained in the Charge may be exercised as herein provided.

24. DEFAULT IN COLLATERAL AGREEMENTS

It is agreed by and between the Chargor and the Chargee that should Default be made by the Chargor in the observance or performance of any of the covenants, provisos, agreements or conditions contained in or arising from any Commitment, agreement, instrument, certificate or otherwise or dealings between the Chargee and the Chargor, then and in that event, the amounts secured by the Charge shall forthwith become due and be payable, at the option of the Chargee, and all the powers in and by the Charge, Commitment, and/or at law shall become exercisable, and the powers of sale contained in the Charge, Commitment, and/or at law may be exercised, subject to Section 64.

25. LIENS AND CONSTRUCTION

Provided also that upon the registration of any lien against the Charged Premises, or in the event of any buildings being erected thereon being allowed to remain unfinished or without any work being done on them for a period of ten (10) days, the portion of the Principal Amount then outstanding and interest and all other amounts secured by the Charge shall, at the option of the Chargee, forthwith become due and payable. In the event that a construction lien is registered against title to the Charged Premises the Chargee shall have the right, but not the obligation, to pay such amounts as may be required to remove such lien from title to the Charged Premises. Any amounts so paid by the Chargee, together with all costs, charges, and expenses incurred by the Chargee in connection therewith, including all solicitor's charges, as between a solicitor and his or her client, shall be added to the Principal Amount secured by the Charge and shall bear interest at the Charge Rate and shall, with such interest, be a charge on the Charged Premises prior to all claims thereon subsequent to the Charge and shall be payable forthwith on demand. The Chargor shall promptly remove any and all construction related liens from the Charged Premises.

26. WASTE, VACANCY, REPAIR AND BUILDING COMPLETION

The Chargor covenants and agrees with the Chargee that the Chargor will not permit waste to be committed or suffered on the Charged Premises and that the Chargor will maintain the buildings or other improvements on the Charged Premises in good order and repair to the satisfaction of the Chargee and will not permit or suffer them to become or remain vacant and the Chargee may, but shall not be obliged to, make such repairs, improvements and alterations as it may deem necessary or complete the construction or reconstruction of any building on the Charged Premises, and the cost of repair, construction or reconstruction shall be added to the amount secured by the Charge and shall bear interest at the Charge Rate and shall, with such interest, be a charge on the Charged Premises prior to all claims thereon subsequent to the Charge and shall be payable forthwith on demand.

27. INSPECTION

The Chargee through itself or its agent or employees may, at any time, enter upon the Charged Premises to inspect the Charged Premises and the reasonable cost of such inspection shall be added to the Principal Amount secured by the Charge and shall bear interest at the Charge Rate, and shall, with such interest, be a charge on the Charged Premises prior to all claims thereon subsequent to the Charge and shall be payable forthwith on demand.

28. ALTERATIONS

The Chargor covenants and agrees with the Chargee that the Chargor will not make or permit to be made any alterations, removals or additions to the Charged Premises without the prior written consent of the Chargee.

29. NON-MERGER

Provided and it is agreed, that the taking of a judgment or judgments on any of the covenants contained in the Charge shall not operate as a merger of the said covenant nor affect the Chargee's right to interest at the rate and times provided in the Charge; and further that said judgment shall provide that interest thereon shall be computed at the Charge Rate and in the same manner as provided in the Charge until the said judgment shall have been fully paid and satisfied.

30. RIGHTS ON DEFAULT

The Chargor covenants and agrees with the Chargee that in the Event of Default in the payment of any installment of Principal, interest or taxes secured by the Charge or any other amounts payable under the Charge and/or Commitment by the Chargor, or on breach of any covenant, proviso or agreement in the Charge and/or Commitment by the Chargor after all or any part of the amounts secured by the Charge have been advanced, the Chargee may at such time or times as it may deem necessary and without the concurrence of any other person, and subject to Section 64, enter upon the Charged Premises, and may make such arrangements for completing the construction of, repairing or putting in order any buildings or other improvements on the Charged Premises, or for inspecting, taking care of, leasing, collecting the rents of, and managing generally the Charged Premises as it may deem expedient, and all reasonable costs, charges and expenses including allowances for the time and service of any employee of the Chargee or other person appointed for the above purposes shall be forthwith payable to the Chargee, and shall be a charge upon the Charged Premises and shall bear interest at the Charge Rate until paid.

31. OBLIGATIONS SURVIVE SALE

Provided that no sale or other dealing by the Chargor with the Charged Premises or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the amounts secured by the Charge.

32. DUE ON SALE

Provided that in the event of:

(a) the Chargor selling, conveying, transferring, or entering into any agreement of sale or transfer of the title of the Charged Premises to a purchaser, grantee or transferee not approved in writing by the Chargee; or

(b) if such a purchaser, grantee or transferee should fail to (a) apply for and receive the Chargee's written approval as aforesaid, (b) personally assume all the obligations of the Chargor under the Charge, and (c) execute an assumption agreement in the form required by the Chargee;

then, at the option of the Chargee, all amounts secured by the Charge with accrued interest thereon shall forthwith become due and payable.

33. PORTABILITY

Unless otherwise specified in the Commitment between the Chargor and Chargee, this Charge shall have no portability option.

34. PRIOR ENCUMBRANCES

It is further stipulated, provided and agreed, that the Chargee may pay the amount of any encumbrance, lien or charge now or after the date of the Charge existing, or to arise or to be claimed upon the Charged Premises having priority over the Charge, including any taxes, utility charges or other rates on the Charged Premises or any of them, any construction lien or any amounts payable to the Condominium Corporation, and may pay all costs, charges and expenses and all solicitors' charges or commissions, as between a solicitor and its client, which may be incurred in taking, recovering and keeping possession of the Charged Premises and generally in any proceedings or steps of any nature whatsoever properly taken in connection with the Charge or to realize the security of the Charge, or to defend the validity or priority of the Charge as against a third party, or in respect of the collection of any overdue interest, Principal, insurance premiums or any other monies whatsoever payable by the Chargor under the Charge whether any action or any judicial proceedings to enforce such payments has been taken or not, and the amount so paid and insurance premiums for fire or other risks or hazards and any other amounts paid by the Chargee shall be added to the amount secured by the Charge and be a charge on the Charged Premises and shall bear interest at the Charge Rate, and shall be payable forthwith by the Chargor to the Chargee, and the non-payment of such amount shall be a Default of payment and shall entitle the Chargee to exercise the power of sale and all other remedies given under the Charge, Commitment, at law, and these Standard Charge Terms. In the event of the Chargee paying the amount of any such encumbrance, lien or charge, taxes or rates, either out of the amounts advanced on the security or otherwise, it shall be entitled to all the rights, equities and securities of the person or persons, company, corporation, or government so paid off, and is authorized to retain any discharge thereof, without registration, for any period it thinks proper to do so.

35. SUBSEQUENT ENCUMBRANCES

The Chargor covenants and agrees with the Chargee that, for the duration of the Charge, the Chargor shall not make or permit to be made any registration on title to the Charged Premises subsequent to the Charge that could reasonably be considered to constitute an encumbrance, lien, mortgage, charge or security interest, without the prior written consent of the Chargee.

36. ONTARIO NEW HOME WARRANTIES PLAN ACT

If the Chargee incurs any cost or expense of any nature or kind in any way arising from or relating to the *Ontario New Homes Warranties Plan Act*, R.S.O. 1990, c.O.31, as amended (the "ONHWPA"), including, without any limitation whatsoever, any cost or expense relating to registration as a vendor under the ONHWPA or enrolling the Charged Premises or entering into any agreement or agreements relating to performance of warranty obligations or performing any warranty obligations, all such cost and expense shall be added to the amounts secured by the Charge and be a charge on the Charged Premises in priority to all other encumbrances registered or arising subsequent to the Charge and shall bear interest at the Charge Rate and shall be payable forthwith by the Chargor to the Chargee.

37. PROHIBITION AGAINST RENTAL

If the Charged Premises are or are intended to be used as residential premises then the following provisions shall apply:

(a) the Chargor represents, warrants, covenants and agrees that no part of the Charged Premises are rented or occupied by a Tenant and further covenants and agrees not to permit the Renting of the Charged Premises without first obtaining the consent in writing of the Chargee which consent may be refused at the sole discretion of the Chargee; further the Chargor covenants and agrees not to enter into any negotiations with respect to Renting without the consent in writing of the Chargee, which consent may be refused, restricted or made conditional at the sole discretion of the Chargee; if a restricted or conditional consent to Renting or negotiations relating to Renting is given, the Chargor covenants and agrees to abide by such restrictions or conditions;

(b) the Renting of the whole or any part of the Charged Premises without the written consent of the Chargee shall be deemed to have been done with the object of discouraging the Chargee from taking possession of the Charged Premises on Default or adversely affecting the value of the Chargee's interest in the Charged Premises within the meaning of Section 52(1) of the *Mortgages Act*, R.S.O. 1990, c. M.40 as may be amended or replaced, from time to time;

(c) in the event that any of the covenants contained in this section shall be breached then the Chargor shall be in Default, and at the option of the Chargee, all monies secured by the Charge with accrued interest thereon shall forthwith become due and payable;

(d) if the whole or any part of the Charged Premises are rented to a Tenant with or without the consent of the Chargee, at such time as the Chargee is entitled to enforce its rights under the Charge by reason of Default of the Chargor, the Chargee may, at its discretion, pay to any Tenant a sum of money, in such amount as it considers advisable, as consideration for obtaining the cooperation of such Tenant in selling the Charged Premises, showing the Charged Premises and obtaining possession from the Tenant or for any one or more of the above. It is recognized that the payment of such amount will be a cost of realization on the Charge and the amount so paid shall be added to the amount secured by the Charge and shall be a charge on the Charged Premises and shall bear interest at the Charge Rate and shall have priority over all encumbrances subsequent to the Charge and shall be payable forthwith by the Chargor to the Chargee; the Chargor appoints the Chargee to be its true and lawful attorney and agent to enforce all the terms of any tenancy agreement entered into by the Chargor with respect to all or any part of the Charged Premises and to cancel or terminate any such tenancy agreement and in this connection to make, sign and execute any and all documents in the name of the Chargor which it, as Chargee, may consider desirable;

38. COVENANTOR OR GUARANTOR

If a party is named as a covenantor or guarantor in the Charge or a schedule thereto (the "Covenantor"), the Chargor and the Covenantor acknowledge that it is a condition of the making of advances under the Charge that the covenant contained in this Section 38 be entered into by the Covenantor. The Covenantor further acknowledges that the consideration for the guarantee contained in this Section 38 is the making of advance(s) under the Charge.

The Covenantor on behalf of himself/herself, his/her executors, administrators, successors and assigns, in consideration of the advance in whole or in part of the Principal Amount does hereby covenant, promise and agree as principal debtor and not as surety to and with the Chargee that the Covenantor will well and truly pay, or cause to be paid unto the Chargee the Principal Amount and all other amounts secured by the Charge, together with interest upon the same, at the days and times, and in the manner agreed to in the Charge and/or Commitment or any amendments, renewals, variations or extensions thereof and shall and will in everything, well and truly do, observe, fulfill and keep any and all covenants, provisos, conditions, agreements and stipulations in the Charge and/or Commitment according to the true intent and meaning thereof, and shall and will abide by and submit to and do hereby agree to all conditions, provisos and stipulations in the Charge and/or Commitment on the part of the Chargor, and these covenants shall be binding notwithstanding the giving of time for payment of the Charge or the varying of terms of payment thereof or the rate of interest thereon, and if there are more than one Covenantor shall bind them jointly as well as severally and shall continue to subsist notwithstanding the death of one or more of such Covenantor.

Each Covenantor further covenants and agrees that without giving notice to or obtaining the consent or concurrence of any Covenantor, the Chargee may:

(a) grant any time, indulgences, waivers or extensions of time for payment or performance of any of the obligations under the Charge or Commitment;

(b) grant any renewals or extensions of the Charge or Commitment, with or without a change in the Charge Rate or in any other terms or conditions of the Charge and whether by express agreement signed by the Chargor or otherwise (including, without limitation, by way of an automatic renewal or extension);

(c) change the Charge Rate, whether during the initial term thereof or in any subsequent extension or renewal term, whether by way of increase, decrease, change in the reference rate by which such Charge Rate is calculated or determined, change from a Fixed Rate Mortgage to a Variable Rate Mortgage or from a Variable Rate Mortgage to a Fixed Rate Mortgage, or otherwise;

(d) shorten or lengthen the amortization period of the Charge;

(e) otherwise amend, supplement, modify, vary or otherwise change any of the terms or conditions of the Charge or Commitment, or secured by the Charge, in any manner whatever;

(f) release or discharge from the mortgage or charge constituted by the Charge the whole or any part of the Charged Premises;

(g) advance additional Principal Amounts to the Chargor pursuant to any provision of the Charge or Commitment that permits the Chargor to borrow such additional Principal Amounts from the Chargee;

(h) permit the Chargor to prepay the Principal Amount in whole or in part or to skip one or more scheduled installments of Principal and interest or to pay more than one such scheduled instalment on a scheduled payment date under the Charge or Commitment, whether pursuant to a provision of the Charge or Commitment that permits such prepayment, skipping or multiple payments or otherwise;

(i) accept compositions, compromises or proposals from the Chargor or otherwise deal with the Chargor or any other person, any security (including, without limitation, the Charge) or the Charged Premises or any security as the Chargee sees fit including, without limitation, realizing on, releasing, accepting substitutions for or replacing any of the security for the Charge;

(j) release or discharge any Covenantor or one or more other co-Covenantors or guarantors or Chargors in respect of the Charge; or

(k) release any subsequent legal or beneficial owner of the Charged Premises from any liability for the obligations under the Charge or Commitment or refrain from requiring any such owner to assume any such liability,

and none of the foregoing actions shall in any way lessen, limit or otherwise affect the obligations or liability of any Covenantor hereunder, regardless of whether any such action has the effect of amending or varying this Charge or increasing, expanding or otherwise altering the nature, effect, term, extent or scope of the liabilities and obligations thereunder. The liability of each Covenantor hereunder shall extend to and include the liabilities and obligations of the

Chargor under the Charge, as so amended, renewed, extended or varied and the Charge as so increased, expanded or altered without further action on the part of the Chargee or the consent or concurrence of any Covenantor; and for greater certainty and without limiting the foregoing, if the Charge Rate is increased or otherwise altered, the liability of each Covenantor hereunder shall be extended to and include the obligation of the Chargor to pay interest at such increased or altered Charge Rate.

39. EXTENSIONS

No extension of time given by the Chargee to the Chargor, or anyone claiming under the Chargor or any other dealing with the owner of the Charged Premises, shall in any way affect or prejudice the rights of the Chargee against the Chargor, the Covenantor or any other person liable for the payment of the monies secured by the Charge.

40. BONUS ON DEFAULT

On Default of payment of any of the amounts secured by the Charge or payable under the Charge or Commitment, the Chargee shall be entitled to require payment, in addition to all other amounts secured by the Charge or payable under the Charge or Commitment, of a bonus equal to three months' interest in advance at the Charge Rate upon the Principal Amount secured by the Charge at such time, and the Chargor shall not be entitled to require a discharge of the Charge without such payment or notice in lieu thereof as required by law.

41. DISCHARGE

The Chargee shall have a reasonable time after payment in full of the amounts secured by the Charge within which to prepare, execute and deliver in the case of a Form 2 Charge or prepare and deliver for registration in the case of an ERS Charge, as the case may be, a discharge or, if requested, and if required by law to do so, an assignment of the Charge, and interest as aforesaid shall continue to run and accrue until actual payment in full has been received by the Chargee and all legal and other expenses for the preparation, execution and registration, as applicable of such discharge and assignment shall be borne by the Chargor.

42. OTHER SECURITY

The Charge is in addition to and not in substitution for any other security held by the Chargee including any promissory note or notes for all or any part of the monies secured under the Charge, and it is understood and agreed that the Chargee may pursue its remedies thereunder or under the Charge concurrently or successively at its option. Any judgment or recovery under the Charge or under any other security held by the Chargee for the monies secured by the Charge shall not affect the right of the Chargee to realize upon the Charge or any other such security.

43. PLACE OF PAYMENT

Provided that all such payments secured by the Charge shall be made at the branch of the Chargee designated in the Charge, or at such other place as the Chargee may designate in writing to the Chargor, in lawful money of Canada.

44. SPOUSE'S CONSENT

The spouse of the Chargor so named in the Charge hereby consents to the transaction evidenced by the Charge and releases all interest in the Charged Premises to the extent necessary to give effect to the rights of the Chargee under the Charge, and agrees that the Chargee may, without further notice, deal with the Charged Premises and the debt created by the Charge as the Chargee may see fit.

45. FAMILY LAW ACT

The Chargor covenants and agrees that:

(a) the Chargor or the owner from time to time of the Charged Premises will advise and keep advised the Chargee as to whether the Chargor or the owner from time to time is a spouse as defined in the *Family Law Act*, R.S.O. 1990, c. F.3, as amended (the "Family Law Act"), and if so, the name of the Chargor's spouse, and of any change in the Chargor's spousal status or in the status of the Charged Premises as a matrimonial home within the meaning of the Family Law Act; and

(b) forthwith on request the Chargor will furnish the Chargee with such evidence in connection with any of the matters referred to in paragraph 45(a) as the Chargee may from time to time require, including, without limitation, the Chargor's and the Chargor's spouse's name, address and birth date and the Chargor's and the Chargor's spouse's authorization to the Registrar under the *Vital Statistics Act*, R.S.O. 1990, c.V.4, as amended, to provide the Chargee from time to time on request all information in the Chargor's possession relative to any marriage, divorce or death of the Chargor or the Chargor's spouse, and on Default, then all amounts secured by the Charge, together with accrued interest thereon shall, at the option of the Chargee, forthwith become due and payable.

46. SEVERABILITY OF ANY INVALID PROVISIONS

It is agreed that in the event that at any time any provision of the Charge is illegal or invalid under or inconsistent with the provisions of any applicable statute, regulation thereunder or other applicable law or would by reason of the provisions of any such statute, regulation or other applicable law render the Chargee unable to collect the amount of any loss sustained by it as a result of making the Loan secured by the Charge which it would otherwise be able to collect under such statute, regulation or other applicable law then such provision shall not apply and shall be construed so as not to apply to the extent that it is so illegal, invalid or inconsistent or would so render the Chargee unable to collect the amount of any such loss.

47. NO PREJUDICE FROM FAILURE TO ENFORCE RIGHTS

Provided that no failure to enforce at any time or from time to time any of the rights of the Chargee under the Charge shall prejudice such rights or any other rights of the Chargee; no performance or payment by the Chargee in respect of any breach or Default under the Charge of the Chargor shall relieve the Chargor from any Default under the Charge; and

no waiver at any time or from time to time of any such rights of the Chargee shall prejudice such rights in the event of any future Default or breach.

48. FARMLANDS

If the Charged Premises are farm lands, the Chargor will in each year during the term either put into crop or summer fallow in good, proper and husbandlike manner every portion of the Charged Premises which has been or may after the date of the Charge be brought under cultivation, and will keep the Charged Premises clean and free from all noxious weeds and generally see that the Charged Premises do not depreciate in any way.

49. CHANGE OF CORPORATE CONTROL

Where the Chargor is a corporation the Chargor covenants and agrees that in the event that:

(a) the Chargor fails to supply to Chargee, in a form satisfactory to the Chargee, such information relating to the ownership of its shares as the Chargee may from time to time require; or

(b) without the prior written consent of the Chargee:

(i) the Chargor issues or redeems any of its shares or transfers any of its shares;

(ii) there is a sale or sales of the shares of the Chargor which result in the transfer of the legal or beneficial interest of any of the shares of the Chargor; or

(iii) the Chargor amalgamates, merges or consolidates with any other corporation,

and the result of any of the foregoing is a change in the effective control of the majority of the voting shares of the Chargor, then all monies secured by the Charge together with accrued interest thereon shall forthwith become due and payable at the option of the Chargee and the Chargee's powers of sale given by the Charge and all other remedies for enforcement shall be exercisable.

50. COMPLIANCE WITH THE LAW AND ENVIRONMENTAL COMPLIANCE

The Chargor hereby represents and warrants to the Chargee that:

(a) there is not in, on or about the Charged Premises any product or substance or condition (including, without restriction, contaminants, wastes, moulds or hazardous or toxic materials), equipment or anything else which contravenes any statute, regulation, by-law, order, direction or equivalent relating to the protection of the environment or which is not being dealt with according to best recognized practices relating to the environment;

(b) to the best of the knowledge of the Chargor, no circumstance has existed on the Charged Premises or exists or has existed on any land adjacent to the Charged Premises which constitutes or could reasonably constitute a contravention of any statute, regulation, order, by-law, direction or equivalent relating to the protection of the environment;

(c) no claim or notice of any action, investigation or proceeding of any kind has been threatened, made or issued or is pending relating to an environmental condition on the Charged Premises; and

(d) the Charged Premises are being used in compliance with all statutes, regulations, orders, by-laws, directions and equivalent relating to the protection of the environment.

The Chargor hereby covenants and agrees with the Chargee as follows:

(e) the Chargor shall give to the Chargee immediate notice of any material change in circumstances in respect of the Charged Premises or adjacent land which would cause any of the representations and warranties contained in the immediately preceding paragraphs (a) to (d) inclusive to become untrue; and

(f) the Chargor shall not permit or create, and shall not allow anyone else to permit or create, any circumstance on the Charged Premises which would constitute or could reasonably constitute a contravention of any statute, regulation, order, by-law, direction or equivalent relating to the protection of the environment.

The Chargor further covenants and agrees with the Chargee at all times promptly to observe, perform, execute and comply with all applicable laws, rules, requirements, orders, directions, by-laws, ordinances, work orders, regulations and equivalent of every government authority and agency whether federal, provincial, municipal or otherwise, including, without limiting the generality of the foregoing, those dealing with zoning, use, occupancy, subdivision, parking, historical designations, fire, access, loading facilities, landscaped area, pollution of the environment, toxic materials or other environmental hazards, building construction, public health and safety, and all private covenants and restrictions affecting the Charged Premises or any portion thereof and the Chargor will from time to time, upon request of the Chargee, provide to the Chargee evidence of such observance and compliance, and pay immediately when due the cost of removal of such contaminants, wastes and materials, and shall at its own expense make any and all improvements thereon or alterations to the Charged Premises structural or otherwise and shall take all such other action as may be required at any time by any such present or future law, rule, requirement, order, direction, by-law, ordinance, work order, regulation, covenant or equivalent; and the Chargor shall cause its tenants, agents and invitees to comply with all of the foregoing at their own expense.

For further clarification, the Chargor hereby indemnifies and saves harmless the Chargee from any and all claims, costs, obligations and any other action as may be required at any time by any present or future law, rule, requirement, order, direction, by-law, ordinance, work order, regulation, covenant or equivalent regarding the Charged Premises herein.

51. CARE OF PROPERTY

The Chargor agrees to reasonably attend and care for the Charged Premises herein, including at all times to carry adequate insurance and to complete all repairs and maintenance required to maintain the Charged Premises as a reasonably prudent owner would do.

52. CONDOMINIUMS

If the Charge is of a unit within a plan of condominium the following provisions shall apply:

(a) the Chargor covenants and agrees at all times and from time to time to observe and perform all duties and obligations imposed on the Chargor by the Condominium Act and by the Declaration, the by-laws and the rules, as amended from time to time, of the Condominium Corporation, by virtue of the Chargor's ownership of the Charged Premises. Any breach of the said duties and obligations shall constitute a breach of covenant under the Charge;

(b) without limiting the generality of the foregoing, the Chargor covenants and agrees that the Chargor will pay promptly when due any contributions to common expenses required of the Chargor as the owner of the Charged Premises and in the event of the Chargor's Default in doing so the Chargee, at its option, may pay the same and the amount so paid shall be added to the debt secured by the Charge and shall be a charge on the Charged Premises and shall bear interest at the same rate from the time of such payments and shall be payable forthwith by the Chargor to the Chargee whether or not any payment in Default has priority to the Charge or any part of the monies secured thereby;

(c) the Chargor by the Charge irrevocably authorizes and empowers the Chargee to exercise the right of the Chargor as an owner of the Charged Premises to vote or to consent in all matters relating to the affairs of the Condominium Corporation provided that:

(i) the Chargee may at any time or from time to time give notice in writing to the Chargor and the said Condominium Corporation that the Chargee does not intend to exercise the said right to vote or consent and in that event until the Chargee revokes the said notice the Chargor may exercise the right to vote. Any such notice may be for an indeterminate period of time or for a limited period of time or for a specific meeting or matter;

(ii) the Chargee shall not by virtue of the assignment to the Chargee of the right to vote or consent be under any obligation to vote or consent or to protect the interests of the Chargor;

(iii) the exercise of the right to vote or consent shall not constitute the Chargee a chargee in possession.

53. RENEWAL OR EXTENSION

Provided that the Charge may be renewed or extended by an agreement in writing at maturity for any term with or without an increased rate of interest notwithstanding that there may be subsequent encumbrancers, and it shall not be necessary to register any such agreement in order to retain priority for the Charge so altered over any instrument registered subsequently to the Charge. Provided that nothing contained in this paragraph shall confer any right of renewal or extension upon the Chargor. The Chargor and the Covenantor, if applicable, agree that in the event that the renewal agreement provided to the Chargor is not signed and returned to the Chargee on or before the maturity date, the Charge, at the Chargee's option, will be automatically renewed on the terms set out in the Commitment.

54. RECEIVERSHIP

Notwithstanding anything contained in the Charge, it is declared and agreed that any time and from time to time when there shall be Default under the provisions of the Charge and/or Commitment, the Chargee may, at such time and from time to time and with or without entry into possession of the Charged Premises, or any part thereof, by instrument in writing appoint any person, whether an officer or officers or an employee or employees of the Chargee or not, to be a receiver (which term as used herein includes a receiver manager and also includes the plural as well as the singular) of the Charged Premises, or any part thereof, and of the rents and profits thereof, and with or without security, and may from time to time by similar writing remove any receiver and appoint another instead of such receiver, and that, in making any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor, but no such appointment shall be revocable by the Chargor. Upon the appointment of any such receiver from time to time the following provisions shall apply:

(a) every such receiver shall have unlimited access to the Charged Premises as agent and attorney for the Chargor (which right of access shall not be revocable by the Chargor) and shall have full power and unlimited authority (which power and authority shall not be revocable by the Chargor) to:

(i) collect the rents and profits from tenancies whether created before or after the Charge;

(ii) rent any portion of the Charged Premises which may be or become vacant on such terms and conditions as the receiver considers advisable and enter into and execute leases, accept surrenders and terminate leases;

(iii) complete the construction of any building or buildings or other erections or improvements on the Charged Premises left by the Chargor in an unfinished state or award the same to others to complete and purchase, repair and maintain any personal property including, without limitation, appliances and equipment, necessary or desirable to render the Charged Premises operable or rentable, and take possession of and use or permit others to use all or any part of the Chargor's materials, supplies, plans, tools, equipment (including appliances) and property of every kind and description; and

(iv) manage, operate, repair, alter or extend the Charged Premises or any part thereof.

The Chargor undertakes to ratify and confirm whatever any such receiver may do in the Charged Premises.

(b) the Chargee may at its discretion vest the receiver with all or any of the rights and powers of the Chargee;

(c) the Chargee may fix the reasonable remuneration of the receiver who shall be entitled to deduct the same out of the revenue or the sale proceeds of the Charged Premises;

(d) every such receiver shall be deemed to be the agent or attorney of the Chargor and, in no event, the agent of the Chargee and the Chargee shall not be responsible for the receiver's acts or omissions;

(e) the appointment of any such receiver by the Chargee shall not result in or create any liability or obligation on the part of the Chargee to the receiver or to the Chargor or to any other person and no appointment or removal of a receiver and no actions of a receiver shall constitute the Chargee a chargee in possession of the Charged Premises;

(f) no such receiver shall be liable to the Chargor to account for monies other than monies actually received by the receiver in respect of the Charged Premises, or any part thereof, and out of such monies so received every such receiver shall, in the following order, pay:

(i) the receiver's remuneration aforesaid;

(ii) all costs and expenses of every nature and kind incurred by the receiver in connection with the exercise of the receiver's powers and authority hereby conferred;

(iii) interest, principal and other money which may, from time to time, be or become charged upon the Charged Premises in priority to the Charge, including taxes;

(iv) to the Chargee all interest, Principal and other monies due under the Charge to be paid in such order as the Chargee in its discretion shall determine;

(v) and thereafter, every such receiver shall be accountable to the Chargor for any surplus.

The remuneration and expenses of the receiver shall be paid by the Chargor on demand and shall be a charge on the Charged Premises and shall bear interest from the date of demand at the Charge Rate.

(g) save as to claims for accounting under clause (f) of this paragraph, the Chargor hereby releases and discharges any such receiver from every claim of every nature, whether resulting in damages or not, which may arise or be caused to the Chargor or any person claiming through or under the Chargor by reason or as a result of anything done by such receiver unless such claim be the direct and proximate result of dishonesty or fraud;

(h) the Chargee may, at any time and from time to time, terminate any such receivership by notice in writing to the Chargor and to any such receiver;

(i) the statutory declaration of an officer of the Chargee as to Default under the provisions of this Charge and/or Commitment, and as to the due appointment of the receiver pursuant to these terms shall be sufficient proof thereof for the purposes of any person dealing with a receiver who is ostensibly exercising powers in the Charge provided for and such dealing shall be deemed, as regards such person, to be valid and effectual;

(j) the rights and powers conferred in and by the Charge in respect of the receiver are supplemental to and not in substitution of any other rights and powers which the Chargee may have.

55. CHARGEE EXPENSES

The Chargor agrees to pay the reasonable and necessary costs, charges and expenses of and incidental to the Charge, and to any and all other documents required in connection therewith, and of any amendment, extension, variation or renewal thereof, and of anything done in connection with the enforcement of the security granted thereby or the procuring of the payment of any amount payable under the Charge including, without limiting the generality of the foregoing, all solicitors' fees on a solicitor and client basis, costs and expenses of examination of title, and the obtaining of the opinion of counsel for the Chargee thereon and all costs and expenses valuing the Charged Premises in connection with the foregoing and of anything done in connection with defending the validity or priority of the Charge as against third parties. The Chargor further agrees that such amounts shall be paid forthwith upon demand and until paid shall bear interest at the Charge Rate and shall be a charge on the Charged Premises.

56. FURTHER ASSURANCES

The Chargor shall at any time and from time to time make, execute and deliver or cause to be made, executed and delivered to the Chargee, such further and other reasonable acts, deeds, conveyances and assurances as may be required by the Chargee to fully and effectually carry out the true intention and meaning of the Charge and the provisions included in the Charge, and the reasonable costs thereof shall be for the account of the Chargor. Further, the Chargor shall at any time and from time to time provide to the Chargee, upon request, and in a form acceptable to the Chargee, such further information and documentation as the Chargee may require regarding the Chargor's business and/or financial status.

57. INTERPRETATION

It is hereby agreed and declared that the expression "the Chargor" used in the Charge shall include the heirs, personal representatives, executors, administrators, successors and assigns of the Chargor and the expression "the Chargee" shall include the successors and assigns of the Chargee and the words in the singular include the plural and words in the plural include the singular and words importing the masculine gender include the feminine and neuter genders where the context so requires and that all covenants, liabilities, and obligations entered into or imposed under the Charge upon each Chargor shall be equally binding upon his, her, its or their respective heirs, executors, personal representatives, administrators, successors and assigns and that all such covenants, liabilities, advantages, privileges, immunities, powers and things secured to the Chargee shall be equally secured to and exercisable by its successors and assigns; and if the Chargor is comprised of more than one person, all covenants by the Chargor contained in the Charge and Commitment or implied are and are to be construed as both joint and several.

58. CONFLICT

With respect to an Insured Loan, in the event of any conflict or inconsistency between the terms and provisions of these standard charge terms and the terms and provisions of the registered Charge or any Commitment, the terms and provisions of these standard charge terms shall prevail.

With respect to a Loan that is not an Insured Loan, in the event of any conflict or inconsistency between the terms and provisions of these standard charge terms and provisions of the registered Charge or any Commitment, the Chargee shall determine which shall prevail.

59. ASSIGNMENT AND SYNDICATION/INFORMATION

The Chargee shall, at any and all times and from time to time, have the right to sell, syndicate, securitize or assign all or any part of its right, title and interest in and to all or part of the Loan secured by the Charge to a third party or parties (individually and collectively, the "Assignee") without the necessity of obtaining the consent of or providing notice to the Chargor or any Covenantor. The Chargor and any Covenantor hereby acknowledge that the Chargee has the unfettered right to sell, syndicate, securitize, or assign the Chargor's loan to the Assignee and also acknowledge and consent to the Chargee sharing with the Assignee such information concerning the Chargor's and Covenantor's financial position and other personal information as the Chargee may possess in its files. The Assignee shall thereafter have all the rights herein of the Chargee, including the right to sell or assign, in turn, without any effect on the interest rate or terms of the Loan.

The Chargee may from time to time, in connection with the sale, assignment, syndication or securitization of a Loan, or otherwise, appoint or designate a custodian or agent for a Loan, which custodian or agent may be the registered Chargee. The Chargor and each Covenantor, if any, acknowledges that such custodian or agent will have no liability whatsoever to the Chargor or Covenantor(s), if any, in connection with the Loan, being merely custodian or agent for the Chargee and/or Assignee.

The Chargee shall have the unrestricted right from time to time to appoint a third party to service or administer any of the Loans, and to deal with the Chargor and Covenantor, if any, in place of the Chargee, provided that until the Chargee gives notice of such appointment to the Chargor, the Chargor and Covenantor, if any, shall continue to deal with the Chargee in matters pertaining to the servicing or administration of the Loan.

In connection with the processing, approving, funding, servicing, and administering, or any insurance, sale, securitization, or financing of all or any part of the Loans, the Chargee and any Loan Insurer, CMHC in any capacity, any other person having or proposing to acquire an interest in all or any part of the Loans, from time to time (including their respective advisors, agents, lawyers, accountants, consultants, appraisers, credit verification sources, credit rating agencies and any servicers or administrators), or any other person in connection with any collection or enforcement proceedings taken under or in respect of all or any part of the any Loans ("**Information Access Persons**") may, as it may determine in its sole discretion in accordance with any applicable laws, collect, use and store information and materials (including confidential personal information) provided by the Chargor and/or Covenantor to, or obtained by or on behalf of, the relevant Information Access Person, relating to the Loans, the Chargor, any Covenantor, or the Charged Premises (both before and after any new loan, any re-financing of a loan, any re-advances and any further advances on any loan, and/or any Default) without further notice to the Chargor or any Covenantor, and any such Information Access Person may, as it may determine in its sole discretion in accordance with any applicable laws, from time to time transfer, assign, release, disclose, exchange or share such information and materials (including confidential personal information) to or with:

(a) any other Information Access Persons; and

(b) any governmental authority having jurisdiction over it or any of its activities,

and the Chargor and each Covenantor (if any) hereby irrevocably consents to the collection, use, storage, release, disclosure, exchange, sharing, transfer, and assignment of all such information and materials (including confidential Personal Information) in accordance with any applicable laws.

THE CHARGOR AND ANY COVENANTOR CONSENT TO (i) THE COLLECTION AND USE BY THE CHARGEE OF THE PERSONAL INFORMATION PROVIDED BY THE CHARGOR AND COVENANTOR, OR OTHERWISE, RELATING TO OR IN CONNECTION WITH THIS CHARGE OR COMMITMENT; (ii) ANY DISCLOSURE OF SUCH INFORMATION TO ANY THIRD PARTY IN CONNECTION WITH THE ASSIGNMENT OF THIS CHARGE; AND (iii) ANY FURTHER SUBSEQUENT COLLECTION, USE OR DISCLOSURE OF SUCH INFORMATION BY SUCH THIRD PARTY AND ANY OF ITS AGENTS OR ASSIGNEES FOR THE PURPOSE OF ADMINISTERING OR OTHERWISE DEALING WITH THIS CHARGE.

60. COMMITMENT

The Chargor, and any Covenantor herein, agrees jointly and severally to comply with any Commitment entered into with the Chargee, and agrees that the terms of such Commitment shall be enforceable by the Chargee against the Chargor and any Covenantor.

61. PARAGRAPH HEADINGS

The paragraph headings in these standard charge terms are inserted for convenience of reference only and are deemed not to form part of the Charge and are not to be considered in the construction or interpretation of the Charge or any part thereof.

62. DATE OF CHARGE

The Charge shall be deemed to be dated, if the Charge is an ERS Charge, as of the date of delivery for registration of the ERS Charge and, if the Charge is a Form 2 Charge, as of the date of signature of the first named Chargor unless, in either case, as otherwise specifically provided.

63. EFFECT OF DELIVERY OF ERS CHARGE

The delivery of an ERS Charge for registration by direct electronic transfer shall have the same effect for all purposes as if the ERS Charge was in a written form, signed by the parties thereto and delivered to the Chargee. Each of the Chargor and, if applicable, the spouse of the Chargor, and any other party to the Charge agrees not to raise in any proceedings by the Chargee to enforce the Charge any want or lack of authority on the part of the person delivering the ERS Charge for registration to do so.

64. INSURED LOAN

Any Insured Loan, which shall be separate and distinct from any other Loans that may be secured by this Charge, will have priority as to payment, collection, enforcement, and realization over any other Loans secured by this Charge. Notwithstanding any other provisions of this Charge and the provisions of all applicable Loan documents, during the term of an Insured Loan while insured in the NHA program:

(a) the Chargee will refrain from exercising the security of the Charge for the benefit of any Loans except for the Insured Loan without the Chargee in any way waiving, disclaiming, discharging or releasing the security of the Charge as against any other persons, including the Chargor and any Covenantor or any person taking an interest in the Charged Premises; and

(b) the Chargee will refrain from exercising any available rights of consolidation, cross-collateralization or cross default that may exist in favour of the Chargee with regard to any Loans.

65. ACKNOWLEDGEMENT

By signing and delivering the Charge, the Chargor acknowledges receipt of a true copy of these standard charge terms.

EXHIBIT “BB”

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N:

LIBRO CREDIT UNION LIMITED

Applicant

- and -

VAUGHAN ST GP CORP. and VAUGHAN ST LP

Respondents

CONSENT

THE UNDERSIGNED, BDO Canada Limited, hereby consents to its appointment as receiver of the assets, undertaking and property of the respondents, Vaughan St GP Corp. and Vaughan St LP, under the terms of an order which will be sought from this Honourable Court in this matter.

Dated this 26 day of July, 2025

BDO CANADA LIMITED



_____ ____

Name: Robyn Duwyn
Title: Senior VP

I have the authority to bind the Corporation

LIBRO CREDIT UNION LIMITED Applicant	- and-	VAUGHAN ST GP CORP. and VAUGHAN ST LP Respondents

Court File No.

ONTARIO

SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT GUELPH

CONSENT

HARRISON PENSA LLP
Barristers & Solicitors
130 Dufferin Avenue, Suite 1101
London, Ontario N6A 5R2

Michael E. Cassone (LSO#45073G)
Tel: (519) 679-9660
Fax: (519) 667-3362
mcassone@harrisonpensa.com

Lawyers for the Applicant
203075

TAB 3

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N:

LIBRO CREDIT UNION LIMITED

Applicant

- and -

VAUGHAN ST GP CORP. and VAUGHAN ST LP

Respondents

CONSENT

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Dated this 26 day of July, 2025

BDO CANADA LIMITED



_____ ____

Name: Robyn Duwyn
Title: Senior VP

I have the authority to bind the Corporation

LIBRO CREDIT UNION LIMITED Applicant	- and-	VAUGHAN ST GP CORP. and VAUGHAN ST LP Respondents

Court File No.

ONTARIO

SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT GUELPH

CONSENT

HARRISON PENSA LLP
Barristers & Solicitors
130 Dufferin Avenue, Suite 1101
London, Ontario N6A 5R2

Michael E. Cassone (LSO#45073G)
Tel: (519) 679-9660
Fax: (519) 667-3362
mcassone@harrisonpensa.com

Lawyers for the Applicant
203075

TAB 4

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

Court File No. ———

ONTARIO

SUPERIOR COURT OF JUSTICE

~~COMMERCIAL LIST~~

THE HONOURABLE	)	~~WEEKDAY~~, THE #
	)	
JUSTICE	)	DAY OF ~~MONTH~~, ~~20YR~~2025

~~PLAINTIFF~~[1]LIBRO CREDIT UNION LIMITED

~~Plaintiff~~Applicant

- and -

~~DEFENDANT~~VAUGHAN ST GP CORP. and VAUGHAN ST LP

~~Defendant~~Respondents

ORDER
(~~a~~Appointing Receiver)

THIS ~~MOTION~~Application made by the ~~Plaintiff~~[2]Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing ~~[RECEIVER'S NAME]~~BDO Canada Limited as receiver ~~[and manager]~~ (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of ~~[DEBTOR'S NAME]~~ Vaughan St GP Corp. ("Vaughan GP") and Vaughan St LP (collectively,

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~~[1] The Model Order Subcommittee notes that a receivership proceeding may be commenced by action or by application. This model order is drafted on the basis that the receivership proceeding is commenced by way of an action.~~

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

the "Debtors") acquired for, or used in relation to a business carried on by the Debtors, including the real property described at Schedule "A" hereto, was heard this day at ~~330 University Avenue, Toronto~~74 Woolwich Street, Guelph, Ontario.

ON READING the affidavit of ~~[NAME]~~ Terena Callard sworn July 29~~[DATE]~~, 2025 and the Exhibits thereto and on hearing the submissions of counsel for ~~[NAMES]~~the Applicant, no one appearing for ~~[NAME]~~the Respondents although duly served as appears from the affidavit of service of sworn ~~[DATE]~~, 2025 and on reading the consent of ~~[RECEIVER'S NAME]~~BDO Canada Limited to act as the Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of ~~Motion~~ Application and the Application ~~Motion~~ is hereby abridged and validated[3] 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]~~BDO Canada Limited is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtors acquired for, or used in relation to a business carried on by the Debtors, including the Real Property and also 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

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[3] ~~If service is effected in a manner other than as authorized by the Ontario *Rules of Civil Procedure*, an order validating irregular service is required pursuant to Rule 16.08 of the *Rules of Civil Procedure* and may be granted in appropriate circumstances.~~

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 Debtors, 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 Debtors;

(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 Debtors or any part or parts thereof;

(f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;

(g) to settle, extend or compromise any indebtedness owing to the Debtors;

(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 Debtors, 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 Debtors, 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 $75,000.00, provided that the aggregate consideration for all such transactions does not exceed $200,000.00; and

(ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, [or section 31 of the Ontario *Mortgages Act*, as the

[4] This model order does not include specific authority permitting the Receiver to either file an assignment in bankruptcy on behalf of the Debtor, or to consent to the making of a bankruptcy order against the Debtor. A bankruptcy may have the effect of altering the priorities among creditors, and therefore the specific authority of the Court should be sought if the Receiver wishes to take one of these steps.

case may be,]~~[~~[5] shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

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

(m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

(n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

(o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;

(p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;

(q) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have; and

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

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[5] ~~If the Receiver will be dealing with assets in other provinces, consider adding references to applicable statutes in other provinces. If this is done, those statutes must be reviewed to ensure that the Receiver is exempt from or can be exempted from such notice periods, and further that the Ontario Court has the jurisdiction to grant such an exemption.~~

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 Debtors, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtors, (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 Debtors, 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 DEBTORS OR THE PROPERTY

9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtors 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 Debtors 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 Debtors, 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 Debtors to carry on any business which the Debtors ~~is~~are not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors 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 Debtors, 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 Debtors 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 Debtors 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 Debtors 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 Debtors shall remain the employees of the Debtors 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 Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

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

LIMITATION ON THE RECEIVER'S LIABILITY

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

RECEIVER'S ACCOUNTS

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

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

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

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

FUNDING OF THE RECEIVERSHIP

21. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed $250,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in

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[6] ~~Note that subsection 243(6) of the BIA provides that the Court may not make such an order "unless it is satisfied that the secured creditors who would be materially affected by the order were given reasonable notice and an opportunity to make representations".~~

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~~B" 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 https://www.ontariocourts.ca/scj/practice/regional-practice-directions/eservice-%20commercial/#Part_III_The_E-Service_List ~~http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/)~~ shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL '<@>'.

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 Debtors 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 Debtors.

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

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

31. THIS COURT ORDERS that the ~~Plaintiff~~ Applicant shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Applicant~~Plaintiff~~'s security or, if not so provided by the Applicant~~Plaintiff~~'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.

~~32.~~33. THIS COURT ORDERS that this Order and all of its provisions are effective as today's date and enforceable without the need for entry or filing.

_____

Justice, Ontario Superior Court of Justice

SCHEDULE "A"

PIN 71033-0654
Part Lot 7, Concession 7, Puslinch, being Part 1 on Plan 61R-22249
City of Guelph

and known municipally as 1373-1389 Gordon Street, Guelph, Ontario.

SCHEDULE "B"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT $_____

1. THIS IS TO CERTIFY that ~~[RECEIVER'S NAME]~~BDO Canada Limited, the receiver (the "Receiver") of the assets, undertakings and properties of ~~[DEBTOR'S NAME]~~ Vaughan St GP Corp. and Vaughan St LP (the "Debtors") acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice ~~(Commercial List)~~ (the "Court") dated the ___ day of _____, 20~~__~~25 (the "Order") made in an action having Court file number ~~__~~CV-25-########-~~CL~~-~~_____~~, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of $_____, being part of the total principal sum of $_____ which the Receiver is authorized to borrow under and pursuant to the Order.

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

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

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

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

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

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

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

DATED the _____ day of _____, 20__.

~~[RECEIVER'S NAME]~~BDO Canada Limited, solely in its capacity
~~-~~as Receiver of the Property, and not in its personal capacity

Per: _____

Name:
Title:

TAB 5

Court File No. CV-25-00000073-0000

ONTARIO

SUPERIOR COURT OF JUSTICE

THE HONOURABLE	)	, THE ____
	)	
JUSTICE	)	DAY OF , 2025

LIBRO CREDIT UNION LIMITED

Applicant

- and -

VAUGHAN ST GP CORP. and VAUGHAN ST LP

Respondents

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 BDO Canada Limited as receiver (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of Vaughan St GP Corp. (“Vaughan GP”) and Vaughan St LP (collectively, the "Debtors") acquired for, or used in relation to a business carried on by the Debtors, including the real property owned by the Vaughan GP and described in Schedule “A” hereto (the “Real Property”) was heard this day at 74 Woolwich Street, Guelph, Ontario.

ON READING the affidavit of Terena Callard sworn July 29, 2025 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant, no one appearing for the

Respondent although duly served as appears from the affidavit of service of sworn DATE, 2025 and on reading the consent of BDO Canada Limited to act as the Receiver,

SERVICE

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

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, BDO Canada Limited is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtors acquired for, or used in relation to a business carried on by the Debtors, including the Real Property and also including all proceeds thereof (collectively 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 Debtors, 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 Debtors;

(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 Debtors or any part or parts thereof;

(f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;

(g) to settle, extend or compromise any indebtedness owing to the Debtors;

(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 Debtors, 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 Debtors, 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 $75,000.00, provided that the aggregate consideration for all such transactions does not exceed $200,000.00; and

(ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

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

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

(m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

(n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

(o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and

on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;

(p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;

(q) to exercise any shareholder, partnership, joint venture or other rights which the Debtors 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 Debtors, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtors, (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 Debtors, 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 DEBTORS OR THE PROPERTY

9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtors 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 Debtors 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 Debtors, 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 Debtors to carry on any business which the Debtors are not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors 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 Debtors 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 Debtors 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 Debtors 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 Debtors shall remain the employees of the Debtors 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 Debtors, 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 Central West Region of the Ontario Superior Court of Justice.

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

FUNDING OF THE RECEIVERSHIP

21. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may

consider necessary or desirable, provided that the outstanding principal amount does not exceed $250,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

23. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "B" 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 https://www.ontariocourts.ca/scj/practice/regional-practice-directions/eservice-%20commercial/#Part_III_The_E-Service_List shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be

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

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 Debtors 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 Debtors.

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.

33. THIS COURT ORDERS that this Order and all of its provisions are effective as today's date and enforceable without the need for entry or filing.

_____

Justice, Ontario Superior Court of Justice

SCHEDULE "A"

PIN 71033-0654
Part Lot 7, Concession 7, Puslinch, being Part 1 on Plan 61R-22249
City of Guelph

and known municipally as 1373-1389 Gordon Street, Guelph, Ontario.

SCHEDULE "B"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT $_____

1. THIS IS TO CERTIFY that BDO Canada Limited, the receiver (the "Receiver") of the assets, undertakings and properties of Vaughan St GP Corp. and Vaughan St LP (the "Debtors") acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (the "Court") dated the ___ day of _____, 2025 (the "Order") made in an application having Court file number CV-25-########-0000, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of $_____, being part of the total principal sum of $_____ which the Receiver is authorized to borrow under and pursuant to the Order.

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

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

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

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

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

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

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

DATED the _____ day of _____, 20__.

BDO CANADA LIMITED, solely in its capacity as Receiver of the Property, and not in its personal capacity

Per: _____

Name:

Title:

LIBRO CREDIT UNION LIMITED	- and-	VAUGHAN ST GP CORP. and VAUGHAN ST LP
Applicant		Respondents

Court File No.

ONTARIO

SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
GUELPH

AFFIDAVIT OF TERENA CALLARD

HARRISON PENSA LLP
Barristers & Solicitors
130 Dufferin Avenue, Suite 1101
London, Ontario N6A 5R2

Michael E. Cassone (LSO#45073G)
Tel: (519) 679-9660
Fax: (519) 667-3362
mcassone@harrisonpensa.com

Lawyers for the Applicant
203075

LIBRO CREDIT UNION LIMITED – and - VAUGHAN ST GP CORP. and VAUGHAN ST LP

Applicant Respondents

Court File No. CV-25-00000335-0000

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Proceeding commenced at Guelph

APPLICATION RECORD

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Barristers and Solicitors
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