

Bankruptcy Court File No. BK-25-03230607-0035
Estate No. 35-3230607

**ONTARIO
SUPERIOR COURT OF JUSTICE**

**IN THE MATTER OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, RSC 1985, c B-3, AS AMENDED**

**AND IN THE MATTER OF THE BANKRUPTCY OF SF SQUARE GP CORP OF THE CITY
OF GUELPH, IN THE PROVINCE OF ONTARIO**

REPLY MOTION RECORD OF THE TRUSTEE IN BANKRUPTCY
(Returnable May 20, 2026)
(RE: Order for Direction to Pay)

February 25, 2026

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Bankruptcy**

TO: THE SERVICE LIST

**ONTARIO
SUPERIOR COURT OF JUSTICE**

**IN THE MATTER OF THE *BANKRUPTCY AND
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**AND IN THE MATTER OF THE BANKRUPTCY OF SF SQUARE GP CORP OF THE CITY
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Bankruptcy Court File No.: BK-25-03230607-0035
Estate File No.: 35-3230607

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)**

**IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY
ACT, R.S.C 1985, c. B-3, AS AMENDED**

**AND IN THE MATTER OF THE BANKRUPTCY OF
SF SQUARE GP CORP., OF THE CITY OF GUELPH,
IN THE PROVINCE OF ONTARIO**

**FOURTH REPORT OF BDO CANADA LIMITED,
IN ITS CAPACITY AS TRUSTEE
February 25, 2026**

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Appendix A - Proofs of Claim of Level 3 Parties dated October 28, 2025

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Appendix H - Email thread between BDO and B. Cameron dated December 11, 2025 to January 12, 2026, and attached SF Square LP Transactions by Account as at December 31, 2025

INTRODUCTION & BACKGROUND

1. On May 30, 2025, SF Square GP Corp. ("**Square GP**" or the "**Debtor**") filed an assignment in bankruptcy pursuant to the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the "**BIA**"). BDO Canada Limited ("**BDO**") was appointed as the trustee (the "**Trustee**") of the estate of the bankrupt (the "**Estate**"). The appointment was affirmed by the creditors of Square GP at the first meeting of creditors on June 20, 2025.
2. The Debtor is the general partner of SF Square LP ("**Square LP**"). Upon the Debtor's bankruptcy, the property, assets, and undertakings of Square LP vested in the Trustee.
3. The Trustee brought a motion, returnable May 20, 2026, seeking an order that among other things:
 - (a) declares that the "direction to pay" executed by Square LP, by its general partner Square GP ("**SF Square**") on January 10, 2025, directing its legal counsel to pay \$4.7 million from future property sale proceeds to the Level 3 Parties (as defined below) (the "**Direction to Pay**") is revocable or otherwise invalid, and orders that the funds to which the Direction to Pay relates (the "**Direction to Pay Funds**") be released by the Trustee from the segregated bank account for the benefit of the Estate and, subject to calling and adjudicating claims, distributed in accordance with the priorities established by the BIA; and
 - (b) declares that five transfers of funds made to each of Level 3 Capital Management Inc., Andrew Long, Kent McDonell, and 2796068 Ontario Inc. (collectively, the "**Level 3 Parties**") by Square GP in December 2024 (the "**December Transfers**", collectively, with the Direction to Pay, the "**Impugned Transactions**") are voidable, and orders the return of those monies to the Trustee for the benefit of the Estate.

4. In response, the Level 3 Parties served their Responding Motion Record on February 4, 2026 (the “**Responding Motion Record**”).

PURPOSE

5. The primary purpose of this report is to address certain issues raised in the three affidavits in the Responding Motion Record, all as affirmed on February 4, 2026 by Damien Lowry (the “**Lowry Affidavit**”), Andrew Long (the “**Long Affidavit**”), and Ben Cameron (the “**Cameron Affidavit**”).
6. Capitalized terms not defined herein have the same meaning given to them in the Third Report of BDO Canada Limited, in its capacity as trustee, dated December 16, 2025 (the “**Third Report**”).

TERMS OF REFERENCE

7. In preparing this Fourth Report, the Trustee has relied upon audited and unaudited financial information, the records of Sherwood Forest Square Ltd. (“**Sherwood**”), Square GP, and Square LP, other information available to the Trustee and, where appropriate, discussions with various parties.

ANALYSIS

Promissory Notes and GSAs

8. Paragraphs 14 and 15 of the Lowry Affidavit note that the Level 3 Parties filed financing statements against SF Square and that the financing statements were registered against SF Square to perfect their security interests. Notwithstanding this assertion, SF Square was not indebted to the Level 3 Parties, nor was there security granted by SF Square to the Level 3 Parties to perfect.

9. The Lowry Affidavit refers to promissory notes, guarantees, and general security agreements that were provided to the Level 3 Parties. As evidence of this, Mr. Lowry attaches as Exhibit "F" a table summarizing the promissory notes but does not attach the promissory notes nor the general security agreements themselves.
10. The only promissory notes in favour of any of the Level 3 Parties that the Trustee has been able to identify are those attached to the Third Report as Appendix "D". They are all signed by RHH Rental Properties Ltd. ("**RHH**") and guaranteed by Sherwood. None are signed or guaranteed by SF Square.
11. The Level 3 Parties submitted formal proofs of claim (Form 31) to the Trustee on November 3, 2025, asserting secured claims against the Estate totaling \$4,205,000 (the "**Proofs of Claim**"). The Proofs of Claim did not attach any loan or security documents issued by SF Square in favour of any of the Level 3 Parties. Copies of the Proofs of Claim are attached hereto as **Appendix "A"**.
12. The Trustee obtained two general security agreements between Sherwood and Level 3 Capital Management Inc. One general security agreement is dated December 1, 2022. One is dated July 5, 2023. Copies of these agreements, which were not attached to the Level 3 Parties' Proofs of Claim or Responding Motion Record, are attached as **Appendix "B"**. These are the only security agreements that have been produced to the Trustee involving any of the Level 3 Parties.
13. Based on the above, the Level 3 Parties are not secured creditors of Square LP or Square GP, nor are they unsecured creditors. Accordingly, there is no basis for the Level 3 Parties to be entitled to the Direction to Pay Funds.

Lack of Consideration

14. At paragraph 7(d) of the Lowry Affidavit, Mr. Lowry asserts that the Direction to Pay was supported by consideration in the form of “an agreement signed between SF Square and the Level 3 Parties for the provision of services”. Mr. Lowry points to two documents in support of this contention; Exhibits “G” and “H” to his affidavit sworn June 16, 2025 in the Level 3 Application (the “**First Lowry Affidavit**”).
15. Exhibit “G” is a handwritten note signed by Andrew Long, Mr. Lowry, and Scott Reid dated October 17, 2024, which states: “We have agreed [indecipherable] guarantee 3.3 million on the sole [sic] of the “W” in London – owned by SF Square LP”. The note does not indicate in what capacity or on behalf of what entity Mr. Reid was signing the note.
16. Exhibit “H” is an email dated October 18, 2024 from Mr. Reid to Mr. Long and Mr. Lowry. The email is sent by Mr. Reid in his capacity as CEO of Reid’s Heritage Properties. It includes the following:

Per our conversation yesterday:

- 3.3M CAD to be set aside or otherwise directed to you (Damien, Andrew, Kent) from the sale of the W, provided the waiver is signed by Brookfield the end of October
- In exchange for this you (Andrew) agree to work with me to manage investor expectations and I agree to work collaboratively with you on putting together an exit strategy on various properties or assets as required

With the news yesterday and the expected progress today on the LOC, we also agreed that if that came through in the short term that there would be effectively no need for the foregoing as the payments back to you and all investors would start immediately.

17. The Trustee consulted with Mr. Reid regarding these documents and Mr. Lowry’s claims. Mr. Reid advises:

- (a) At the time, Mr. Reid was attempting to placate various investors across his different companies and ventures, while he awaited the arrival of further anticipated outside funds;
 - (b) The handwritten note attached as Exhibit "G" to the First Lowry Affidavit was signed after Mr. Lowry attended at Mr. Reid's office and refused to leave without a "deal";
 - (c) The Level 3 Parties were not retained to provide any financial or consulting services to Mr. Reid or any of his companies, and the reference to such services being provided was "made up". By this, the Trustee understands Mr. Reid to mean that the services were referenced in an attempt to appear as consideration for the payment the Level 3 Parties were attempting to obtain, and that there was no actual intention to provide such services and no such services were formally provided; and
 - (d) Mr. Long and Mr. Lowry were not threatening litigation against Mr. Reid or his companies. They were more generally threatening to make Mr. Reid's life "miserable". If Mr. Reid agreed to fast track the return of the Level 3 Parties' investment they would instead support him as allies in discussions with other investors across Mr. Reid's various companies and ventures.
18. The Trustee has not been able to identify any engagement documentation, invoices, dockets, correspondence, work product, or other documentation indicating that financial or consulting services were provided by any of the Level 3 Parties to SF Square (or, indeed, any other entity controlled by Mr. Reid).
19. Mr. Reid further advises the Trustee that the Level 3 Parties did not make any specific legal threat at the time of what Mr. Lowry refers to as the Initial Irrevocable Direction.

20. Again, the Trustee has not been able to identify any debt or security obligation owed by SF Square to any of the Level 3 Parties.

Sale of The W Property Did Not Render Square GP Solvent

21. At paragraph 7(g) of the Lowry Affidavit, Mr. Lowry states that after the sale of The W London by SF Square and the paying out all of the mortgages, SF Square would clear \$30 million in surplus funds. This is inaccurate.
22. The sale of the Property did not yield \$30 million in surplus funds for SF Square. As set out in the Closing Statement of Adjustments for the sale of The W that was attached as Appendix "C" to the Third Report of the Trustee, the \$33.9 million that was credited to the vendor on closing was disbursed or withheld as follows:
- (a) Glengarry Farm Finance Corporation received \$15 million to satisfy a second mortgage;
 - (b) the purchaser retained \$3 million as a Net Rental Income holdback;
 - (c) the purchaser was credited \$435,750 for its share of May 2025 rents collected by Square LP;
 - (d) the purchaser was credited \$1.2 million to cover tenant deposits;
 - (e) \$916,000 was disbursed in financing and professional fees; and
 - (f) the purchaser kept a \$1.5 million post-closing holdback, scheduled for potential release in May 2026.
23. As indicated in the letter sent from counsel to Robson Carpenter to counsel to the Level 3 Parties attached as Exhibit T to Mr. Lowry's affidavit of June 16, 2025 (which is attached

as Exhibit “A” to the Lowry Affidavit), the net proceeds from the sale of The W were \$11,450,156.39.

24. Through inadvertence, the incorrect version of Square GP’s Statement of Affairs was attached to the Third Report as Appendix “G”. The correct and final version is attached hereto as **Appendix “C”**. As per the Statement of Affairs, following the sale of The W, Square GP had \$12,422,035.50 in liabilities by May 30, 2025.

Competing Claims and Effect on Creditor Recoveries

25. As a result of the manner in which funds, investments, and assets were moved around numerous companies affiliated with SF Square—while investor security largely remained *in situ* at the particular company investors invested with—unravelling the proper and equitable distribution of assets to investors and other creditors of SF Square and the broader enterprise is and will be a complex process. The Trustee is continuing to work through that process. The Trustee presently understands, as it relates to The W London development:

- (a) many investors to whom The W was marketed as an investment opportunity invested their money in exchange for promissory notes from RHH, with secured guarantees from RHH’s subsidiary, Sherwood. Other investors may have invested in Sherwood directly and had their investments secured by Sherwood;
- (b) the Property was initially held by Sherwood, where many investors were secured;
- (c) for reasons that are unclear, but may relate to navigating the development through restrictions under the *Condominium Act*, 1998, SO 1998, c 19, a GP/LP subsidiary was founded under Sherwood (SF Square), and as buildings of The W development were completed, they were transferred into SF Square;

- (d) generally secured creditors of Sherwood were not given any further security at the SF Square level;
 - (e) the Trustee has not yet identified any cash consideration that was provided to Sherwood by SF Square for the transfers of The W;
 - (f) for reasons that are unclear, during the same period, intercompany debt owed by SF Square to Sherwood was converted into equity in the form of units of Square LP; and
 - (g) additional investors were introduced at the SF Square level, and were secured against the assets of SF Square.
26. The Trustee is continuing to gather information regarding these events and analyze how remaining assets should be distributed. The Trustee will need to understand the creditor mix and how to administer the proceeds equitably given the factual circumstances of both SF Square and Sherwood.
27. What is apparent is that there are creditors at multiple levels of this enterprise who will lay claim to the proceeds from the sale of The W. A list of the secured creditors of Sherwood per the company includes 81 creditors and \$44,602,435 in secured claims (which have not yet been verified by the Trustee). That list is attached hereto as **Appendix "D"**.
28. A list of the secured creditors of SF Square per the company includes 15 creditors and \$3,087,000 in secured claims (which have not yet been verified by the Trustee). That list is attached hereto as **Appendix "E"**.
29. The investigation and administration of these claims should take place in an orderly manner within the bankruptcy process. Ordering that \$4.7 million of the proceeds from the sale of The W be paid to the Level 3 Parties—only one of whom appears to even be

secured, and only at the Sherwood entity—would pre-empt that process and enable the Level 3 Parties to effectively jump the queue of creditors at both SF Square and Sherwood.

30. The Level 3 Parties' claims should be considered and determined as part of the process to determine the claims of the other creditors to those same proceeds.

Assertions Regarding Estate Administration, and Other Inaccuracies

31. The affidavits of Mr. Lowry, Mr. Long, and Mr. Cameron make a number of assertions regarding the administration of the estate and the Trustee's financial reporting. While largely irrelevant to the issues on this motion, those assertions contain a number of inaccuracies, including:

- (a) At paragraph 7 of the Lowry Affidavit, Mr. Lowry alleges that the Trustee "asserts that they were unaware of the claims of the Level 3 Parties until after the assignment in bankruptcy." Mr. Lowry mischaracterizes the Trustee's statement. Paragraph 13 of the Notice of Motion states only that the Trustee became aware of specific "suspected financial irregularities" following the May 30, 2025 assignment in bankruptcy. The text does not contain any assertion regarding the Trustee's prior awareness of the Level 3 Parties' claims;
- (b) At paragraph 10 of the Lowry Affidavit, Mr. Lowry suggests that the Trustee took the position that Sherwood owns Square LP. This is not accurate and is misleading. The Trustee has repeatedly stated that Sherwood owns the general partner Square GP—something which is not controversial—including at paragraph 2 of the First Report of BDO Canada Limited, in its capacity as Trustee dated June 19, 2025, paragraph 6 of the Trustee's Notice of Motion dated December 9, 2025, and paragraph 11 of the Trustee's Notice of Motion dated December 16, 2025.

Paragraph 2 of the Third Report refers to Sherwood being the owner of "Square", which in the circumstances is clearly a reference to Square GP;

- (c) Also at Paragraph 10 of the Lowry Affidavit, Mr. Lowry claims that Futurelands Ltd. ("**Futurelands**") holds a 50% interest in Sherwood, and that the Trustee incorrectly asserts that RHH owns 100% of Sherwood. Mr. Lowry relies on an organizational chart appended to the Trustee's Preliminary Report, which contained a mapping error depicting a 50% ownership line from Futurelands to Sherwood. The text of the Preliminary Report, however, clearly and consistently identifies RHH as the 100% owner of Sherwood, which is correct. This is also stated at paragraph 7 of the Trustee's Notice of Motion dated December 9, 2025, and paragraph 12 of the Trustee's Notice of Motion dated December 16, 2025;
- (d) At paragraph 16 of the Cameron Affidavit, Mr. Cameron suggests that there was an approximately \$400,000 reduction in a debt owed to Square GP by Horizen Developments GP Corp. ("**Horizen**"), a related company, as seen in two documents issued by the receiver for Horizen, in September 2025 and December 2025. The reason for this is that, for reasons unclear to the Trustee, the debt shown on the September document was a combination of the amount owed to Square GP (\$216,634) and an amount owed to Sherwood (\$397,264). The December document shows the amount owed to Square GP on its own. In addition, the Trustee has reasonable grounds to believe that given Horizen's receivership, Square GP is likely to recover materially less than even the \$216,634 amount from Horizen;
- (e) Also at paragraph 16 of the Cameron Affidavit, Mr. Cameron questions why a \$2.8 million payment by Square GP to a related company, ADJ Holdings Inc. ("**ADJ**"), is not accounted for as a future Square GP receivable due from Horizen. The

Trustee understands that the transfer to ADJ was made to repay funding extended by ADJ to pay down KingSett Mortgage Corporation, which had extended financing including in respect of The W London. As Square GP was effectively repaying financing it had benefitted from, it is not anticipated that there will be some further receivable coming to Square GP in respect of this transfer;

- (f) At paragraph 20 of the Cameron Affidavit, Mr. Cameron deposes that he was cut off from information regarding the receivership of Sherwood or the assignment of Square GP into bankruptcy. The Trustee understands this is not accurate. Mr. Reid has informed the Trustee that he was in touch with Mr. Cameron in April and May of 2025 regarding the corporate group's deteriorating finances and potential receivership, and in June and July 2025 regarding the various receivership and bankruptcy proceedings. While much of that correspondence was with counsel and is privileged, attached as **Appendix "F"** are non-privileged iMessages between Mr. Cameron and Mr. Reid that provide independent corroboration for Mr. Reid's version of events. The date on the first message is partially cut off but is May 22, 2025.

Also attached, as **Appendix "G"** is a copy of an email thread from June 6, 2025 to June 22, 2025 involving BDO (in its capacity as receiver for Sherwood), Mr. Reid, and Mr. Cameron, relating to a letter of credit being held by the City of London relating to The W (with attached screenshot of a text message exchange between Mr. Cameron and an employee of RHH). The email is redacted for privilege (the Trustee forwarding a copy of the email to its counsel).

In addition, the fact that Mr. Reid and Mr. Cameron were in touch during this period was pointed out to Mr. Cameron in correspondence from the Trustee on January 12, 2026, in which the Trustee wrote:

Notwithstanding we have not yet spoken or asked for any information from you, we understand that you have been kept apprised of the developments since the outset of these proceedings until at least July 2025, as per emails and text messages between yourself, Scott Reid, company counsel, and others.

Mr. Cameron did not deny this characterization. Attached as **Appendix “H”** is a copy of the Trustee’s email exchange with Mr. Cameron.

With that being said, in the course of reviewing past correspondence that may have involved Mr. Cameron, it came to the Trustee’s attention that the copy of the Directors’ resolution assigning Square GP into bankruptcy that is in the Trustee’s possession is not signed by Mr. Cameron. The Trustee has been advised by Mr. Reid that Mr. Cameron was advised of the resolution at the time but it appears that his signature was not actually obtained on the resolution. The Trustee understands that Square GP would have been assigned into bankruptcy in any event by BDO in its capacity as the receiver of Sherwood (the 100% owner of Square GP). As apparent from the Statement of Affairs, Square GP was insolvent at the relevant time;

- (g) At paragraph 21 of the Cameron Affidavit, Mr. Cameron complains that the Trustee has not requested that Mr. Cameron provide information or assistance to the Estate. Such assistance was not requested because, thus far, it has not been determined that such assistance is necessary. The Trustee has received one email from Mr. Cameron from December 2025 offering assistance and making certain inquiries. The Trustee responded to Mr. Cameron’s email in the thread attached as Appendix “E”.

The Trustee did send a demand letter to Mr. Cameron for amounts owed to Square GP by Mr. Cameron and his company Futurelands (discussed at sub-paragraph (i)

below). As of the date of this Report, no response has been received from Mr. Cameron or Futurelands;

- (h) At paragraph 23 of the Cameron Affidavit and paragraphs 11 to 13 of the Long Affidavit, the deponents question transactions involving an entity controlled by Mr. Reid named Belleville Apartments Inc. ("**Belleville Apartments**"), specifically noting that a \$110,000 payment was made to BDO from this account. This amount was paid to BDO in its former capacity as trustee for RHH for fees and costs related to administration of the RHH estate. Unused amounts were provided to the succeeding trustee for that estate, Deloitte LLP. At the First Meeting of Creditors of RHH on July 7, 2025, the Trustee explicitly disclosed that the estate administration was initially funded via a third-party fee guarantee from Belleville Apartments. To be clear, the amounts did not relate to BDO's role in respect of the within Estate;
- (i) At paragraphs 26 and 27 of the Cameron Affidavit, Mr. Cameron characterizes a request by the Trustee in its January 12, 2026 email to Mr. Cameron for payment of outstanding employee advances as a threat designed to keep him quiet. The request was a standard collection demand requesting \$173,875.00. Square's general ledger records this amount as outstanding "Employee Advances" owed by Mr. Cameron, comprising multiple transfers made between March 2023 and January 2025. This email is part of the thread attached as Appendix "H". Mr. Cameron has not responded to it; and
- (j) At paragraphs 15 and 16 of the Long Affidavit, Mr. Long deposes that the Trustee made a "misleading entry" in the Supplement to the First Report by "alleging that... 'one of the Level 3 Applicants,' had received \$5,172,586.58 from the bankrupt as a payout." As discussed in the July 2, 2025 Supplement to the First Report, Mr.

Long and his company, AJDL Investments Inc., received commissions for Mr. Long's involvement in introducing investors to projects related to RHH in the amount of \$5,172,586.58. This total was calculated directly from the corporate group's QuickBooks ledgers, 2022 T5013 tax records, and unit subscription agreements. This consideration was provided to Mr. Long and AJDL Investments Inc. from various entities relating to Mr. Reid.

**BDO CANADA LIMITED
IN ITS CAPACITY AS TRUSTEE OF THE ESTATE
OF SQUARE GP CORP.
AND NOT IN ITS PERSONAL OR CORPORATE
CAPACITY**



Per: _____

**Clark Lonergan, CPA, CA, CIRP, LIT
Senior Vice-President**

APPENDIX "A"

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)

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

Address:	350-1111 Melville St. Vancouver BC V6E 3V6
Facsimile:	
Email:	lowry.damien@gmail.com
Contact person name or position:	Damien Lowry, President
Telephone number for contact person:	778-995-7265

***SUBMITTED IN THE ABUNDANCE OF CAUTION AND
WITHOUT PREJUDICE TO ALL OTHER CLAIMS AND RIGHTS***

In the matter of the bankruptcy (*or the proposal or the receivership*) of **SF SQUARE GP. CORP.** (*name of debtor*) of **GUELPH, ONTARIO** (*city and province*) and the claim of **LEVEL 3 CAPITAL MANAGEMENT INC.**, creditor.

I, **DAMIEN LOWRY**, (*name of creditor or representative of the creditor*), of **VANCOUVER, BRITISH COLUMBIA** (*city and province*), do hereby certify:

1. That I am a creditor of the above-named debtor (*or that I am the* **PRESIDENT** (*state position or title*) of **LEVEL 3 CAPITAL MANAGEMENT INC.** (*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 of the circumstances connected with the claim referred to below.

3. That the debtor was, at the date of bankruptcy (*or the date of the receivership or, in the case of a proposal, the date of the notice of intention or of the proposal, if no notice of intention was filed*), namely the **30th** day of **MAY, 2025**, and still is, indebted to the creditor in the sum of **\$2,905,000.00**, 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 (*or the date of the receivership or, in the case of a proposal, the date of the notice of intention or of the proposal, if no notice of intention was filed*).

(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 **1st** day of **DECEMBER, 2022**, and that the last payment, if any, on this debt by the debtor to the creditor was made on the **15th** day of **FEBRUARY, 2025**, *and/or* that the last acknowledgement, if any, of liability for this debt by the debtor to the creditor was made on the **4th** day of **MARCH, 2025**, as follows:

(Give full particulars of the claim, including its history, any acknowledgement or legal action)

Form 31 - Continued

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.
- Regarding the amount of \$ _, I claim a right to a priority under paragraph 136(1)(d) of the Act (Complete paragraph 6E 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 \$ 2,905,000.00

That in respect of this debt, I hold assets of the debtor valued at \$ _ as security, the particulars of which are as follows:

Registration of a Financing Statement registered with the Ontario Ministry of Consumer and Business Affairs pursuant to the Personal Property Security Act, R.S.O. 1990, c. P.10, on 05/13/ 2025 as Instrument Number 516204513 (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.

Form 31 - Continued

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 section 81.5 of the Act in the amount of \$ _
- That I make a claim under section 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)

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)

Form 31 - Concluded

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 subsection 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 Toronto, this 28th Day of October 2025.



Damien Lowry (Oct 29, 2025 19:24:52 EDT)

Signature of creditor or representative

NOTE: If an affidavit is attached, it must have been made before a person qualified to take affidavits.

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)

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

Address:	16951 The Gore Rd Caledon L7E 0X5
Facsimile:	
Email:	Kent_mcdonell@hotmail.com
Contact person name or position:	Kent McDonell
Telephone number for contact person:	519-830-5368

***SUBMITTED IN THE ABUNDANCE OF CAUTION AND
WITHOUT PREJUDICE TO ALL OTHER CLAIMS AND RIGHTS***

In the matter of the bankruptcy (or the proposal or the receivership) of **SF SQUARE GP. CORP.**, (name of debtor) of **GUELPH, ONTARIO** (city and province) and the claim of **KENT MCDONELL**, creditor.

I, **KENT MCDONELL**, (name of creditor or representative of the creditor), of **TORONTO, ONTARIO** (city and province), do hereby certify:

1. That I am a creditor of the above-named debtor (or that I am the _____ (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 of the circumstances connected with the claim referred to below.

3. That the debtor was, at the date of bankruptcy (or the date of the receivership or, in the case of a proposal, the date of the notice of intention or of the proposal, if no notice of intention was filed), namely the **30th** day of **MAY, 2022**, and still is, indebted to the creditor in the sum of **\$1,000,000.00**, 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 (or the date of the receivership or, in the case of a proposal, the date of the notice of intention or of the proposal, if no notice of intention was filed).

(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 **1st** day of **DECEMBER, 2022**, and that the last payment, if any, on this debt by the debtor to the creditor was made on the **15th** day of **FEBRUARY, 2025**, and/or that the last acknowledgement, if any, of liability for this debt by the debtor to the creditor was made on the **4th** day of **MARCH, 2025**, as follows:

(Give full particulars of the claim, including its history, any acknowledgement or legal action)

Form 31 - Continued

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.
- Regarding the amount of \$ _, I claim a right to a priority under paragraph 136(1)(d) of the Act (Complete paragraph 6E 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 \$ 1,000,000.00

That in respect of this debt, I hold assets of the debtor valued at \$ as security, the particulars of which are as follows:

Registration of a Financing Statement registered with the Ontario Ministry of Consumer and Business Affairs pursuant to the Personal Property Security Act, R.S.O. 1990, c. P.10, on 05/13/2025 as Instrument Number 516204513 (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.

Form 31 - Continued

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 section 81.5 of the Act in the amount of \$ _
- That I make a claim under section 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)

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)

Form 31 - Concluded

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 subsection 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 Toronto, this 28th day of October, 2025.



[Kent M. \(Oct 30, 2025 14:17:10 EDT\)](#)

Signature of creditor or representative

NOTE: If an affidavit is attached, it must have been made before a person qualified to take affidavits.

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)

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

Address:	31 Whetstone Cres., Guelph, On. N1L 1T3
Facsimile:	
Email:	ajdlinvest@gmail.com
Contact person name or position:	Andrew Long, President
Telephone number for contact person:	519-841-9005

***SUBMITTED IN THE ABUNDANCE OF CAUTION AND
WITHOUT PREJUDICE TO ALL OTHER CLAIMS AND RIGHTS***

In the matter of the bankruptcy (*or the proposal or the receivership*) of **SF SQUARE GP. CORP.**, (*name of debtor*) of **GUELPH, ONTARIO** (*city and province*) and the claim of **27960680 ONTARIO LTD.**, creditor.

I, **ANDREW LONG**, (*name of creditor or representative of the creditor*), of **TORONTO, ONTARIO** (*city and province*), do hereby certify:

1. That I am a creditor of the above-named debtor (*or that I am the **PRESIDENT** (state position or title) of **27960680 ONTARIO LTD.** (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 of the circumstances connected with the claim referred to below.

3. That the debtor was, at the date of bankruptcy (*or the date of the receivership or, in the case of a proposal, the date of the notice of intention or of the proposal, if no notice of intention was filed*), namely the **30th** day of **MAY, 2022**, and still is, indebted to the creditor in the sum of **\$300,000.00**, 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 (*or the date of the receivership or, in the case of a proposal, the date of the notice of intention or of the proposal, if no notice of intention was filed*).

(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 **1st** day of **DECEMBER, 2022**, and that the last payment, if any, on this debt by the debtor to the creditor was made on the **15th** day of **FEBRUARY, 2025**, *and/or* that the last acknowledgement, if any, of liability for this debt by the debtor to the creditor was made on the **4th** day of **MARCH, 2025**, as follows:

(Give full particulars of the claim, including its history, any acknowledgement or legal action)

Form 31 - Continued

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.
- Regarding the amount of \$ _, I claim a right to a priority under paragraph 136(1)(d) of the Act (Complete paragraph 6E 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 \$ 300,000.00

That in respect of this debt, I hold assets of the debtor valued at \$ _ as security, the particulars of which are as follows:

Registration of a Financing Statement registered with the Ontario Ministry of Consumer and Business Affairs pursuant to the Personal Property Security Act, R.S.O. 1990, c. P.10, on 05/13/2025 as Instrument Number 516204513 (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.

Form 31 - Continued

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 section 81.5 of the Act in the amount of \$ _
- That I make a claim under section 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)

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)

Form 31 - Concluded

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 subsection 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 Toronto, this 28th day of October 2025.

Andrew Long

Andrew Long (Oct 29, 2025 19:22:12 EDT)

Signature of creditor or representative

NOTE: If an affidavit is attached, it must have been made before a person qualified to take affidavits.

APPENDIX "B"

GENERAL SECURITY AGREEMENT

THIS AGREEMENT is made December 1, 2022,

BETWEEN: SHERWOOD FOREST SQUARE LTD, a corporation incorporated under the laws of Ontario
(the "Corporation")

AND: Level 3 Capital Management Inc
(the "Lender")

RECITALS:

1. The Corporation 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 Corporation.
2. The Lender has requested, and the Corporation has agreed to provide the Lender with, a security interest on certain assets of the Corporation 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 Corporation 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 Corporation 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 Corporation 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 Corporation 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 corporation 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 Corporation 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 Corporation to the Lender, and subject to sections 2.2 and 2.3 hereof, the Corporation 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 Corporation 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 Corporation or in respect of which the Corporation now or hereafter has any right, title or interest (including, without limitation, such as may be returned to or repossessed by the Corporation) 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 Corporation, but upon the sale of the leasehold interest or any part thereof the Corporation 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 Corporation is a party or of which the Corporation 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 Corporation 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 Corporation 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 Corporation has rights in such Collateral.
- 2.5 **Proceeds in Trust** The Corporation 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 Corporation 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 incorporated and validly existing under the laws of its jurisdiction of incorporation and has the corporate power and capacity to own its properties and assets and to carry on its business as presently carried on by it, it has the corporate 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 corporate action to authorize the execution, delivery and performance of this Agreement;
- (c) there is no unanimous shareholder agreement which restricts, in whole or in part, the powers of the directors of the Corporation to manage or supervise the business and affairs of the Corporation;
- (d) the entering into of this Agreement and the performance by the Corporation of its obligations hereunder does not and will not contravene, breach or result in any default under the articles, by-laws, constating documents or other organizational documents of the Corporation or under any mortgage, lease, agreement or other legally binding instrument, license, permit or law to which the Corporation is a party or by which the Corporation 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 Corporation under any mortgage, lease, agreement or other legally binding instrument of or affecting the Corporation;
- (e) 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 Corporation; and
- (f) 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 Corporation (whether in progress or threatened) which, if determined adversely to the Corporation, 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 Corporation 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 Corporation** The Corporation 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 Corporation 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 Corporation 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 Corporation's business, collecting the Corporation'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 Corporation 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 Corporation may grant similar security as is granted to the Lender hereunder to other lenders who are loaning money to the Corporation and to ensure that such security will rank pari passu with the security granted by the Corporation to the Lender hereunder as amended from time to time. Without limiting the generality of the foregoing, the Lender specifically consents to the Corporation 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 Corporation acknowledges that any payments received by the Corporation 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 Corporation 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 Corporation, 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 Corporation, all without prejudice to the Lender's rights against the Corporation.

Article 7 - EVENTS OF DEFAULT

7.1 **Events of Default** The Corporation 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 Corporation defaults in payment when due of all or any part of the Obligations;
- (b) any representation and warranty of the Corporation contained in this Agreement proves to be untrue;
- (c) the Corporation 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 Corporation 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 Corporation); 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 Corporation:
 - (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 Corporation); 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 Corporation does not satisfy a payroll obligation; or

- (f) any Lender of the Corporation or any other Person shall privately appoint a receiver, trustee or similar official for any substantial part of the Corporation'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 Corporation.

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 Corporation and not of the Lender for the purpose of (i) carrying on and managing the business and affairs of the Corporation, 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 Corporation hereby irrevocably authorizes the Lender to give instructions to the Receiver relating to the performance of its duties. The Corporation 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 Corporation 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 Corporation wherein Collateral may be situate to the exclusion of all others to the extent permitted by law, including the Corporation, 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 Corporation's business or as security for loans or advances to enable it to carry on the Corporation'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 Corporation 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 Corporation 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 Corporation 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 Corporation 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 Corporation 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 Corporation 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** Before or 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 Corporation acknowledges that any payments received by the Corporation 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 Corporation 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 Corporation, all without prejudice to the Lender's rights against the Corporation.

- 8.8 **Corporation Liable for Deficiency** The Corporation 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 Corporation 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 Corporation 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 Corporation 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 Corporation 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 Corporation 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 Corporation, borrowers of the Corporation, sureties and other Persons and with Collateral and other security as the Lender sees fit, without prejudice to the liability of the Corporation to the Lender or the rights, powers and remedies of the Lender under this Agreement.
- 10.2 **Perfection of Security** The Corporation 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 Corporation, the Lender shall, at the Corporation's expense, execute and deliver to the Corporation 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:

Email:

(b) if to the Corporation:

Sherwood Forest Square Ltd
1515 Gordon Street, Suite 203
Guelph, Ontario
N1L 1C9
Attention: Todd Neill
Email: tneill@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 Corporation 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 Corporation and the Lender, and the Corporation shall not assert against an assignee of the Lender any claim or defense that the Corporation 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 Corporation 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 Corporation 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.

SHERWOOD FOREST SQUARE LTD



By: Scott Reid, Secretary

Level 3 Capital Management Inc

By: Damien Lowry

GENERAL SECURITY AGREEMENT

THIS AGREEMENT is made July 5, 2023,

BETWEEN: SHERWOOD FOREST SQUARE LTD, a corporation incorporated under the laws of Ontario
(the "Corporation")

AND: Level 3 Capital Management Inc
(the "Lender")

RECITALS:

1. The Corporation 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 Corporation.
2. The Lender has requested, and the Corporation has agreed to provide the Lender with, a security interest on certain assets of the Corporation 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 Corporation 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 Corporation 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 Corporation 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 Corporation 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 corporation 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 Corporation 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 Corporation to the Lender, and subject to sections 2.2 and 2.3 hereof, the Corporation 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 Corporation 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 Corporation or in respect of which the Corporation now or hereafter has any right, title or interest (including, without limitation, such as may be returned to or repossessed by the Corporation) 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 Corporation, but upon the sale of the leasehold interest or any part thereof the Corporation 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 Corporation is a party or of which the Corporation 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 Corporation 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 Corporation 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 Corporation has rights in such Collateral.
- 2.5 **Proceeds in Trust** The Corporation 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 Corporation 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 incorporated and validly existing under the laws of its jurisdiction of incorporation and has the corporate power and capacity to own its properties and assets and to carry on its business as presently carried on by it, it has the corporate 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 corporate action to authorize the execution, delivery and performance of this Agreement;
- (c) there is no unanimous shareholder agreement which restricts, in whole or in part, the powers of the directors of the Corporation to manage or supervise the business and affairs of the Corporation;
- (d) the entering into of this Agreement and the performance by the Corporation of its obligations hereunder does not and will not contravene, breach or result in any default under the articles, by-laws, constating documents or other organizational documents of the Corporation or under any mortgage, lease, agreement or other legally binding instrument, license, permit or law to which the Corporation is a party or by which the Corporation 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 Corporation under any mortgage, lease, agreement or other legally binding instrument of or affecting the Corporation;
- (e) 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 Corporation; and
- (f) 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 Corporation (whether in progress or threatened) which, if determined adversely to the Corporation, 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 Corporation 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 Corporation** The Corporation 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 Corporation 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 Corporation 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 Corporation's business, collecting the Corporation'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 Corporation 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 Corporation may grant similar security as is granted to the Lender hereunder to other lenders who are loaning money to the Corporation and to ensure that such security will rank pari passu with the security granted by the Corporation to the Lender hereunder as amended from time to time. Without limiting the generality of the foregoing, the Lender specifically consents to the Corporation 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 Corporation acknowledges that any payments received by the Corporation 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 Corporation 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 Corporation, 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 Corporation, all without prejudice to the Lender's rights against the Corporation.

Article 7 - EVENTS OF DEFAULT

7.1 **Events of Default** The Corporation 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 Corporation defaults in payment when due of all or any part of the Obligations;
- (b) any representation and warranty of the Corporation contained in this Agreement proves to be untrue;
- (c) the Corporation 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 Corporation 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 Corporation); 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 Corporation:
 - (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 Corporation); 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 Corporation does not satisfy a payroll obligation; or

- (f) any Lender of the Corporation or any other Person shall privately appoint a receiver, trustee or similar official for any substantial part of the Corporation'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 Corporation.

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 Corporation and not of the Lender for the purpose of (i) carrying on and managing the business and affairs of the Corporation, 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 Corporation hereby irrevocably authorizes the Lender to give instructions to the Receiver relating to the performance of its duties. The Corporation 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 Corporation 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 Corporation wherein Collateral may be situate to the exclusion of all others to the extent permitted by law, including the Corporation, 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 Corporation's business or as security for loans or advances to enable it to carry on the Corporation'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 Corporation 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 Corporation 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 Corporation 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 Corporation 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 Corporation 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 Corporation 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** Before or 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 Corporation acknowledges that any payments received by the Corporation 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 Corporation 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 Corporation, all without prejudice to the Lender's rights against the Corporation.

- 8.8 **Corporation Liable for Deficiency** The Corporation 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 Corporation 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 Corporation 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 Corporation 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 Corporation 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 Corporation 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 Corporation, borrowers of the Corporation, sureties and other Persons and with Collateral and other security as the Lender sees fit, without prejudice to the liability of the Corporation to the Lender or the rights, powers and remedies of the Lender under this Agreement.
- 10.2 **Perfection of Security** The Corporation 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 Corporation, the Lender shall, at the Corporation's expense, execute and deliver to the Corporation 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:

Email:

(b) if to the Corporation:

Sherwood Forest Square Ltd
1515 Gordon Street, Suite 203
Guelph, Ontario
N1L 1C9
Attention: Todd Neill
Email: tneill@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 Corporation 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 Corporation and the Lender, and the Corporation shall not assert against an assignee of the Lender any claim or defense that the Corporation 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 Corporation 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 Corporation 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.

SHERWOOD FOREST SQUARE LTD



By: Scott Reid, Secretary

Level 3 Capital Management Inc

By: Damien Lowry

APPENDIX "C"

District of: Ontario
 Division No. 05 - London
 Court No.
 Estate No.

Original

Amended

-- Form 78 --
Statement of Affairs (Corporate Bankruptcy)
 (Subsection 49(2) and Paragraph 158(d) of the Act / subsections 50(2) and 62(1) of the Act)
 In the Matter of the Bankruptcy of
 SF Square GP Corp.
 of the City of Guelph, in the Province of Ontario

To the bankrupt:

You are required to carefully and accurately complete this form and the applicable attachments showing the state of your affairs on the date of the bankruptcy, on the 30th day of May 2025. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration by a duly authorized director, if the bankrupt is a corporation, or by yourself, in other cases.

Give reasons for the bankrupt's/debtor's financial difficulty (Select all that apply and provide details):

- | | | | | |
|--|--|---|--|--|
| <input checked="" type="checkbox"/> Negative market conditions; | <input type="checkbox"/> Foreign Exchange Fluctuations; | <input checked="" type="checkbox"/> Economic Downturn; | <input type="checkbox"/> Poor Financial Performance; | <input type="checkbox"/> Legal Matters (Provide details); |
| <input checked="" type="checkbox"/> Lack of Working Capital/Funding; | <input type="checkbox"/> Competition; | <input type="checkbox"/> Legislated or Regulatory Restrictions; | <input type="checkbox"/> Natural Disaster; | <input type="checkbox"/> Increased Cost of Doing Business; |
| <input type="checkbox"/> Overhead Increasing; | <input checked="" type="checkbox"/> Faulty Infrastructure or Business Model; | <input type="checkbox"/> Unsuccessful Marketing Initiatives; | <input type="checkbox"/> Personal issues; | <input type="checkbox"/> Poor Management; |
| <input type="checkbox"/> Faulty Accounting; | <input type="checkbox"/> Tax Liabilities; | <input type="checkbox"/> Labour; | <input type="checkbox"/> Other (Please specify). | |

Provide relevant details:

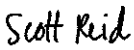
ASSETS	LIABILITIES																																																												
(totals from the list of assets as stated and estimated by bankrupt/debtor)	(totals from the list of liabilities as stated and estimated by bankrupt/debtor)																																																												
<table border="0" style="width: 100%;"> <tr><td>1. Cash on hand</td><td style="text-align: right;">0.00</td></tr> <tr><td>2. Deposits in financial institutions</td><td style="text-align: right;">0.00</td></tr> <tr><td>3. Accounts receivable and other receivables</td><td></td></tr> <tr><td style="padding-left: 20px;">Total amount</td><td style="text-align: right;">1.00</td></tr> <tr><td style="padding-left: 20px;">Estimated realizable value</td><td style="text-align: right;">1.00</td></tr> <tr><td>4. Inventory</td><td style="text-align: right;">0.00</td></tr> <tr><td>5. Trade fixtures, etc.</td><td style="text-align: right;">0.00</td></tr> <tr><td>6. Livestock</td><td style="text-align: right;">0.00</td></tr> <tr><td>7. Machinery and equipment</td><td style="text-align: right;">0.00</td></tr> <tr><td>8. Real property or immovables</td><td style="text-align: right;">0.00</td></tr> <tr><td>9. Furniture</td><td style="text-align: right;">0.00</td></tr> <tr><td>10. Intangible assets (intellectual properties, licences, cryptocurrencies, digital tokens, etc.)</td><td style="text-align: right;">0.00</td></tr> <tr><td>11. Vehicles</td><td style="text-align: right;">0.00</td></tr> <tr><td>12. Securities (shares, bonds, debentures, etc.)</td><td style="text-align: right;">0.00</td></tr> <tr><td>13. Other property</td><td style="text-align: right;">11,450,156.39</td></tr> <tr><td>Total of lines 1 to 13</td><td style="text-align: right; border-top: 1px solid black;">11,450,157.39</td></tr> <tr><td colspan="2">If bankrupt is a corporation, add:</td></tr> <tr><td style="padding-left: 20px;">Amount of subscribed capital</td><td style="text-align: right;">0.00</td></tr> <tr><td style="padding-left: 20px;">Amount paid on capital</td><td style="text-align: right;">0.00</td></tr> <tr><td style="padding-left: 20px;">Balance subscribed and unpaid</td><td style="text-align: right;">0.00</td></tr> <tr><td style="padding-left: 20px;">Estimated to produce</td><td style="text-align: right;">0.00</td></tr> <tr><td>Total assets</td><td style="text-align: right; border-top: 1px solid black;">11,450,157.39</td></tr> <tr><td>Deficiency</td><td style="text-align: right; border-top: 1px solid black;">-971,878.11</td></tr> <tr><td>Total value of assets located outside Canada included in lines 1 to 13</td><td style="text-align: right; border-top: 1px solid black;">0.00</td></tr> </table>	1. Cash on hand	0.00	2. Deposits in financial institutions	0.00	3. Accounts receivable and other receivables		Total amount	1.00	Estimated realizable value	1.00	4. Inventory	0.00	5. Trade fixtures, etc.	0.00	6. Livestock	0.00	7. Machinery and equipment	0.00	8. Real property or immovables	0.00	9. Furniture	0.00	10. Intangible assets (intellectual properties, licences, cryptocurrencies, digital tokens, etc.)	0.00	11. Vehicles	0.00	12. Securities (shares, bonds, debentures, etc.)	0.00	13. Other property	11,450,156.39	Total of lines 1 to 13	11,450,157.39	If bankrupt is a corporation, add:		Amount of subscribed capital	0.00	Amount paid on capital	0.00	Balance subscribed and unpaid	0.00	Estimated to produce	0.00	Total assets	11,450,157.39	Deficiency	-971,878.11	Total value of assets located outside Canada included in lines 1 to 13	0.00	<table border="0" style="width: 100%;"> <tr><td>1. Secured creditors</td><td style="text-align: right;">3,087,004.00</td></tr> <tr><td>2. Preferred creditors, securities, and priorities</td><td style="text-align: right;">0.00</td></tr> <tr><td>3. Unsecured creditors</td><td style="text-align: right;">9,335,031.50</td></tr> <tr><td>4. Contingent, trust claims or other liabilities estimated to be provable for</td><td style="text-align: right;">0.00</td></tr> <tr><td>Total liabilities</td><td style="text-align: right; border-top: 1px solid black;">12,422,035.50</td></tr> <tr><td>Surplus</td><td style="text-align: right; border-top: 1px solid black;">971,878.11</td></tr> </table>	1. Secured creditors	3,087,004.00	2. Preferred creditors, securities, and priorities	0.00	3. Unsecured creditors	9,335,031.50	4. Contingent, trust claims or other liabilities estimated to be provable for	0.00	Total liabilities	12,422,035.50	Surplus	971,878.11
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List of Assets

Arrange by Nature of asset and number consecutively

No.	Nature of asset ¹	Address/Location	Asset located outside Canada	Details	Percentage of bankrupt's/debtor's interest	Total value of the bankrupt's/debtor's interest	Estimated realizable value	Equity or Surplus	Placeholder (values on this line are for notification)
501	Other personal property	n/a	<input type="checkbox"/>	Other - Proceeds from the sale of Real Property held in trust with legal counsel vesting in the Trustee	100.00	11,450,156.39	11,450,156.39	8,363,152.39	<input type="checkbox"/>
1301	Accounts receivable	1515 Gordon Street, Suite 203, Guelph, ON, N1L 1C9	<input type="checkbox"/>	Debts Due - Business - \$7,540,749.88-RHH Rental Properties Ltd.	100.00	1.00	1.00	1.00	<input type="checkbox"/>
Total						11,450,157.39	11,450,157.39		

¹ Choose one option for each item: Cash on hand; Deposits in financial institutions; Accounts receivable and other receivables; Inventory; Trade fixtures, etc.; Livestock; Machinery and equipment; Residential rental property; Commercial building; Industrial building; Land; Immovable industrial equipment; Other real property; Furniture; Intangible assets (intellectual properties, licences, cryptocurrencies, digital tokens, etc.); Vehicles; Securities (shares, bonds, debentures, etc.); Bills of exchange, promissory note, etc.; Tax refunds; Other personal property.

DocuSigned by:

 CE30E432D7D4442
 Scott Reid

30-May-2025

 Date

List of Liabilities

No.	Name of creditor or claimant	Address	Nature of liability ²	Details	Date given/ incurred	Amount of Claim					Asset securing the liability	Ground for the right to a priority ³	Estimated surplus or (deficit) from security	Placeholder (values on this line are for notification only)
						Unsecured	Secured	Preferred/Priorities	Contingent, trust claims or other liabilities	Total amount of claim				
1	2034261 Ontario Inc	--	Accounts payable	Accounts Payable	30-May-2025	0.00	100,000.00	0.00	0.00	100,000.00	501		0.00	<input type="checkbox"/>
2	2228292 Ontario Inc	--	Accounts payable	Accounts Payable	30-May-2025	0.00	225,000.00	0.00	0.00	225,000.00	501		0.00	<input type="checkbox"/>
3	ADJ HOLDINGS INC.	2068 PIPER LANE London ON N5V 3N6	Bank Loans except real property mortgage	Loans	30-May-2025	0.00	1.00	0.00	0.00	1.00	501		8,363,152.39	<input type="checkbox"/>
4	Andrew Long, Kent McDonell, 2796068 Ontario Inc. and Level 3 Capital Managemnt Inc.	c/o Rousseau Mazzuca LLP 65 Queen St. West, Suite 1000 Toronto ON M5H 2M5	Accounts payable	Accounts payable		5,300,000.00	0.00	0.00	0.00	5,300,000.00			0.00	<input type="checkbox"/>
5	Angela MacDonell	--	Accounts payable	Accounts Payable	30-May-2025	0.00	200,000.00	0.00	0.00	200,000.00	501		0.00	<input type="checkbox"/>
6	Angelo and Elena Cremasco	--	Accounts payable	Accounts Payable	30-May-2025	0.00	100,000.00	0.00	0.00	100,000.00	501		0.00	<input type="checkbox"/>
7	Chad MacDonell	--	Accounts payable	Accounts Payable	30-May-2025	0.00	250,000.00	0.00	0.00	250,000.00	501		0.00	<input type="checkbox"/>
8	COMPUTE RSHARE TRUST COMPANY OF CANADA	C/O MCAP FINANCIAL LIMITED PARTNER SHIP 400-200 KING STREET WEST Toronto ON M5H 3T4	Accounts payable	Loans	30-May-2025	0.00	1.00	0.00	0.00	1.00	501		0.00	<input type="checkbox"/>
9	Cooper	--	Accounts payable	Accounts Payable		480.00	0.00	0.00	0.00	480.00			0.00	<input type="checkbox"/>
10	CRA - Tax - Ontario	Shawinigan-Sud National Verification and Collection Centre 4695 Shawinigan-Sud Blvd Shawinigan-Sud QC G9P 5H9	Corporate taxes	Taxes		1.00	0.00	0.00	0.00	1.00			0.00	<input type="checkbox"/>
11	Dan and Brenda Collins	--	Accounts payable	Accounts Payable	30-May-2025	0.00	300,000.00	0.00	0.00	300,000.00	501		0.00	<input type="checkbox"/>

DocuSigned by:

Scott Reid

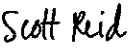
CE30E432D7D4442...
Scott Reid

30-May-2025

Date

List of Liabilities

No.	Name of creditor or claimant	Address	Nature of liability ²	Details	Date given/ incurred	Amount of Claim					Asset securing the liability	Ground for the right to a priority ³	Estimated surplus or (deficit) from security	Place-holder (values on this line are for notification only)
						Unsecured	Secured	Preferred/Priorities	Contingent, trust claims or other liabilities	Total amount of claim				
12	Development Engineering (London) Limited	41 Adelaide St N, U71 London ON N6B 3P4	Bank Loans except real property mortgage	Accounts Payable		810.78	0.00	0.00	0.00	810.78			0.00	<input type="checkbox"/>
13	DH Collins Holdings	-- --	Accounts payable	Accounts Payable	30-May-2025	0.00	100,000.00	0.00	0.00	100,000.00	501		0.00	<input type="checkbox"/>
14	Domus Inc	295 Weber Street North Suite 7 Waterloo ON N2J 3H8	Accounts payable	Accounts Payable		560,000.00	0.00	0.00	0.00	560,000.00			0.00	<input type="checkbox"/>
15	Gallagher Insurance	20 Erb St W, Suite 100 Waterloo ON N2L 1T2	Accounts payable	Accounts Payable		168,557.94	0.00	0.00	0.00	168,557.94			0.00	<input type="checkbox"/>
16	Gino Martinello	-- --	Accounts payable	Accounts Payable	30-May-2025	0.00	600,000.00	0.00	0.00	600,000.00	501		0.00	<input type="checkbox"/>
17	GLENGARRY FARM FINANCE CORPORATION	25 KING STREET WEST, SUITE 2800 Toronto ON M5L 2A1	Accounts payable	Loans	30-May-2025	0.00	1.00	0.00	0.00	1.00	501		0.00	<input type="checkbox"/>
18	Holman's Welding Limited	697 Railroad St Mount Brydges ON N0L 1W0	Accounts payable	Accounts Payable		1,695.00	0.00	0.00	0.00	1,695.00			0.00	<input type="checkbox"/>
19	Intralinks, Inc.	PO Box 392134 Pittsburgh PA 15251-9134 USA	Accounts payable	Accounts Payable		13,725.61	0.00	0.00	0.00	13,725.61			0.00	<input type="checkbox"/>
20	Julie and Jason Borghese	-- --	Accounts payable	Accounts Payable	30-May-2025	0.00	200,000.00	0.00	0.00	200,000.00	501		0.00	<input type="checkbox"/>
21	Kingsett Mortgage Corporation	Scotia Plaza, 40 King Street West Toronto ON M5H 3Y2	Shares and subscribed capital	Loans	30-May-2025	0.00	1.00	0.00	0.00	1.00	501		0.00	<input type="checkbox"/>

DocuSigned by:

 CE30E432D7D4442
 Scott Reid

30-May-2025
 Date

List of Liabilities

No.	Name of creditor or claimant	Address	Nature of liability ²	Details	Date given/ incurred	Amount of Claim					Asset securing the liability	Ground for the right to a priority ³	Estimated surplus or (deficit) from security	Place-holder (values on this line are for notification only)
						Unsecured	Secured	Preferred/Priorities	Contingent, trust claims or other liabilities	Total amount of claim				
22	KPMG LLP, T4348	120 Victoria St S, Suite 600 Kitchener ON N2G 0E1	Accounts payable	Accounts Payable		13,729.50	0.00	0.00	0.00	13,729.50			0.00	<input type="checkbox"/>
23	Marilyn MacDonell	-- --	Accounts payable	Accounts Payable	30-May-2025	0.00	230,000.00	0.00	0.00	230,000.00	501		0.00	<input type="checkbox"/>
24	Mamey Thompson	-- --	Accounts payable	Accounts Payable	30-May-2025	0.00	90,000.00	0.00	0.00	90,000.00	501		0.00	<input type="checkbox"/>
25	Melissa George	-- --	Accounts payable	Accounts Payable	30-May-2025	0.00	200,000.00	0.00	0.00	200,000.00	501		0.00	<input type="checkbox"/>
26	Michael Lok	-- --	Accounts payable	Accounts Payable	30-May-2025	0.00	292,000.00	0.00	0.00	292,000.00	501		0.00	<input type="checkbox"/>
27	Middlesex Paving & Maintenance	9919 Oxbox Drive, PO Box 2022 Komoka ON N0L 1R0	Accounts payable	Accounts Payable		7,627.50	0.00	0.00	0.00	7,627.50			0.00	<input type="checkbox"/>
28	Paolo Ferrante	-- --	Accounts payable	Accounts Payable	30-May-2025	0.00	100,000.00	0.00	0.00	100,000.00	501		0.00	<input type="checkbox"/>
29	RHH Rental Properties Ltd	1515 Gordon Street, Suite 203 Guelph ON N1L 1C9	Intercompany loans	Due to Related Parties		134,828.33	0.00	0.00	0.00	134,828.33			0.00	<input type="checkbox"/>
30	Robson Carpenter	99 Stanley St Ayr ON N0B 1E0	Accounts payable	Accounts Payable		56,473.59	0.00	0.00	0.00	56,473.59			0.00	<input type="checkbox"/>
31	Ro-Buck Contracting Limited	2326 Fanshawe Park Road E London ON N5X 4A2	Accounts payable	Accounts Payable		27,996.70	0.00	0.00	0.00	27,996.70			0.00	<input type="checkbox"/>
32	Services FLO Inc.	2800 rue Louis-Lumiere, bureau 100 Quebec QC G1P 0A4	Accounts payable	Accounts Payable		3,616.00	0.00	0.00	0.00	3,616.00			0.00	<input type="checkbox"/>
33	Sherri Korba	-- --	Accounts payable	Accounts Payable	30-May-2025	0.00	100,000.00	0.00	0.00	100,000.00	501		0.00	<input type="checkbox"/>
34	Sherwood Forest Square Ltd.	20 Wellington Street East, Suite 500 Toronto ON M5E	Intercompany loans	Due to Related Parties		3,044,659.00	0.00	0.00	0.00	3,044,659.00			0.00	<input type="checkbox"/>

DocuSigned by:

Scott Reid

CE30E432D7D442...
Scott Reid

30-May-2025

Date

List of Liabilities

No.	Name of creditor or claimant	Address	Nature of liability ²	Details	Date given/ incurred	Amount of Claim					Asset securing the liability	Ground for the right to a priority ³	Estimated surplus or (deficit) from security	Placeholder (values on this line are for notification only)
						Unsecured	Secured	Preferred/IP priorities	Contingent, trust claims or other liabilities	Total amount of claim				
35	Wyse Meter Solutions Inc	7077 Keele St, Suite 201 Concord ON L4K 0B6	Accounts payable	Accounts Payable		830.55	0.00	0.00	0.00	830.55			0.00	<input type="checkbox"/>
Total						9,335,031.50	3,087,004.00	0.00	0.00	12,422,035.50				

² Choose one option for each item: Accounts payable; Owed rent; Owed wages; Severance pay; Corporate taxes; Sales taxes; Employee source deductions; Litigation/legal costs and awards; Subordinated debenture; Bills of exchange; Promissory notes; Lien notes; Mortgages or hypothec on real or immovable property; Chattel mortgages or movable hypothec; General Security Agreement; Intercompany loans; Bank loans (except real property mortgage); Finance company loans; Shareholder loans; Shares and subscribed capital; Other claim or liability.

³ Choose one option for each item with a preferred or priority amount: Unpaid supplier; Farmer, fisherman or aquaculturist; Owed wages; Unpaid amount regarding pension plan; Municipal taxes; Rent; Customer of a bankrupt securities firm; Deemed trust in favour of the Crown; Priming charges and interim financing; Environmental liabilities; Other.

I, Scott Reid, of the City of Guelph in the Province of Ontario, do swear (or solemnly declare) that this statement and the attached lists are, to the best of my knowledge, a full, true and complete statement of the affairs of the Corporation on the 30th day of May 2025 and fully disclose all property of every description that is in my possession or that may devolve on me in accordance with the Act.

SWORN (or SOLEMNLY DECLARED) before me at the City of Toronto in the Province of Ontario, on this 30th day of May 2025.

DocuSigned by:

Scott Reid

CE30E432D7D4442

Scott Reid

T. Montesano

Tony Montesano, Commissioner of Oaths
For the Province of Ontario
Expires December 21, 2026

**Antonio Montesano, a Commissioner, etc.,
Province of Ontario, for BDO Canada LLP
and BDO Canada Limited, and
their subsidiaries, associates and affiliates.
Expires December 21, 2026.**

Court No.

File No.

In the Matter of the Bankruptcy of
SF Square GP Corp.
of the City of Guelph, in the Province of Ontario

Form 78 (8R22)
Statement of affairs (Business bankruptcy)

Trustee: Clark Lonergan

License: 3836

Email:

BDO Canada Limited / BDO Canada Limitée -
Licensed Insolvency Trustee
20 Wellington St E, Suite 500
Toronto ON M5E 1C5
Phone: (416) 865-0210 Fax: (416) 865-0904

APPENDIX "D"

Sherwood Forest Square Ltd. - Secured Creditors List	Amount
2152683 Ontario Ltd	\$ 1,000,000
2243530 Ontario Inc	50,000
2363134 Ontario Inc	100,000
2363134 Ontario Inc	630,000
2475677 Ontario Inc	2,000,000
2498130 Ontario Inc	150,000
2697515 Ontario Inc	250,000
2838238 Ontario Inc	100,000
534452 Ontario Inc	1,000,000
554498 Ontario Inc	3,000,000
Al and Mary MacKinnon	400,000
Aldo and Gabriella Martone	1,000,000
Alexander Kelly	20,000
Ben & Iva Direnzo	500,000
Bianca Spatola	75,000
Brandan Gill	125,000
Brent and Dorothy McGinnis	800,000
Brola Inc	435,000
Bruce & Cynthia Kropf	100,000
Calvin and Cheryl Dickinson	100,000
Canadian Imperial Bank of Commerce	1
Cherry Wood Forest Holdings	13,000,000
Chris Hajt	200,000
CJ Cooper	12,000
Claudio Daniels	100,000
Computershare Trust Company of Canada c/o MCAP Financial Limited Partnership	1
Darryl Bower	300,000
David and Brenda Long	665,000
David Wood	197,748
Emily Peters	250,000
Eryn and Derek Konkle	650,000
Franco Scorziello	100,000
Franco Venturato	220,000
George Dreer	600,000
Graham Kerr	100,000
Graham Kerr	250,000
Heath Day	200,000
Hermoine Kim	300,000
Jacqueline Cruickshank	100,000
Janet Mulholland	100,000
Jason Jackman	220,000
Jennifer Drewlo	50,000
Joanne Lachance	280,000
John & Amanda McGrath	300,000
Joy Peters	200,000

Sherwood Forest Square Ltd. - Secured Creditors List	Amount
Joy Peters 500k	500,000
Joy Shuster	100,000
Julie McDonell Real Estate	100,000
KBC Timber Holdings Inc	100,000
Keith Langlois	50,000
Kelly Wilton Medical	300,000
Kent McDonell	600,000
Kessab Investments	5,000,000
Kessab Investments - 2	250,000
Kingsett Mortgage Corporation	1
Level 3 Capital Management	1,550,000
Linda MacKillop	150,000
Lucia and Victor Olave	100,000
Luzi & Maggiolo	100,000
Mario Direnzo	500,000
Marsh Construction	200,000
Melissa Direnzo	350,000
Michael & Ladonna Ireland	300,000
Michelangelo Maserollo	100,000
Mike Rafter	250,000
Nikolina Islic and Chad Hayden	100,000
Paul and Linda Brydges	130,000
Raelynn Kelly	20,000
RKSPM Investments Inc	1,000,000
Rob Grimer	300,000
Rob McMillan	100,000
Rob Price	200,000
Robert Cianci	100,000
Robert Kerr	100,000
Roussel Holdings	300,000
Ryan Gill	125,000
Sandra Fulton	200,000
Sandra Kerr	300,000
Sonia Direnzo	390,000
Steve Sarmazian	200,000
William Hajt	207,688
TOTAL	\$ 44,602,439

APPENDIX "E"

RHH Rental Properties Ltd Transactions by Account

All Transactions

SF Square LP - Secured Creditors List	Amount
2034261 Ontario Inc	100,000.00
2228292 Ontario Inc	225,000.00
Angela MacDonell	200,000.00
Angelo and Elena Cremasco	100,000.00
Chad MacDonell	250,000.00
Dan and Brenda Collins	300,000.00
DH Collins Holdings	100,000.00
Gino Martinello	600,000.00
Julie and Jason Borghese	200,000.00
Marilyn MacDonell	230,000.00
Marney Thompson	90,000.00
Melissa George	200,000.00
Michael Lok	292,000.00
Paolo Ferrante	100,000.00
Sherri Korba	100,000.00
<hr/> TOTAL	<hr/> \$ 3,087,000.00

APPENDIX "F"

6/22/2025 1:01:04 PM

Ben Cameron (+15196714816)

Scott

I feel so bad that you have those BDO guys all up in your business today. I suspect they are cold fish to deal with.

Come on line. We all know the darkness in front of us if the line doesn't come through so if there ever was a time to keep the faith it's right now.

6/20/2025 10:33:54 AM

Ben Cameron (+15196714816)

Scott

Are you around for a call.

6/20/2025 10:36:18 AM

Hi Ben, I'm in the meeting of creditors for Sherwood Forest here in a few minutes and so it won't probably be till afternoon before I can call you as far as the funding goes. It still seems promising, but I don't have a specific date yet.

6/20/2025 10:40:01 AM

Ben Cameron (+15196714816)

Tough meeting. Please call this afternoon I would love to have a chat.

APPENDIX "G"



From: Scott Reid <scott@reidsproperties.com>

Sent: June 22, 2025 8:42 PM

To: Lonergan, Clark <clonergan@bdo.ca>; Melissa MacGregor <mmacgregor@reidsproperties.com>;
Todd Neill <tneill@reidsproperties.com>

Subject: [EXT] Fw: Sherwood Forest Square Ltd.

Get [Outlook for iOS](#)

From: ben cameron <bencameron@rogers.com>

Sent: Sunday, June 22, 2025 8:34:52 PM

To: Scott Reid <scott@reidsproperties.com>

Subject: Re: Sherwood Forest Square Ltd.

I picked up the letter of credit and drove it directly to CIBC and delivered it to the cIBC office. I handed it to the lady that let me in the building and told her to give it to Brandon and she said she would give it to Brandon. They have the letter. See attached text message between Melissa and myself on Dec. 4th.

Get [Outlook for iOS](#)

From: Scott Reid <scott@reidsproperties.com>
Sent: Sunday, June 22, 2025 8:05:08 PM
To: Ben Cameron <bencameron@rogers.com>
Subject: Fw: Sherwood Forest Square Ltd.

See below thanks. Need this dealt with asap

Get [Outlook for iOS](#)

From: Lonergan, Clark <clonergan@bdo.ca>
Sent: Sunday, June 22, 2025 7:42:41 PM
To: Scott Reid <scott@reidsproperties.com>; Melissa MacGregor <mmacgregor@reidsproperties.com>
Cc: Fritz, John <jfritz@bdo.ca>
Subject: FW: Sherwood Forest Square Ltd.

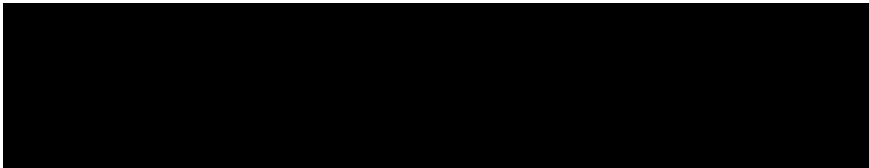
Scott can some one call Ben Cameron and asked what happened to the original letter of credit that he picked up from the City of London? It needs to get back to CIBC to collapse the GIC being held.

Thx
Clark

Clark Lonergan (He/Him), CPA, CA, CIRP, LIT
Partner/Senior Vice President, Business Restructuring & Turnaround Services
Financial Advisory Services
BDO Canada Limited, Toronto Centre FRS
Direct: 647 730 0934
Mobile: 416 844 0843
Clonergan@bdo.ca

20 Wellington E
Suite 500
Toronto, Ontario M5E 1C5
Canada
Tel: 416 865 0210
Fax: 416 865 0904
www.bdo.ca

[SIGN UP FOR OUR NEWSLETTER](#)



 Before you print think about the environment

From: Fritz, John <jfritz@bdo.ca>

Sent: June 9, 2025 5:34 PM
To: aserrano@london.ca
Cc: Lonergan, Clark <clonergan@bdo.ca>
Subject: FW: Sherwood Forest Square Ltd.

Ania,

Further to my email below, the Receiver has been advised by CIBC that they do not have any record of receiving via courier the original copy of the letter of credit with the attached cancellation letter. In addition to confirming the status of Letter of Credit # SGBT113176 (outlined below). Would you please advise as to the following regarding Letter of Credit # SGBT109070:

1. Was this Letter of Credit couriered to CIBC on or about November 15, 2024 and, if so, can you provide any tracking details; or
2. If the original Letter of Credit was not couriered to CIBC, the status of same (i.e. is this still in the City of London's possession).

Please advise at your earliest convenience,

John R. Fritz, LIT
Vice-President
BDO Canada Limited
Direct: (204)282-9716
jfritz@bdo.ca

201 Portage Avenue, 26th Floor
Winnipeg, MB R3B 3K6
Tel: (204)956-7200
Fax: (833)888-1678
www.bdo.ca

From: Fritz, John
Sent: June 6, 2025 6:28 PM
To: aserrano@london.ca
Cc: Lonergan, Clark <clonergan@bdo.ca>
Subject: Sherwood Forest Square Ltd.

Ania,

BDO Canada Limited was appointed by the Ontario Superior Court of Justice as receiver and manager (the "Receiver") of the assets, undertakings, and properties of Sherwood Forest Square Ltd. ("SFSL") on May 20, 2025 (the "Receivership Order"). The Receivership Order, and other publicly available information, can be accessed from the Receiver's website for the proceedings at: [Sherwood Forest Square Ltd. | BDO Canada](#).

The Receiver has been provided the attached correspondence between the City of London and CIBC regarding the 2nd and final security release pursuant to Letter of Credit # SGBT109070 held in relation to the 164 Sherwood Forest Square development agreement with SFSL.

The Receiver was made aware that the City of London holds an additional Letter of Credit # SGBT113176 for \$50,000. At your earliest convenience, would you please advise as to the status of this remaining Letter of Credit and what, if anything, remains outstanding prior to the City of London's

release of same.

Should a discussion be helpful, please do not hesitate to contact the undersigned (204)282-9716.

Regards,

John R. Fritz, LIT
Vice-President
BDO Canada Limited
Direct: (204)282-9716
jfritz@bdo.ca

201 Portage Avenue, 26th Floor
Winnipeg, MB R3B 3K6
Tel: (204)956-7200
Fax: (833)888-1678
www.bdo.ca

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BDO est la marque utilisée pour désigner le réseau BDO et chacune de ses sociétés membres.

APPENDIX "H"

From: Crawley, Peter <pcrawley@bdo.ca>
Sent: Monday, January 12, 2026 5:09:00 p.m.
To: bencameron@rogers.com <bencameron@rogers.com>
Cc: Lonergan, Clark <clonergan@bdo.ca>
Subject: FW: [EXT] Sherwood Forest Square

Good afternoon Ben,

We're writing to respond to your email below.

As court appointed receiver of Sherwood Forest Square Ltd. ("SFSL") and trustee of the bankrupt estate of SF Square GP/LP ("Square"), we will contact parties for information as and when the need arises based on our review of the financial information of the respective insolvent estates. In our capacity as trustee of Square we have been working with and reporting to the inspectors on various matters and your name has not come up (yet).

However, if you have information that you feel we should be aware of as it relates to the identification and location of estate assets and reviewable transactions, you are welcome to submit same to us for evaluation at any time.

Notwithstanding we have not yet spoken or asked for any information from you, we understand that you have been kept apprised of the developments since the outset of these proceedings until at least July 2025, as per emails and text messages between yourself, Scott Reid, company counsel, and others.

With respect to the concerns about changes to the corporate profiles of SFSL and Square on the eve of insolvency, we think your complaints would be more aptly directed to William Thomson and Robson Carpenter LLP rather than BDO and the OSB. However, you may do whatever you feel is appropriate under the circumstances.

- The receivership was commenced by Kessab et al. and the Court issued the Order appointing BDO as receiver.
- SFSL is the controlling shareholder of Square and therefore has the ability to control the board of directors.
- As receiver of SFSL, BDO has de facto control of the Board and could have compelled Square into bankruptcy as the parties agreed that bankruptcy was the appropriate course of action to take given that the BIA provides the forum within which to adjudicate competing claims. However, Scott Reid voluntarily assigned Square into bankruptcy.

Also, our review of the financial statements of SF Square LP indicates that there is an amount due from you that is recorded in Employee Advances and totals \$173,875, comprised as follows:

- Mar 6, 2023 \$25,000.00
- Jun 8, 2023 \$25,425.00
- Oct 16, 2023 \$73,450.00
- Jan 9, 2025 \$50,000.00

A copy of the GL with amounts highlighted is attached for reference.

We ask that you (and/or Futurelands) kindly remit payment of \$173,875 to “BDO Canada Limited re SF Square LP” at your earliest convenience.

If you wish to set up a meeting to speak with us, we will make ourselves available.

Regards

Peter Crawley, MBA, CA, CPA, CIRP, LIT
Vice President, Business Restructuring & Turnaround Services
BDO CANADA LIMITED
Financial Advisory Services
Direct: 289.678.0243

From: ben cameron <bencameron@rogers.com>

Sent: December 11, 2025 1:48 PM

To: Lonergan, Clark <clonergan@bdo.ca>

Cc: Crawley, Peter <pcrawley@bdo.ca>

Subject: [EXT] Sherwood Forest Square

You don't often get email from bencameron@rogers.com. [Learn why this is important](#)

Good Afternoon Mr. Lonergan,

My name is Ben Cameron, and I previously served as President of Sherwood Forest Square Ltd. and SF Square Corp. I am reaching out because I am surprised that I have not been contacted for information regarding developments within these companies, particularly concerning the activities of Mr. Neill and Mr. Reid. As you are aware

One of the last communications I had with Mr. Reid was on April 26, when I joined a call and was unexpectedly met by a team of lawyers who informed me that BDO would be taking over all of the projects in which I was involved. Several weeks later, I learned—through a media article regarding Mr. Reid’s international financial dealings—that SF Square GP Corp. had entered bankruptcy. This was the first I had heard of it, which was both unexpected and deeply concerning.

Having now reviewed the corporate profiles for the Sherwood Forest/SF entities, I noted that Robson Carpenter updated the filings on April 29, just four days after being served. Are you aware of what changes were made, and have you contacted William Thompson to clarify the

updates? Given the circumstances, I am considering contacting the OSB to ensure there is proper oversight into what has transpired. It appears that many individuals had insight into these matters, yet I did not, despite my role. At no point did I receive as much as a phone call from BDO regarding how the closing was taking place with Brookfield and the subsequent bankruptcy filing by SFS Square and affiliate companies.

I had my entire life turned upside down from which I will likely never recover, but at the same time I would have been willing and able to assist early on, and I feel genuinely troubled for the families who have been harmed and for those who were unfairly blamed by Scott. I remain available to provide any information that may be useful. Ultimately, I would like to have a clear picture of how all of this took place so that I can finally understand how all these companies moved through the system without any contact with myself?

I am here to help if you have any questions with respect to some insight I can provide.

Regards,
Ben Cameron

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SF Square LP
 Transactions by Account
 As of 31 December 2025

Type	Date	Num	Adj	Name	Memo	Class	Clr	Split	Debit	Credit	Balance
12800 · Employee Advances											0.00
General Journal	2023-02-28	2023-...		-MULTIPLE-				4100 · Rental ...	442,770.60		442,770.60
General Journal	2023-02-28	2023-...		-MULTIPLE-				4100 · Rental ...		68,908.60	373,862.00
General Journal	2023-03-06	2023-...			Baggataway Loan - B Cameron Holdback			24800 · Tena...	25,000.00		398,862.00
General Journal	2023-03-17	Kings...						2820 · Kingse...	1,000,000.00		1,398,862.00
Deposit	2023-03-23							1100 · CIBC B...		373,862.00	1,025,000.00
General Journal	2023-03-31	2023-...		Building A				4100 · Rental ...	351,526.33		1,376,526.33
Cheque	2023-04-01	20230...		Kingsett				1100 · CIBC B...		125,000.00	1,251,526.33
Deposit	2023-04-24				Deposit			1100 · CIBC B...		351,526.33	900,000.00
General Journal	2023-04-30	2023-...		-MULTIPLE-				4100 · Rental ...	468,626.11		1,368,626.11
General Journal	2023-04-30	2023-...		-MULTIPLE-				4100 · Rental ...		29,921.26	1,338,704.85
Cheque	2023-05-01	20230...		Kingsett				1100 · CIBC B...		125,000.00	1,213,704.85
Deposit	2023-05-25				Deposit			1100 · CIBC B...		438,704.85	775,000.00
Cheque	2023-06-01	20230...		Kingsett				1100 · CIBC B...		125,000.00	650,000.00
Cheque	2023-06-08	20230...		KPMG LLP, T...	BEN CAMERON			1100 · CIBC B...	25,425.00		675,425.00
Cheque	2023-07-04	20230...		Kingsett				1100 · CIBC B...		125,000.00	550,425.00
Cheque	2023-08-01	20230...		Kingsett				1100 · CIBC B...		125,000.00	425,425.00
Cheque	2023-09-01	20230...		Kingsett				1100 · CIBC B...		125,000.00	300,425.00
Cheque	2023-10-01	20231...		Kingsett				1100 · CIBC B...		125,000.00	175,425.00
Cheque	2023-10-16	20231...		KPMG LLP, T...	BEN CAMERON/FUTURELANDS			1100 · CIBC B...	73,450.00		248,875.00
Cheque	2023-11-01	20231...		Kingsett				1100 · CIBC B...		125,000.00	123,875.00
Cheque	2024-12-09	20241...		Glengarry Far...				1100 · CIBC B...	25,000.00		148,875.00
Deposit	2025-01-08				Glengarry Farms			1100 · CIBC B...		25,000.00	123,875.00
Cheque	2025-01-09	20250...		Ben CAmeron				1100 · CIBC B...	50,000.00		173,875.00
Total 12800 · Employee Advances									2,461,798.04	2,287,923.04	173,875.00
TOTAL									2,461,798.04	2,287,923.04	173,875.00

IN THE MATTER OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED

AND IN THE MATTER OF THE BANKRUPTCY OF SF
SQUARE GP CORP OF THE CITY
OF GUELPH, IN THE PROVINCE OF ONTARIO

Bankruptcy Court File No. BK-25-03230607-0035
Estate No. 35-3230607

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

Proceedings commenced at *Toronto*

**REPLY MOTION RECORD OF THE
TRUSTEE IN BANKRUPTCY**

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