

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

MONEY GATE MORTGAGE INVESTMENT CORPORATION

Plaintiff

and

2546456 ONTARIO INC.

Defendant

Application pursuant to s.243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended and s.101 of the *Courts of Justice Act*, R.S.O. 1990, c.C.43, as amended

APPLICATION RECORD

July 9, 2018

STEINBERG TITLE HOPE & ISRAEL LLP

Barristers & Solicitors

5255 Yonge Street, Suite 1100

Toronto, Ontario

M2N 6P4

David A. Brooker (35787W)

Tel: 416-225-2777

Fax: 416-225-7112

Lawyers for the Applicant

TO: **2546456 ONTARIO INC.**

1 Emerald Lane

Thornhill, Ontario

L4J 8N2

Respondent

INDEX

Tab	Page No.
1. Notice of Application.....	1
2. Affidavit of Morteza Katebian sworn July 4, 2018	26
<u>Exhibits</u>	
A. Corporation Profile Report of Money Gate Mortgage Investment Corporation.....	30
B. Charge/Mortgage bearing Instrument No. AT4588484.....	36
C. Set of Standard Charge Terms 200433	39
D. Commitment dated May 26, 2017	44
E. Acknowledgment and Direction	55
F. Bank Receipt.....	58
G. Corporation Profile Report of 2546456 Ontario Inc.....	60
H. Point in Time Corporation Profile Report of 2546456 Ontario Inc.	66
I. Letter from D. Brooker dated June 18, 2018 with enclosures	72
J. Parcel Register for 558 Dovercourt Road, Toronto	78
K. Charge/Mortgage bearing Instrument No. AT4527566.....	82
3. Consent of Ira Smith Trustee and Receiver Inc.	88
4. Draft Order	90
5. Draft Order with Blackline	106

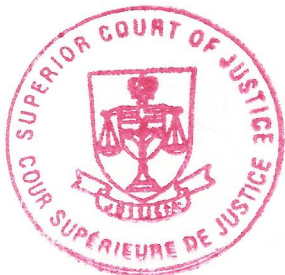
TAB 1

Court File No. CV-18-601199-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

(Court Seal)



MONEY GATE MORTGAGE INVESTMENT CORPORATION

Plaintiff

and

2546456 ONTARIO INC.

Defendant

Application pursuant to s.243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended and s.101 of the *Courts of Justice Act*, R.S.O. 1990, c.C.43, as amended

NOTICE OF APPLICATION

TO THE RESPONDENT(S)

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

THIS APPLICATION will come on for a hearing on July 10/18, at 9:30am, before a judge presiding over the Commercial List at 330 University Avenue, 7th Floor, Toronto ON M5G 1R7.

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

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the Applicant's lawyer or, where the Applicant does not have a lawyer,

serve it on the Applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least four days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date July 9th 2018 Issued by Ray Williams
Local Registrar

Address of court office: **Ray Williams, Registrar**
Superior Court of Justice
330 University Avenue, 7th Floor
Toronto ON M5G 1R7

TO: Service List - attached

Money Gate Mortgage Investment Corporation v. 2546456 Ontario Inc.**SERVICE LIST**

TO: 2546456 Ontario Inc.
1 Emerald Lane
Suite #409
Thornhill, Ontario
L4J 8N2

Respondent

AND
TO: Rouzbeh Behrouz
1 Emerald Lane
Suite #409
Thornhill, Ontario
L4J 8N2
rbbehrouz@icloud.com

AND **DEPARTMENT OF JUSTICE**
TO: The Exchange Tower
130 King Street West
Suite 3400, P.O. Box 36
Toronto, ON M5X 1K6

Diane Winters
diane.winters@justice.gc.ca
Tel: (416) 973-3172
Fax: (416) 973-0810

Lawyers for Canada Revenue Agency

AND
TO: B & M Handelman Investments Limited
c/o C & K Mortgage Services Inc.
1670 Bayview Avenue
Suite 400
Toronto, Ontario
M4G 3C2

-4-

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

AND Yerusha Investments Inc.
TO: c/o C & K Mortgage Services Inc.
1670 Bayview Avenue
Suite 400
Toronto, Ontario
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AND Bamburgh Holdings Ltd.
TO: c/o C & K Mortgage Services Inc.
1670 Bayview Avenue
Suite 400
Toronto, Ontario
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AND Ronald Pollock
TO: c/o C & K Mortgage Services Inc.
1670 Bayview Avenue
Suite 400
Toronto, Ontario
M4G 3C2

AND Judy Pollock
TO: c/o C & K Mortgage Services Inc.
1670 Bayview Avenue
Suite 400
Toronto, Ontario
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-5-

AND Candid Opinion Ltd.
TO: c/o C & K Mortgage Services Inc.
1670 Bayview Avenue
Suite 400
Toronto, Ontario
M4G 3C2

AND Sabo Properties Limited
TO: c/o C & K Mortgage Services Inc.
1670 Bayview Avenue
Suite 400
Toronto, Ontario
M4G 3C2

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

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

AND Nancy Pollak
TO: c/o C & K Mortgage Services Inc.
1670 Bayview Avenue
Suite 400
Toronto, Ontario
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AND Mendel Rubinoff
TO: c/o C & K Mortgage Services Inc.
1670 Bayview Avenue
Suite 400
Toronto, Ontario
M4G 3C2

-6-

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

AND The Bank Of Nova Scotia Trust Company
TO: 130 King Street West
20th Floor
Toronto, Ontario
M5K 1X1

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

AND 1031436 Ontario Inc.
TO: c/o C & K Mortgage Services Inc.
1670 Bayview Avenue
Suite 400
Toronto, Ontario
M4G 3C2

APPLICATION

1. The Applicant makes application for:
 - (a) if necessary, an order abridging the time for service and filing of this Notice of Application and the Application Record;
 - (b) an order validating service of the Notice of Application and the Application Record;
 - (c) an order substantially in the form attached as Schedule A appointing Ira Smith Trustee & Receiver Inc. as receiver of the property municipally known as 558 Dovercourt Road, Toronto, Ontario (the “**Property**”);
 - (d) the costs of this proceeding, plus all applicable taxes; and
 - (e) such further and other Relief as to this Honourable Court may deem just.

2. The grounds for the application are:
 - (a) The Property is a three-unit residential rental building located in Toronto which is currently tenanted.
 - (b) The Applicant has an interest in the Property by way of a mortgage loan in the amount of \$611,000.00 which was advanced to the Respondent and secured by a second mortgage on the Property.
 - (c) The mortgage was for interest only and no payments were ever made under it.
 - (d) The mortgage matured on June 5, 2018 and has not been paid.

- (e) The Applicant has made a formal demand for payment by the Respondent and delivered a Notice of Intention to Enforce Security pursuant to s.244 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended (the “BIA”).
 - (f) It is just and convenient to appoint a receiver to take possession and control of the Property.
 - (g) S.244 of the BIA, s.101 of the *Courts of Justice Act*, R.S.O. 1990, c.C.43, as amended, Rules 3.02(1), 14.05(3)(d), (e), (f), (g) and (h) of the *Rules of Civil Procedure*; and
 - (h) Such further and other grounds as the lawyers may advise.
3. The following documentary evidence will be used at the hearing of the application:
- (a) Affidavit of Morteza Katebian to be sworn with exhibits thereto;
 - (b) Consent of Ira Smith Trustee & Receiver Inc. to act as receiver; and
 - (c) Such further and other evidence as the lawyers may advise and this Honourable Court may permit.

(Date of issue)

STEINBERG TITLE HOPE & ISRAEL LLP
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Toronto, Ontario
M2N 6P4

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

Lawyers for the Applicant

SCHEDULE A

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE)
 JUSTICE)
)
)
)

, THE
 DAY OF, 20

B E T W E E N:

MONEY GATE MORTGAGE INVESTMENT CORPORATION

Applicant

and

2546456 ONTARIO INC.

Respondent

Application pursuant to s.243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended and s.101 of the *Courts of Justice Act*, R.S.O. 1990, c.C.43, as amended

ORDER
(appointing Receiver)

THIS APPLICATION brought by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing Ira Smith Trustee & Receiver Inc. as receiver (the "Receiver") without security, over the lands and premises registered in the name of the Respondent, 2546456 Ontario Inc. (the "Debtor") municipally known as 558 Dovercourt Road, Toronto, Ontario and having the legal description as set out in Schedule "A" hereto (the "Real Property") including and all proceeds therefrom was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Morteza Katebian sworn July , 2018 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant, no one from the service list appearing although duly served as appears from the affidavit of service of , and on reading the consent of Ira Smith Trustee & Receiver Inc. to act as the Receiver,

SERVICE

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

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, Ira Smith Trustee & Receiver Inc. is hereby appointed Receiver, without security, of the Real Property and all proceeds therefrom (together with the Real Property, the "Property").

RECEIVER'S POWERS

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

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

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

- (i) without the approval of this Court in respect of any transaction not exceeding \$50,000.00, provided that the aggregate consideration for all such transactions does not exceed \$250,000.00; and
- (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

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

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and

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

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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

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

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy

any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

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

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

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

RECEIVER TO HOLD FUNDS

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

EMPLOYEES

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

PIPEDA

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

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

LIMITATION ON THE RECEIVER'S LIABILITY

16. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the

Wage Earner Protection Program Act. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

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

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

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

FUNDING OF THE RECEIVERSHIP

20. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$250,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but

subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

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

24. THIS COURT ORDERS that notwithstanding paragraphs 20 to 23 inclusive, and as an alternate thereto, the Receiver is hereby authorized to borrow money and to fund the exercise of its powers and duties hereunder by way of advances from the Applicant, which advances shall be secured by the Applicant's security on the Property, with the same priority that may attach to such security.

SERVICE AND NOTICE

THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL http://www.irasmithinc.com/case_studies/558Dovercourt.

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

GENERAL

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

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

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

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

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

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

SCHEDULE "A"**LEGAL DESCRIPTION OF REAL PROPERTY**

PIN 21281 -0074 LT

PT LT 24 PL D262 TORONTO AS IN CA474878; CITY OF TORONTO

MUNICIPALLY KNOWN AS 558 DOVERCOURT RD, TORONTO

SCHEDULE "B"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that Ira Smith Trustee & Receiver Inc., the receiver (the "Receiver") of the Property of the Debtor, as such terms are defined in the Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the ___ day of _____, 20__ (the "Order") made in an action having Court file number __-CL-_____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$_____, being part of the total principal sum of \$_____ which the Receiver is authorized to borrow under and pursuant to the Order.

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

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

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

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

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

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

DATED the ____ day of _____, 20__.

Ira Smith Trustee & Receiver Inc., solely in its
capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

MONEY GATE MORTGAGE INVESTMENT CORPORATION -and-
Applicant

2546456 ONTARIO INC.
Respondent

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT
TORONTO

ORDER

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

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

Lawyers for the Applicant

RCP-E 4C (May 1, 2016)

MONEY GATE MORTGAGE INVESTMENT CORPORATION
Applicant

-and-

2546456 ONTARIO INC.
Respondent

Court File No. *CV-18-601199-00CL*

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT
TORONTO

NOTICE OF APPLICATION

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

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

Lawyers for the Applicant

RCP-E 4C (May 1, 2016)

TAB 2

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

MONEY GATE MORTGAGE INVESTMENT CORPORATION

Applicant

and

2546456 ONTARIO INC.

Respondent

Application pursuant to s.243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended and s.101 of the *Courts of Justice Act*, R.S.O. 1990, c.C.43, as amended

AFFIDAVIT OF MORTEZA KATEBIAN SWORN JULY 4, 2018

I, Morteza Katebian, of the City of Markham, in the Regional Municipality of York,
MAKE OATH AND SAY:

1. I am the President and a director of the Applicant herein, Money Gate Mortgage Investment Corp. ("**Money Gate MIC**"), which is a mortgage investment corporation carrying on business in Ontario and, as such, have knowledge of the matters contained in this affidavit; attached and marked as **Exhibit "A"** is a true copy of the Corporation Profile Report for the Applicant.

2. I am swearing the within affidavit in support of an application to appoint Ira Smith Trustee & Receiver Inc. as receiver of the property municipally known as 558 Dovercourt Road, Toronto (the "**Property**"). The Property is a three-unit residential rental building which is currently occupied by tenants.

Background

3. The Respondent 2546456 Ontario Inc. is the title holder of the Property and granted security to the Applicant by way of a mortgage registered on title on June 5, 2017 in the amount of \$611,000.00 with interest payable at the rate of 12% per annum (the “**Mortgage**”); attached and marked as **Exhibit “B”** is a true copy of the said mortgage, which matured on June 5, 2018.
4. Rouzbeh Behrouz, a director and officer of the Applicant, is guarantor of the Mortgage.
5. The Mortgage incorporates by referenced Standard Charge Terms number 200433 and attached and marked as **Exhibit “C”** is a true copy of the said Standard Charge Terms.
6. Prior to entering into the Mortgage the Respondent executed a Commitment which was signed on its own behalf and on behalf of the guarantor Behrouz and attached and marked as **Exhibit “D”** is a true copy of the said Commitment.
7. I further attach and mark as **Exhibit “E”** a true copy of the Acknowledgment and Direction signed on behalf of the Respondent and the guarantor to its lawyer, given to its lawyer Sandeep Chahal of Mentis Law.
8. I further attach and mark as **Exhibit “F”** a true copy of the bank receipt for the transfer of the amount of \$611,000.00 made from the Applicant to Mentis Law, which was the original advance made under the Mortgage.
9. At the time the Mortgage was granted my son, Payam Katebian (“**Payam**”), who is an officer and director of the Applicant (as evidenced in the corporate profile search above) was a shareholder of the Respondent; he currently remains a shareholder. Although Payam was not an

officer or director of the Respondent at the time that the Mortgage was granted, he had been one prior to that time and since, but is not an officer or director of it currently. I attach and mark as **Exhibit “G”** a true copy of a current Corporation Profile Report for the Respondent, and as **Exhibit “H”** a true copy of the point in time Corporate Profile Report for it as June 5, 2017, being the date of registration of the Mortgage.

10. The Mortgage was not paid on maturity, and on June 18, 2018 the Applicant issued a formal demand for repayment to the Respondent together with a Notice of Intention to Enforce Security pursuant to s.244 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3; copies of the demand letter and Notice of Intention are attached and marked as **Exhibit “I”** to this my affidavit. No response was received to the formal demand.

Other Secured Creditors

11. Attached and marked as **Exhibit “J”** is a true copy of a recent parcel register for the Property. A review of same lists the mortgage granted to the Applicant as a second mortgage with a first mortgage being granted to a group of syndicated lenders which is managed by, and whose service is in care of, C & K Mortgage Services Inc. (“C & K”) (the “C & K Mortgage”); attached and marked as **Exhibit “K”** is a true copy of the C & K Mortgage. There are no other charges on the Property.

Reasons for Appointment of Receiver

12. As indicated above, at the time the original mortgage was granted, Payam, who is an officer and director of the Applicant lender, and my son, was a shareholder of the Respondent and remains one today, although the loan was made in accordance with Offering Memorandum that

had been issued by the Applicant. Accordingly, in order to avoid any allegations of conflict of interest, to ensure that a realization of the Property is carried out in a manner that is open and transparent, I believe that it would be in the best interest of all interested parties, being the Respondent, the guarantor Behrouz, the Applicant (including its shareholders whose investment were used to fund the Mortgage) and the C & K Mortgagees to have a receiver appointed.

13. Ira Smith Trustee & Receiver Inc. has consented to act as receiver and its consent forms part of the within Application Record.

14. I swear the within affidavit for the sole purpose of appointing a receiver as set out in the draft order attached to the Notice of Application herein and for no other improper purpose.

SWORN BEFORE ME at the City of
Toronto, in the Province of Ontario on July 4,
2018



Commissioner for Taking Affidavits
(or as may be)

DAVID A. BROOKER



MORTEZA KATEBIAN

RCP-E 4D (July 1, 2007)

This is Exhibit "A" referred to in the Affidavit of Morteza Katebian
sworn July 4, 2018



Commissioner for Taking Affidavits (or as may be)

DAVID A. BROOKER

Request ID: 021840903
 Transaction ID: 68574839
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2018/07/03
 Time Report Produced: 16 29 29
 Page: 1

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
2417420	MONEY GATE MORTGAGE INVESTMENT CORPORATION	2014/05/05
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address		Date Amalgamated
		NOT APPLICABLE
122 KIRK DRIVE		New Amal. Number
		NOT APPLICABLE
THORNHILL		Notice Date
ONTARIO		NOT APPLICABLE
CANADA L3T 3L4		Letter Date
Mailing Address		NOT APPLICABLE
		Revival Date
122 KIRK DRIVE		NOT APPLICABLE
		Continuation Date
THORNHILL		NOT APPLICABLE
ONTARIO		Transferred Out Date
CANADA L3T 3L4		NOT APPLICABLE
		Cancel/Inactive Date
		NOT APPLICABLE
		EP Licence Eff.Date
		NOT APPLICABLE
		EP Licence Term.Date
		NOT APPLICABLE
	Number of Directors	Date Commenced
	Minimum	in Ontario
	Maximum	
	0001	00010
Activity Classification		Date Ceased
NOT AVAILABLE		in Ontario
		NOT APPLICABLE

Request ID: 021840903
 Transaction ID: 68574839
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2018/07/03
 Time Report Produced: 16:29:29
 Page: 2

CORPORATION PROFILE REPORT

Ontario Corp Number

2417420

Corporation Name

MONEY GATE MORTGAGE INVESTMENT CORPORATION

Corporate Name History

MONEY GATE MORTGAGE INVESTMENT CORPORATION

Effective Date

2014/05/05

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

Administrator: Name (Individual / Corporation)

PAYAM
 KATEBIAN

Address

1 EMERALD LANE
 Suite # 409
 THORNHILL
 ONTARIO
 CANADA L4J 8N2

Date Began

2014/05/05

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Request ID: 021840903
 Transaction ID: 68574839
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2018/07/03
 Time Report Produced: 16:29:29
 Page: 3

CORPORATION PROFILE REPORT

Ontario Corp Number

2417420

Corporation Name

MONEY GATE MORTGAGE INVESTMENT CORPORATION

Administrator: Name (Individual / Corporation)

PAYAM
 KATEBIAN

Address

1 EMERALD LANE
 Suite # 409
 THORNHILL
 ONTARIO
 CANADA L4J 8N2

Date Began

2014/05/05

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

SECRETARY

Resident Canadian

Y

Administrator: Name (Individual / Corporation)

MORTEZA
 KATEBIAN

Address

122 KIRK DR
 MARKHAM
 ONTARIO
 CANADA L3T 3L4

Date Began

2014/05/05

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Request ID: 021840903
 Transaction ID: 68574839
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2018/07/03
 Time Report Produced: 16:29:29
 Page: 4

CORPORATION PROFILE REPORT

Ontario Corp Number

2417420

Corporation Name

MONEY GATE MORTGAGE INVESTMENT CORPORATION

Administrator:

Name (Individual / Corporation)

MORTEZA
 KATEBIAN

Address

122 KIRK DR

 MARKHAM
 ONTARIO
 CANADA L3T 3L4

Date Began

2014/05/05

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

PRESIDENT

Resident Canadian

Y

Administrator:

Name (Individual / Corporation)

PAYAM
 KATEBIAN

Address

1 EMERALD LANE

 Suite # 409
 THORNHILL
 ONTARIO
 CANADA L4J 8N2

Date Began

2016/05/04

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

TREASURER

Resident Canadian

Y

Request ID: 021840903
Transaction ID: 68574839
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2018/07/03
Time Report Produced: 16:29:29
Page: 5

CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

2417420

MONEY GATE MORTGAGE INVESTMENT CORPORATION

Last Document Recorded

Act/Code	Description	Form	Date
CIA	CHANGE NOTICE	1	2016/09/08 (ELECTRONIC FILING)

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

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this report in electronic form is authorized by the Director of Companies and Personal Property Security Branch.

This is Exhibit "B" referred to in the Affidavit of Morteza Katebian
sworn July 4, 2018



Commissioner for Taking Affidavits (or as may be)

DAVID A. BROOKER

LRO # 80 Charge/Mortgage

Registered as AT4588484 on 2017 06 05 at 11:25

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

yyyy mm dd Page 1 of 2

Properties

PIN 21281 - 0074 LT *Interest/Estate* Fee Simple
Description PT LT 24 PL D262 TORONTO AS IN CA474878; CITY OF TORONTO
Address 558 DOVERCOURT RD
TORONTO

Chargor(s)

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

Name 2546456 ONTARIO INC.
Address for Service 558 Dovercourt, Toronto, Ontario

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

Chargee(s)*Capacity**Share*

Name MONEY GATE MORTGAGE INVESTMENT
CORPORATION
Address for Service 25 Mallard Road
Toronto, ON
M3B 1S4

Provisions

Principal \$611,000.00 *Currency* Cdn\$
Calculation Period monthly not in advance
Balance Due Date
Interest Rate 12.0%
Payments \$6,110.00
Interest Adjustment Date
Payment Date
First Payment Date
Last Payment Date
Standard Charge Terms 200433
Insurance Amount Full insurable value
Guarantor Rouzbeh Behrouz

Signed By

Sandeep Kaur Chahal 216-2985 Drew Road acting for Signed 2017 06 05
Mississauga
L4T 0A1
Chargor(s)

Tel 416-477-3355

Fax 877-477-3634

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

Submitted By

MENTIS LAW PROFESSIONAL CORPORATION 216-2985 Drew Road 2017 06 05
Mississauga
L4T 0A1

Tel 416-477-3355

Fax 877-477-3634

Fees/Taxes/Payment

Statutory Registration Fee \$63.35
Total Paid \$63.35

LRO # 80 Charge/Mortgage

Registered as AT4588484 on 2017 06 05 at 11:25

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

yyyy mm dd Page 2 of 2

File Number

Chargor Client File Number : 17228

This is Exhibit "C" referred to in the Affidavit of Morteza Katebian
sworn July 4, 2018



Commissioner for Taking Affidavits (or as may be)

DAVID A. BROOKER

SET OF STANDARD CHARGE TERMS

Filed by

Dyc & Durham Co. Inc.

Filing Date October 14, 2004

Filing number: 200433

The following set of Standard Charge Terms shall be applicable to documents registered in electronic format under Part III of the Land Registration Reform Act, R.S.O. 1990, c. L.4. as amended (the "Land Registration Reform Act") and shall be deemed to be included in every electronically registered charge in which this Set of Standard Charge Terms is referred to by its filing number, as provided in Section 9 of the Land Registration Reform Act, except to the extent that the provisions of this Set of Standard Charge Terms are modified by additions, amendments or deletions in the schedule. Any charge in an electronic format of which this Set of Standard Charge Terms forms a part by reference to the above-noted filing number in such charge shall hereinafter referred to as the "Charge".

*Exclusion of
Statutory
Covenants*

1. The implied covenants deemed to be included in a charge under subsection 7(1) of the Land Registration Reform Act as amended or re-enacted are excluded from the Charge.

*Right to
Charge the
Land
No Act to
Encumber*

2. The Chargor now has good right, full power and lawful and absolute authority to charge the land and to give the Charge to the Chargee upon the covenants contained in the Charge.

3. The Chargor has not done, committed, executed or wilfully or knowingly suffered any act, deed, matter or thing whatsoever whereby or by means whereof the land, or any part or parcel thereof, is or shall or may be in any way impeached, charged, affected or encumbered in title, estate or otherwise, except as the records of the land registry office disclose.

*Good Title in
Fee Simple*

4. The Chargor, at the time of the delivery for registration of the Charge, is, and stands solely, rightfully and lawfully seized of a good, sure, perfect, absolute and indefeasible estate of inheritance, in fee simple, of and in the land and the premises described in the Charge and in every part and parcel thereof without any manner of trusts, reservations, limitations, provisos, conditions or any other matter or thing to alter, charge, change, encumber or defeat the same, except those contained in the original grant thereof from the Crown.

*Promise to Pay
and Perform*

5. The Chargor will pay or cause to be paid to the Chargee the full principal amount and interest secured by the Charge in the manner of payment provided by the Charge, without any deduction or abatement, and shall do, observe, perform, fulfill and keep all the provisions, covenants, agreements and stipulations contained in the Charge and shall pay as they fall due all taxes, rates, levies, charges, assessments, utility and heating charges, municipal, local, parliamentary and otherwise which now are or may hereafter be imposed, charged or levied upon the land and when required shall produce for the Chargee receipts evidencing payment of the same.

*Interest
After Default*

6. In case default shall be made in payment of any sum to become due for interest at the time provided for payment in the Charge, compound interest shall be payable and the sum in arrears for interest from time to time, as well after as before maturity, and both before and after default and judgement, shall bear interest at the rate provided for in the Charge. In case the interest and compound interest are not paid within the interest calculation period provided in the Charge from the time of default a rest shall be made, and compound interest at the rate provided for in the Charge shall be payable on the aggregate amount then due, as well after as before maturity, and so on from time to time, and all such interest and compound interest shall be a charge upon the land.

*No Obligation to
Advance*

7. Neither the preparation, execution or registration of the Charge shall bind the Chargee to advance the principal amount secured, nor shall the advance of a part of the principal amount secured bind the Chargee to advance any unadvanced portion thereof, but nevertheless the security in the land shall take effect forthwith upon delivery for registration of the Charge by the Chargor. The expenses of the examination of the title and of the Charge and valuation are to be secured by the Charge in the event of the whole or any balance of the principal amount not being advanced, the same to be charged hereby upon the land, and shall be, without demand therefor, payable forthwith with interest at the rate provided for in the Charge, and in default the Chargee's power of sale hereby given, and all other remedies hereunder, shall be exercisable.

*Costs Added
to Principal*

8. The Chargee may pay all premiums of insurance and all taxes, rates, levies, charges, assessments, utility and heating charges which shall from time to time fall due and be unpaid in respect of the land, and that such payments, together with all costs, charges, legal fees (as between solicitor and client) and expenses which may be incurred in taking, recovering and keeping possession of the land and of negotiating the Charge, investigating title, and registering the Charge and other necessary deeds, and generally in any other proceedings taken in connection with or to realize upon the security given in the Charge (including legal fees and real estate commissions and other costs incurred in leasing or selling the land or in exercising the power of entering, lease and sale contained in the Charge) shall be, with interest at the rate provided for in the Charge, a charge upon the land in favor of the Chargee pursuant to the terms of the Charge and the Chargee may pay or satisfy any lien, charge or encumbrance now existing or hereafter created or claimed upon the land, which payments with interest at the rate provided for in the Charge shall likewise be a charge upon the land in favour of the Chargee. Provided, and it is hereby further agreed, that all amounts paid by the Chargee as aforesaid shall be added to the principal amount secured by the Charge and shall be payable forthwith with interest at the rate provided for in the Charge, and on default all sums secured by the Charge shall immediately become due and payable at the option of the Chargee, and all powers in the Charge conferred shall become exercisable.

*Power of
Sale*

9. The Chargee on default of payment for at least fifteen (15) days may, on at least thirty-five (35) days' notice in writing given to the Chargor, enter on and lease the land or sell the land. Such notice shall be given to such persons and in such manner and form and within such time as provided in the Mortgages Act. In the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable, it is agreed that notice may be effectually given by leaving it with a grown-up person on the land, if occupied, or by placing it on the land if unoccupied, or at the option of the Chargee, by mailing it in a registered letter addressed to the Chargor at his last known address, or by publishing it once in a newspaper published in the county or district in which the land is situate; and such notice shall be sufficient although not addressed to any person or persons by name or designation; and notwithstanding that any person to be affected thereby may be unknown, unascertained or under disability. Provided further, that in case default be made in the payment of the principal amount or interest or any part thereof and such default continues for two months after any payment of either falls due then the Chargee may exercise the foregoing powers of entering, leasing or selling or any of them without any notice, it being understood and agreed, however, that if the giving of notice by the Chargee shall be required by law then notice shall be given to such persons and in such manner and form and within such time as so required by law. It is hereby further agreed that the whole or any part or parts of the land may be sold by public auction or private contract, or partly

one or partly the other; and that the proceeds of any sale hereunder may be applied first in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the land or by reason of non-payment or procuring payment of monies, secured by the Charge or otherwise, and secondly in payment of all amounts of principal and interest owing under the Charge; and if any surplus shall remain after fully satisfying the claims of the Chargee as aforesaid same shall be paid as required by law. The Chargee may sell any of the land on such terms as to credit and otherwise as shall appear to him most advantageous and for such prices as can reasonably be obtained therefor and may make any stipulations as to title or evidence or commencement of title or otherwise which he shall deem proper, and may buy in or rescind or vary any contract for the sale of the whole or any part of the land and resell without being answerable for loss occasioned thereby, and in the case of a sale on credit the Chargee shall be bound to pay the Chargor only such monies as have been actually received from purchasers after the satisfaction of the claims of the Chargee and for any of said purposes may make and execute all agreements and assurances as he shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease hereunder.

Quiet Possession

10. Upon default in payment of principal and interest under the Charge or in performance of any of the terms or conditions hereof, the Chargee may enter into and take possession of the land hereby charged and where the Chargee so enters on and takes possession or enters on and takes possession of the land on default as described in paragraph 9 herein the Chargee shall enter into, have, hold, use, occupy, possess and enjoy the land without the let, suit, hindrance, interruption or denial of the Chargor or any other person or persons whomsoever.

Right to Distrain

11. If the Chargor shall make default in payment of any part of the interest payable under the Charge at any of the dates or times fixed for the payment thereof, it shall be lawful for the Chargee to distrain therefor upon the land or any part thereof, and by distress warrant, to recover by way of rent reserved, as in the case of a demise of the land, so much of such interest as shall, from time to time, be or remain in arrears and unpaid, together with all costs, charges and expenses attending such levy or distress, as in like cases of distress for rent. Provided that the Chargee may distrain for arrears of principal in the same manner as if the same were arrears of interest.

Further Assurances

12. From and after default in the payment of the principal amount secured by the Charge or the interest thereon or any part of such principal or interest or in the doing, observing, performing, fulfilling or keeping of some one or more of the covenants set forth in the Charge then and in every such case the Chargor and all and every other person whosoever having, or lawfully claiming, or who shall have or lawfully claim any estate, right, title, interest or trust of, in, to or out of the land shall, from time to time, and at all times thereafter, at the proper costs and charges of the Chargor make, do, suffer, execute, deliver, authorize and register, or cause or procure to be made, done, suffered, executed, delivered, authorized and registered, all and every such further and other reasonable act or acts, deed or deeds, devises, conveyances and assurances in the law for the further, better and more perfectly and absolutely conveying and assuring the land unto the Chargee as by the Chargee or his solicitor shall or may be lawfully and reasonably devised, advised or required.

Acceleration of Principal and Interest

13. In default of the payment of the interest secured by the Charge the principal amount secured by the Charge shall, at the option of the Chargee, immediately become payable, and upon default of payment of instalments of principal promptly as the same mature, the balance of the principal and interest secured by the Charge shall, at the option of the Chargee, immediately become due and payable. The Chargee may in writing at any time or times after default waive such default and any such waiver shall apply only to the particular default waived and shall not operate as a waiver of any other or future default.

Partial Releases

14. The Chargee may at his discretion at all times release any part or parts of the land or any other security or any surety for the money secured under the Charge either with or without any sufficient consideration therefor, without responsibility therefor, and without thereby releasing any other part of the land or any person from the Charge or from any of the covenants contained in the Charge and without being accountable to the Chargor for the value thereof, or for any monies except those actually received by the Chargee. It is agreed that every part or lot into which the land is or may hereafter be divided does and shall stand charged with the whole money secured under the Charge and no person shall have the right to require the mortgage monies to be apportioned.

Obligation to Insure

15. The Chargor will immediately insure, unless already insured, and during the continuance of the Charge keep insured against loss or damage by fire, in such proportions upon each building as may be required by the Chargee, the buildings on the land to the amount of not less than their full insurable value on a replacement cost basis in dollars of lawful money of Canada. Such insurance shall be placed with a company approved by the Chargee. Buildings shall include all buildings whether now or hereafter erected on the land, and such insurance shall include not only insurance against loss or damage by fire but also insurance against loss or damage by explosion, tempest, tornado, cyclone, lightning and all other extended perils customarily provided in insurance policies including "all risks" insurance. The covenant to insure shall also include where appropriate or if required by the Chargee, boiler, plate glass, rental and public liability insurance in amounts and on terms satisfactory to the Chargee. Evidence of continuation of all such insurance having been effected shall be produced to the Chargee at least fifteen (15) days before the expiration thereof, otherwise the Chargee may provide therefor and charge the premium paid and interest thereon at the rate provided for in the Charge to the Chargor and the same shall be payable forthwith and shall also be a charge upon the land. It is further agreed that the Chargee may at any time require any insurance of the buildings to be cancelled and new insurance effected in a company to be named by the Chargee and also of his own accord may effect or maintain any insurance herein provided for, and any amount paid by the Chargee therefor shall be payable forthwith by the Chargor with interest at the rate provided for in the Charge and shall also be a charge upon the land. Policies of insurance herein required shall provide that loss, if any, shall be payable to the Chargee as his interests may appear, subject to the standard form of mortgage clause approved by the Insurance Bureau of Canada which shall be attached to the policy of insurance.

Obligation to Repair

16. The Chargor will keep the land and the buildings, erections and improvements thereon, in good condition and repair according to the nature and description thereof respectively, and the Chargee may, whenever he deems necessary, by his agent enter upon and inspect the land and make such repairs as he deems necessary, and the reasonable cost of such inspection and repairs with interest at the rate provided for in the Charge shall be added to the principal amount and be payable forthwith and be a charge upon the land prior to all claims thereon subsequent to the Charge. If the Chargor shall neglect to keep the buildings, erections and improvements in good condition and repair, or commits or permits any act of waste on the land (as to which the Chargee shall be sole judge) or makes default as to any of the covenants, provisos, agreements or conditions contained in the Charge or in any charge to which this Charge is subject, all monies secured by the Charge shall, at the option of the Chargee, forthwith become due and payable, and in default of payment of same with interest as in the case of payment.

Filing Date:
Filing No.:

before maturity the powers of entering upon and leasing or selling hereby given and all other remedies herein contained may be exercised forthwith.

*Building
Charge*

17. If any of the principal amount to be advanced under the Charge is to be used to finance improvement on the land, the Chargor must so inform the Chargee in writing immediately and before any advances are made under the Charge. The Chargor must also provide the Chargee immediately with copies of all contracts and subcontracts relating to the improvement and any amendments to them. The Chargor agrees that any improvement shall be made only according to contracts, plans and specifications approved in writing by the Chargee. The Chargor shall complete all such improvements as quickly as possible and provide the Chargee with proof of payment of all contracts from time to time as the Chargee requires. The Chargee shall make advances (part payments of the principal amount) to the Chargor based on the progress of the improvement, until either completion and occupation or sale of the land. The Chargee shall determine whether or not any advances will be made and when they will be made. Whatever the purpose of the Charge may be, the Chargee may at its option hold back funds from advances until the Chargee is satisfied that the Chargor has complied with the holdback provisions of the Construction Lien Act as amended or re-enacted. The Chargor authorizes the Chargee to provide information about the Charge to any person claiming a construction lien on the land.

*Extensions
not to
Prejudice*

18. No extension of time given by the Chargee to the Chargor or anyone claiming under him, or any other dealing by the Chargee with the owner of the land or of any part thereof, shall in any way affect or prejudice the rights of the Chargee against the Chargor or any other person liable for the payment of the money secured by the Charge, and the Charge may be renewed by any agreement in writing at maturity for any term with or without an increased rate of interest notwithstanding that there may be subsequent encumbrances. It shall not be necessary to deliver for registration any such agreement in order to retain priority for the Charge so altered over any instrument delivered for registration subsequent to the Charge. Provided that nothing contained in this paragraph shall confer any right of renewal upon the Chargor.

*No Merger
of Covenants*

19. The taking of a judgment or judgments on any of the covenants herein shall not operate as a merger of the covenants or affect the Chargee's right to interest at the rate and times provided for in the Charge; and further that any judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as provided in the Charge until a judgment shall have been fully paid and satisfied.

*Change in
Status*

20. Immediately after any change or happening affecting any of the following, namely: (a) the spousal status of the Chargor, (b) the qualification of the land as a family residence within the meaning of Part II of the *Family Law Act*, and (c) the legal title or beneficial ownership of the land, the Chargor will advise the Chargee accordingly and furnish the Chargee with full particulars thereof, the intention being that the Chargee shall be kept fully informed of the names and addresses of the owner or owners for the time being of the land and of any spouse who is not an owner but who has a right of possession in the land by virtue of Section 19 of the *Family Law Act*. In furtherance of such intention, the Chargor covenants and agrees to furnish the Chargee with such evidence in connection with any of (a), (b) and (c) above as the Chargee may from time to time request.

*Condominium
Provisions*

21. If the Charge is of land within a condominium registered pursuant to the Condominium Act (the "Act") the following provision shall apply. The Chargor will comply with the Act, and with the declaration, by-laws and rules of the condominium corporation (the "corporation") relating to the Chargor's unit (the "unit") and provide the Chargee with proof of compliance from time to time as the Chargee may request. The Chargor will pay the common expenses for the unit to the Corporation on the due dates. If the Chargee decides to collect the Chargor's contribution towards the common expenses from the Chargor, the Chargor will pay the same to the Chargee upon being so notified. The Chargee is authorized accept a statement which appears to be issued by the corporation as conclusive evidence for the purpose of establishing the amounts of the common expenses and the dates those amounts are due. The Chargor, upon notice from the Chargee, will forward to the Chargee any notices, assessments, by-laws, rules and financial statements of the corporation that the Chargor receives or is entitled to receive from the corporation. The Chargor will maintain all improvements made to the unit and repair them after damage. In addition to the insurance which the corporation must obtain, the Chargor shall insure the unit against destruction or damage by fire and other perils usually covered in fire insurance policies and against such other perils as the Chargee requires for its full replacement cost (the maximum amount for which it can be insured). The insurance company in the terms of the policy shall be reasonably satisfactory to the Chargee. This provision supersedes the provisions of paragraph 15 herein. The Chargor irrevocably authorizes the Chargee to exercise the Chargor's rights under the Act to vote, consent and dissent.

Discharge

22. The Chargee shall have a reasonable time after payment in full of the amounts secured by the Charge to deliver for registration a discharge or if so requested and if required by law to do so, an assignment of the Charge and all legal and other expenses for preparation, execution and registration as applicable to such discharge or assignment shall be paid by the Chargor.

Guarantee

23. Each party named in the Charge as a Guarantor hereby agrees with the Chargee as follows:
(a) In consideration of the Chargee advancing all or part of the Principal Amount to the Chargor, and in consideration of the sum of TWO DOLLARS (\$2.00) of lawful money of Canada now paid by the Chargee to the Guarantor (the receipt and sufficiency whereof are hereby acknowledged), the Guarantor does hereby absolutely and unconditionally guarantee to the Chargee, and its successors, the due and punctual payment of all principal moneys, interest and other moneys owing on the security of the Charge and observance and performance of the covenants, agreements, terms and conditions herein contained by the Chargor, and the Guarantor, for himself and his successors, covenants with the Chargee that, if the Chargor shall at any time make default in the due and punctual payment of any monies payable hereunder, the Guarantor will pay all such monies to the Chargee without any demand being required to be made.

(b) Although as between the Guarantor and the Chargor, the Guarantor is only surety for the payment by the Chargor of the monies hereby guaranteed, as between the Guarantor and the Chargee, the Guarantor shall be considered as primarily liable therefor and it is hereby further expressly declared that no release or releases of any portion or portions of the land; no indulgence shown by the Chargee in respect of any default by the Chargor or any successor thereof which may arise under the Charge; no extension or extensions granted by the Chargee to the Chargor or any successor thereof for payment of the moneys hereby secured or for the doing, observing or performing of any covenant, agreement, term or condition herein contained to be done, observed or performed by the Chargor or any successor thereof; no variation in or departure from the provisions of the Charge; no release of the Chargor or any other thing whatsoever whereby the Guarantor as surety only would or might have been released shall in any way modify, alter, vary or in any way prejudice the Chargee or affect the liability of the Guarantor in any way under this covenant, which shall continue and be binding on the Guarantor, and as well after as before maturity of the Charge and both before and after default and judgment, until the said moneys are fully paid and satisfied.

(c) Any payment by the Guarantor of any moneys under this guarantee shall not in any way be taken to affect

the liability of the Chargor for payment thereof but such liability shall remain unimpaired and enforceable by the Guarantor against the Chargor and the Guarantor shall, to the extent of any such payments made by him, in addition to all other remedies, be subrogated as against the Chargor to all the rights, privileges and powers to which the Chargee was entitled prior to payment by the Guarantor; provided, nevertheless, that the Guarantor shall not be entitled in any event to rank for payment against the lands in competition with the Chargee and shall not, unless and until the whole of the principal, interest and other moneys owing on the security of the Charge shall have been paid, be entitled to any rights or remedies whatsoever in subrogation to the Chargee.

- (d) All covenants, liabilities and obligations entered into or imposed hereunder upon the Guarantor shall be equally binding upon his successors. Where more than one party is named as a Guarantor all such covenants, liabilities and obligations shall be joint and several.
- (e) The Chargee may vary any agreement or arrangement with or release the Guarantor, or any one or more of the Guarantors if more than one party is named as Guarantor, and grant extensions of time or otherwise deal with the Guarantor and his successors without any consent on the part of the Chargor or any other Guarantor or any successor thereof.

Severability 24. It is agreed that in the event that at any time any provision of the Charge is illegal or invalid under or inconsistent with provisions of any applicable statute, regulation thereunder or other applicable law or would by reason of the provisions of any such statute, regulation or other applicable law render the Chargee unable to collect the amount of any loss sustained by it as a result of making the loan secured by the Charge which it would otherwise be able to collect under such statute, regulation or other applicable law then, such provision shall not apply and shall be construed so as not to apply to the extent that it is so illegal, invalid or inconsistent or would so render the Chargee unable to collect the amount of any such loss.

Interpretation 25. In construing these covenants the words "Charge", "Chargee", "Chargor", "land" and "successor" shall have the meanings assigned to them in Section 1 of the *Land Registration Reform Act* and the words "Chargor" and "Chargee" and the personal pronouns "he" and "his" relating thereto and used therewith, shall be read and construed as "Chargor" or "Chargors", "Chargee" or "Chargees", and "he", "she", "they" or "it", "his", "her", "their" or "its", respectively, as the number and gender of the parties referred to in each case require, and the number of the verb agreeing therewith shall be construed as agreeing with the said word or pronoun so substituted. And that all rights, advantages, privileges, immunities, powers and things hereby secured to the Chargor or Chargors, Chargee or Chargees, shall be equally secured to and exercisable by his, her, their or its heirs, executors, administrators and assigns, or successors and assigns, as the case may be. The word "successor" shall also include successors and assigns of corporations including amalgamated and continuing corporations. And that all covenants, liabilities and obligations entered into or imposed hereunder upon the Chargor or Chargors, Chargee or Chargees, shall be equally binding upon his, her, their or its heirs, executors, administrators and assigns, or successors and assigns, as the case may be, and that all such covenants and liabilities and obligations shall be joint and several.

Paragraph Headings 26. The paragraph headings in these standard charge terms are inserted for convenience of reference only and are deemed not to form part of the Charge and are not to be considered in the construction or interpretation of the Charge or any part thereof.

Date of Charge 27. The Charge, unless otherwise specifically provided, shall be deemed to be dated as of the date of delivery for registration of the Charge.

Effect of Delivery of Charge 28. The delivery of the Charge for registration by direct electronic transfer shall have the same effect for all purposes as if such Charge were in written form, signed by the parties thereto and delivered to the Chargee. Each of the Chargor and, if applicable, the spouse of the Chargor and other party to the Charge agrees not to raise in any proceeding by the Chargee to enforce the Charge any want or lack of authority on the part of the person delivering the charge for registration to do so.

DATED this day of

This is Exhibit "D" referred to in the Affidavit of Morteza Katebian sworn July 4, 2018



Commissioner for Taking Affidavits (or as may be)

DAVID A. BROOKER



Money Gate Corp. – License # 12290 – 25 Mallard Road, Toronto Ont. M3B 1S4 – T: 416 548 5959 – F: 416 913 0087

May 25th, 2017

Residential SECOND Mortgage

Based upon and subject to the accuracy of information furnished to us, we undertake to provide the mortgage financing, subject to the following terms and conditions set out below, and on Schedules "A" & "B" & "C" & "D" (if applicable), which schedules forms part of this Commitment.

Type of Mortgage: Residential Second Mortgage
Lender: Money Gate Mortgage Investment Corporation

Main Borrower: 2546456 Ontario Inc.
Guarantor: Rouzbeh Behrouz

Loan Amount: \$611,000.00
Subject Property Address: 558 Dovercourt Road, Toronto Ontario, M6H 2W6

Term (Months)	Interest Rate	Interest PMT	Funding Date	Amortization (Months)	Lending Fee	Non Refundable Deposit
12	12.00%	\$6,110.00	May 29 th , 2017	Int. Only	2.00%	N/A

By signing this commitment you are acknowledging that the interest adjustment date may change if the final funding date changes.

Payments due under this mortgage will be made by a pre-authorized payment debit system. This mortgage will be paid monthly unless otherwise indicated by the Borrower and authorized by the lender on the Schedule A attached herein.

Additional Costs:

Legal Fees & Disbursements
 Appraisal

Your acceptance of this Commitment will be your undertaking to pay these costs together with all legal costs and fees incurred, whether or not this Charge/Mortgage is advanced. Please reference registered Standard Charge Terms No. 200433(ON) which form part of this commitment.

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R.B



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SOLICITOR – will be appointed to act on our behalf in this transaction. All documentation including, but not limited to, delivery of evidence confirming valid title insurance with applicable schedules from a title insurer approved by the lender and fire insurance must be acceptable to use prior to the advance of funds. Prior to closing, the solicitor is instructed to notify the lender or an agent approved by us, and the relevant underwriting department of the title insurer, of any concerns the solicitor may have regarding the identity of the borrower, the validity of prior registered instruments (particularly transfers and discharges), and any other matters that may affect the title of the subject property and/or the enforceability or priority of the lender's mortgage. In these circumstances, the solicitor may not proceed to complete the transaction until such time as the solicitor has obtained both the title insurer's and the lender's written authorization to proceed.

IN ALL MATTERS, TIME SHALL BE OF THE ESSENCE.

This commitment is open for your acceptance until the Commitment Acceptance Date after which time/date this Commitment will be null and void. This Commitment, if accepted is valid until the Final Funding Date after which time/date this Commitment will be null and void. If the Commitment becomes null and void and the Commitment Fee has already been paid, the non-refundable portion of the Commitment becomes null and void and the Commitment Fee has damages and the balance of the Commitment Fee, if any, returned to the Borrower(s). If the Commitment becomes null and void and the Commitment Fee has not already been paid, the non-refundable portion of the Commitment Fee set out above will be due by the Borrower(s) to Money Gate Corp. as liquidated damages.

FINAL ACCEPTANCE DATE: May 27th, 2017

Accepted this 26 day of May, 2017

X 
2546456 Ontario Inc.

X 
Rouzbeh Behrouz

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Schedule "A"

Mortgage No.: 2017-4
Mortgagor(s)/ 2546456 Ontario Inc.
 Rouzbeh Behrouz

PLEASE NOTE: Funds for this Loan will not be advanced by the lender until all of the following conditions are met and maintained until funding. Money Gate Corp. may terminate the Commitment or decline to advance all or any part of the Mortgage until these conditions are satisfied to the lender's satisfaction.

This Commitment is subject to:

Original Appraisal of the subject property satisfactory to the reflecting a value of \$2,425,000.00. (Broker)

A new credit bureau will be run 30 days prior to the advance of funds. The credit must remain the same as or be better than the credit bureau run at the date of approval of the transaction. Should the credit not remain the same, this commitment will be subject to review and terms and conditions may be changed accordingly. (Broker)

Prior to closing, it is a condition of this commitment that the mortgage broker provides a copy of the Borrower Disclosure Statement fully executed by all parties involved. (Broker)

Executed Mortgage Loan Application for ALL Mortgagor(s) and Guarantor(s). (Broker)

1st Mortgage statement for the subject property showing a balance of no more than \$1,450,000.00. (Broker)

Prior to funding, we require evidence by way of Statutory Declaration from the Mortgagor(s) that the premises being mortgaged are not and never have been insulated with Urea Formaldehyde Foam Insulation. (Solicitor)

All realty/provincial and municipal real property taxes/local improvements shall be paid by borrower and up to date prior to closing or from advancement of funds. (Solicitor)

Solicitor to provide a clear Execution Certificate with the Final Report with a Marital Status declaration. (Solicitor)

It is a condition of this commitment that the solicitor confirms that (i) they have reviewed and verified the identity of the mortgagor(s) and any spouse consenting to the mortgage by means of 2 pieces of identification (one MUST be Primary Identification) acceptable to the mortgagee (ii) the identification appears to be genuine (iii) the identification belongs to the mortgagor(s) and consenting spouse and (iv) copies of the identification showing a true likeness of the originals will be submitted to the mortgagee. The lenders accepted forms of identification will be communicated to the solicitor upon instruction. (Solicitor)

If the loan is not repaid on maturity, a 3-month interest bonus will be paid to the Lender pursuant to Section 17 of the Mortgage Act.

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Payment in Full on Sale

The outstanding amount of the mortgage loan may be prepaid only at the closing of a bona fide open market sale of the property and the payment of the Prepayment Charge as set out below

Prepayment Charge

Open with 3-Month Interest Penalty

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Schedule "B"

Payment By Pre-Authorized Debit:	The Borrower(s) agree(s), by acceptance of this Commitment to provide the mortgage payments by Pre-Authorized Debit payable to Money Gate Corp. In Trust
Accrued Interest:	Accrued interest calculated from the date that this mortgage is advanced to the Interest Adjustment Date will be deducted from the gross funds advanced. The Interest Adjustment Date is set one month prior to the First Payment Date.
Assignment of Commitment:	Neither this Commitment nor the proceeds of the Charge/Mortgage loan are assignable by the Borrower(s) without express written consent.
Credit Rating:	Receipt of an updated credit rating acceptable to the lender. The credit rating must be the same or better than the rating obtained with this Commitment was given. In the event the credit rating is less favourable, the terms and conditions of this Commitment will be subject to revision and the Loan may not be advanced.
Legal & Other Costs/Fees:	All legal, appraisal, title insurance and fire insurance premiums and other costs and fees incurred in connection with this Loan (including those identified on the first page of this Commitment) are payable by the Borrower(s) whether or not this Loan ultimately is completed and the funds advanced.
Regulations:	Confirmation, in form and substance satisfactory to the lender that the property complies with all municipal, provincial and federal statutes, regulations and requirements. This requirement is waived by delivery of the title insurance policy with applicable schedules covering such compliances matters.
Prepayment Restrictions:	It is intended and agreed that the Charge/Mortgage loan may not be prepaid prior to the maturity date unless provided herein as a privilege. See All Loans Prepayment.
Taxes:	All realty/provincial and municipal real property taxes/local improvements shall be paid by borrower and up to date prior to closing.
Purchaser Approval:	The may require that the Loan be immediately repaid with the applicable prepayment indemnity if the Borrower(s) sell(s), transfer(s) or otherwise dispose(s) of the property or any interest therein to a purchaser not approved by the lender.
Standard Charge Terms:	The Charge/Mortgage is deemed to contain all clauses included In registered Standard Charge Terms No. 200433 (Ontario) and Schedule "C" Schedule of Fees. Each Borrower(s) and Guarantor(s) acknowledge receipt of a copy of the applicable Standard Charge Terms.
Rent and Management:	PROVIDED also and it is hereby further agreed by and between the Borrower and the Lender(s) that should default be made by the Borrower in the observance or performance of any of the covenants, provisos, agreements or conditions contained in this charge, the charge reserves the rights to enter into the said lands and premises and

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to receive the rents and profits and to be entitled to receive in addition to all other fees, charges and disbursements to which the charge is entitled. A management fee so as to reimburse the charge for reasonable item and trouble in the management of the said lands and premises. It is being understood and agreed that in the circumstances a management fee equal to 5% of the gross receipt received by the charge in the management of the said lands and the premises is just an equitable fee having regard to all of the circumstances.

Schedule of Fees:

A schedule of our current servicing administration fees that will apply to the mortgage is provided in Schedule "C".

Renewal Options:

Available subject to approval of the lender if all mortgages are in good standing based on new terms and condition.

Money Gate Corp. reserves the right to charge reasonable fees for other administrative services and to amend its fees from time to time.

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Schedule "C"

Our current schedule of administration and servicing fees includes the following charges:

- \$250.00 – Missed Payment Fee:** Payable for each missed or late installment and for processing each NSF cheque or other returned payment. Plus \$50 for each additional day until the cheque in the sufficient amount is provided and cleared.
- \$250.00 – Insurance:** Payable for dealing with each cancellation, premium payment or other non-compliance with insurance requirements.
- \$1,500.00 – Default Proceedings:** Payable for each act or proceeding instituted.
- \$175.00 – Mortgage Statements:** For preparation of each statement.
- \$300.00 – Purchaser Approval:** For processing each application for assumption, whether or not approved or completed.
- \$500.00 – Possession:** For attending to take possession following default.
- \$300.00 – Demand Letter:** For each demand letter in connection with any event of default under the Mortgage.
- \$150.00 – Notice under the Bankruptcy and Insolvency Act.**
- \$150.00 – Notice under the Farm Debt Mediation Act.**
- \$100.00 – Maintenance:** For administration maintenance and security of the property in our possession, per day.
- \$350.00 – Discharge Statement:** For discharge on one property. \$175 for each additional property.
- \$100.00 – Tax and CAM Default Fee:** For failure by the Borrower to provide satisfactory confirmation of tax payments and or CAM fees.
- \$200.00 – Annual Tax Account Administration Fee:** For administering and servicing the tax account.
- \$200.00 – Annual CAM Account Administration Fee:** For administering and servicing the condo account.
- \$200.00 – For any inspection of the said property as a result of enforcement for security.**
- \$300.00 – Servicing Fee:** For any payment the Chargee is called to make in order to protect its security

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Schedule "D"

Disclosure of Material Risks

This mortgage provides the Lender with an interest until the borrower(s) repay the Loan. If the borrower(s) require the loan by a certain date and the Lender does not advance the loan by that date, the borrower(s) may be unable to satisfy their intended purpose for the loan. In the event the borrower(s) are unable to pay the monthly interest payments, realty taxes, fire insurance premiums or the loan amount when the loan is due, the Lender could obtain a court judgement and the borrower(s) assets and income could be seized to pay the judgment, or the Lender could keep the Lands or sell it. When the loan is due, if the Lender cannot or will not renew the Loan and borrower(s) no longer qualify for a loan of this amount because interest rates have risen, their income has fallen, their credit worthiness has deteriorated or the value of the lands has fallen, the lands may have to be sold in order to repay the loan. The borrower(s) acknowledge that Money Gate Corporation has, in accordance with a legal obligation, disclosed the material risks of the loan. The borrowers hereby accept the Commitment and confirm their agreement with all of the terms and conditions hereof, having either obtained legal advice independent of Money Gate Corporation or having been satisfied that legal advice is not required.

Initials:

R.B

Page 8 of 10



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Direction and Authorization
RE: 2546456 Ontario Inc., Rouzbeh Behrouz
558 Dovercourt Road, Toronto, Ontario M6H 2W6

<p>Name and telephone contact of Mortgage/Bank/Lawyer for information on your existing mortgage(s)</p> <p><u>1st Mortgage of Subject Property:</u></p> <p>Lender: _____</p> <p>Mortgage Account: _____</p> <p>Phone #: _____</p> <p>Fax #: _____</p> <p><u>2nd Mortgage of Subject Property (if applicable):</u></p> <p>Lender: _____</p> <p>Mortgage Account: _____</p> <p>Phone #: _____</p> <p>Fax #: _____</p>
<p>Name and telephone contact of Insurance Agent/Broker</p> <p>Name: _____</p> <p>Policy #: _____</p> <p>Phone #: _____</p> <p>Fax #: _____</p>
<p>Property Tax Information:</p> <p>Roll #: _____</p> <p>Phone #: _____</p> <p>Fax #: _____</p>

I/We, 2546456 Ontario Inc., Rouzbeh Behrouz, the proposed mortgagor(s) with respect to the above referenced transaction, hereby authorize you to release any and all records and information requested by Money Gate Corp. and/or it's solicitor for a period of five (5) years from the undersigned date, pertaining to property, accounts, building, zoning, fire and health issues, and a mortgage statement for discharge or information purposes. This is your full and sufficient authority so to do.

Dated at Toronto this 26 day of May 2017

X  _____
 2546456 Ontario Inc.

X  _____
 Rouzbeh Behrouz

Initials: R.B.



Money Gate Corp. – License # 12290 – 25 Mallard Road, Toronto Ont. M3B 1S4 – T: 416 548 5959 – F: 416 913 0087

Property Owner's Name: _____

Property Address: _____

Tax Roll #: _____

Yearly Tax Levy: _____

I/We the undersigned being the owner(s) of the above noted property hereby authorize and direct Money Gate Corp. to collect and pay my/our property taxes if instructed by lender to do so, and further authorize you to furnish any and all property tax bills to:

Money Gate Corp. - License # 12290
 25 Mallard Road
 Toronto, Ontario, M3B 1S4
 T: (416) 548-5959
 F: (416) 913-0087

This shall be your good, sufficient and irrevocable authority so to do.

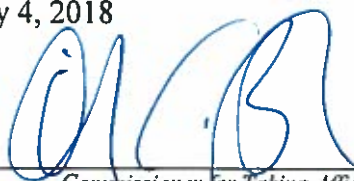
Dated at Toronto this 26 day of May 2017

X 
 2546456 Ontario Inc.

X 
 Rouzbeh Behrouz

Initials: R.B

This is Exhibit "E" referred to in the Affidavit of Morteza Katebian
sworn July 4, 2018



Commissioner for Taking Affidavits (or as may be)

DAVID A. BROOKER

ACKNOWLEDGMENT RE STANDARD CHARGE TERMS

TO: Money Gate Mortgage Investment Corporation

RE: 2546456 Ontario Inc. (the "Mortgagor") m/t Money Gate Mortgage Investment Corporation (the "Mortgagee")
Mortgage Reference No.
558 Dovercourt, Toronto, Ontario (the "Property")
Closing Date: May 30, 2017
Our File No: 17228

The undersigned hereby acknowledge(s) having received a duly completed copy of this Mortgage, together with all schedules and standard charge terms filed as number 200433.

Dated at the City of Mississauga in the Province of Ontario this 27th day of May, 2017



2546456 Ontario Inc.



Rouzbah Behrouz

ACKNOWLEDGMENT AND DIRECTION

TO: Sandeep Chahal

AND TO: Money Gate Mortgage Investment Corporation

RE: 2546456 Ontario Inc. (the "Mortgagor") m/t Money Gate Mortgage Investment Corporation (the "Mortgagee")
Mortgage Reference No.
558 Dovercourt, Toronto, Ontario (the "Property")
Closing Date: May 30, 2017
Our File No: 17228

This will confirm that:

- The undersigned has reviewed the information set out in this Acknowledgment and Direction and in the documents described below (the "Documents"), and that this information is accurate.
- You, your agent or employee are authorized and directed to sign, deliver, and/or register electronically, on behalf of the undersigned, the Documents in the form attached subject to any minor changes or additions that may be necessary to complete the transaction described above.
- If required, the Document Registration Agreement shall designate the solicitor responsible for registering the electronic documents in clause 3 thereof and shall specify a "Release Deadline" in clause 4 b) thereof and such designation shall be as in Schedule "A" thereto.
- The effect of the Documents has been fully explained to the undersigned and it is understood that the undersigned are parties to and bound by the terms and provisions of these electronic Documents to the same extent as if the undersigned had signed them.
- The undersigned are in fact the parties named in the Documents and the undersigned have not misrepresented our identities to you.

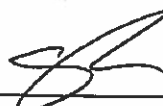
DESCRIPTION OF ELECTRONIC DOCUMENTS

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

- A transfer of the land described above.
- One or more Charges of Land described above.
- Other Documents in Preparation attached hereto.

NOTE: Document Registration Agreement, Transfer/Deed, Charge/Mortgage and Discharge of Charge/Mortgage to be attached, as applicable.


Dated at the City of Mississauga in the Province of Ontario this 30 day of May, 2017



Witness



2546456 Ontario Inc.



Witness



Rouzbeh Behrouz

This is Exhibit "F" referred to in the Affidavit of Morteza Katebian
sworn July 4, 2018



Commissioner for Taking Affidavits (or as may be)

DAVID A. BROOKER



Branch: 1284 TOR-1470 DON MILLS RD
1470 DON MILLS RD
DON MILLS, ON

Date: May 29, 2017, 12:40 PM
Ref #: 00106744/4 - ZZEP

From: 1085-54***40
Debit Memo Transfer
MONEY GATE M 611,000.00

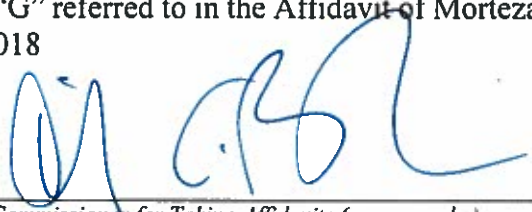
To: 1862-52***88
Credit Transfer
MENTIS LAW 611,000.00

Davecourt

A handwritten signature in black ink, appearing to be 'Davecourt', written over a horizontal line.

Banking can be this comfortable

This is Exhibit "G" referred to in the Affidavit of Morteza Katebian
sworn July 4, 2018

A handwritten signature in blue ink, appearing to read 'D. A. Brooker', is written over a horizontal line.

Commissioner for Taking Affidavits (or as may be)

DAVID A. BROOKER

Request ID: 021829540
 Transaction ID: 68544376
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2018/06/28
 Time Report Produced: 15:54:37
 Page: 1

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
2546456	2546456 ONTARIO INC.	2016/11/16
		Jurisdiction
		ONTARIO
		Former Jurisdiction
		NOT APPLICABLE
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address		Date Amalgamated
1 EMERALD LANE		NOT APPLICABLE
Suite # 409 THORNHILL ONTARIO CANADA L4J 8N2		Amalgamation Ind.
		NOT APPLICABLE
		New Amal. Number
		NOT APPLICABLE
		Notice Date
		NOT APPLICABLE
		Letter Date
		NOT APPLICABLE
Mailing Address		Revival Date
1 EMERALD LANE		NOT APPLICABLE
Suite # 409 THORNHILL ONTARIO CANADA L4J 8N2		Continuation Date
		NOT APPLICABLE
		Transferred Out Date
		NOT APPLICABLE
		Cancel/Inactive Date
		NOT APPLICABLE
		EP Licence Eff.Date
		NOT APPLICABLE
		EP Licence Term.Date
		NOT APPLICABLE
		Date Commenced in Ontario
		NOT APPLICABLE
		Date Ceased in Ontario
		NOT APPLICABLE
Activity Classification	Number of Directors Minimum Maximum	
NOT AVAILABLE	00001 00010	
		Date Commenced in Ontario
		NOT APPLICABLE
		Date Ceased in Ontario
		NOT APPLICABLE

Request ID: 021829540
 Transaction ID: 68544378
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2018/06/28
 Time Report Produced: 15:54:37
 Page: 2

CORPORATION PROFILE REPORT

Ontario Corp Number

2546456

Corporation Name

2546456 ONTARIO INC.

Corporate Name History

2546456 ONTARIO INC.

Effective Date

2016/11/16

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

Administrator:

Name (Individual / Corporation)

ROUZBEH

BEHROUZ

Address

1 EMERALD LANE

Suite # 409
 THORNHILL
 ONTARIO
 CANADA L4J 8N2

Date Began

2017/03/30

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Request ID: 021829540
 Transaction ID: 68544376
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2018/06/28
 Time Report Produced: 15:54:37
 Page: 3

CORPORATION PROFILE REPORT

Ontario Corp Number

2546456

Corporation Name

2546456 ONTARIO INC.

Administrator:

Name (Individual / Corporation)

ROUZBEH

BEHROUZ

Address

1 EMERALD LANE

Suite # 409
 THORNHILL
 ONTARIO
 CANADA L4J 8N2

Date Began

2017/03/30

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

PRESIDENT

Resident Canadian

Y

Administrator:

Name (Individual / Corporation)

ROUZBEH

BEHROUZ

Address

1 EMERALD LANE

Suite # 409
 THORNHILL
 ONTARIO
 CANADA L4J 8N2

Date Began

2017/03/30

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

SECRETARY

Resident Canadian

Y

Request ID: 021829540
 Transaction ID: 68544376
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2018/06/28
 Time Report Produced: 15:54:37
 Page: 4

CORPORATION PROFILE REPORT

Ontario Corp Number

2546456

Corporation Name

2546456 ONTARIO INC.

Administrator:

Name (Individual / Corporation)

ROUZBEH

BEHROUZ

Address

1 EMERALD LANE

Suite # 409
 THORNHILL
 ONTARIO
 CANADA L4J 8N2

Date Began

2017/03/30

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

TREASURER

Resident Canadian

Y

Administrator:

Name (Individual / Corporation)

ROUZBEH

BEHROUZ

Address

1 EMERALD LANE

Suite # 409
 THORNHILL
 ONTARIO
 CANADA L4J 8N2

Date Began

2017/03/30

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

GENERAL MANAGER

Resident Canadian

Y

Request ID: 021829540
Transaction ID: 68544376
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2018/06/28
Time Report Produced: 15:54:37
Page: 6

CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

2546456

2546456 ONTARIO INC.

Last Document Recorded

Act/Code	Description	Form	Date
CIA	CHANGE NOTICE	1	2018/06/22 (ELECTRONIC FILING)

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

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

This is Exhibit "H" referred to in the Affidavit of Morteza Katebian
sworn July 4, 2018



Commissioner for Taking Affidavits (or as may be)

DAVID A. BROOKER

Request ID: 021839863
 Transaction ID: 68571921
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2018/07/03
 Time Report Produced: 14:45:42
 Page: 1

CORPORATION POINT IN TIME REPORT

As of: 2017/06/05

Ontario Corp Number	Corporation Name	Incorporation Date
2546456	2546456 ONTARIO INC.	2016/11/16
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address		Date Amalgamated
2546456 ONTARIO INC. 1 EMERALD LANE		NOT APPLICABLE
		Amalgamation Ind.
		NOT APPLICABLE
Suite # 409 THORNHILL ONTARIO CANADA L4J 8N2		New Amal. Number
		NOT APPLICABLE
		Notice Date
		NOT APPLICABLE
Mailing Address		Letter Date
2546456 ONTARIO INC. 1 EMERALD LANE		NOT APPLICABLE
		Revival Date
		NOT APPLICABLE
Suite # 409 THORNHILL ONTARIO CANADA L4J 8N2		Continuation Date
		NOT APPLICABLE
		Transferred Out Date
		NOT APPLICABLE
		Cancel/Inactive Date
		NOT APPLICABLE
		EP Licence Eff.Date
		NOT APPLICABLE
		EP Licence Term.Date
		NOT APPLICABLE
	Number of Directors	Date Commenced
	Minimum Maximum	in Ontario
	00001 00010	NOT APPLICABLE
Activity Classification		Date Ceased
NOT AVAILABLE		in Ontario
		NOT APPLICABLE

Request ID: 021839863
 Transaction ID: 68571921
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2018/07/03
 Time Report Produced: 14:45:42
 Page: 2

CORPORATION POINT IN TIME REPORT

As of: 2017/06/05

Ontario Corp Number

Corporation Name

2546456

2546456 ONTARIO INC.

Corporate Name History

Effective Date

2546456 ONTARIO INC.

2016/11/16

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

**Active Administrator:
 Name (Individual / Corporation)**

Address

ROUZBEH
 BEHROUZ

1 EMERALD LANE
 Suite # 409
 THORNHILL
 ONTARIO
 CANADA L4J 8N2

Date Began

First Director

2017/04/05

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

DIRECTOR

Y

Request ID: 021839863
 Transaction ID: 68571921
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2018/07/03
 Time Report Produced: 14:45:42
 Page: 3

CORPORATION POINT IN TIME REPORT

As of: 2017/06/05

Ontario Corp Number

2546456

Corporation Name

2546456 ONTARIO INC.

Active Administrator: Name (Individual / Corporation)

ROUZBEH

BEHROUZ

Address

1 EMERALD LANE
 Suite # 409
 THORNHILL
 ONTARIO
 CANADA L4J 8N2

Date Began

2017/04/05

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

PRESIDENT

Resident Canadian

Y

Active Administrator: Name (Individual / Corporation)

ROUZBEH

BEHROUZ

Address

1 EMERALD LANE
 Suite # 409
 THORNHILL
 ONTARIO
 CANADA L4J 8N2

Date Began

2017/04/05

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

SECRETARY

Resident Canadian

Y

Request ID: 021839863
 Transaction ID: 68571921
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2018/07/03
 Time Report Produced: 14:45:42
 Page: 4

CORPORATION POINT IN TIME REPORT

As of: 2017/06/05

Ontario Corp Number

Corporation Name

2546456

2546456 ONTARIO INC.

Active Administrator:
 Name (Individual / Corporation)

Address

ROUZBEH

1 EMERALD LANE

BEHROUZ

Suite # 409
 THORNHILL
 ONTARIO
 CANADA L4J 8N2

Date Began

First Director

2017/04/05

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

OFFICER

TREASURER

Y

Active Administrator:
 Name (Individual / Corporation)

Address

ROUZBEH

1 EMERALD LANE

BEHROUZ

Suite # 409
 THORNHILL
 ONTARIO
 CANADA L4J 8N2

Date Began

First Director

2017/04/05

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

OFFICER

GENERAL MANAGER

Y

Request ID: 021839863
Transaction ID: 68571921
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2018/07/03
Time Report Produced: 14:45:42
Page: 5

CORPORATION POINT IN TIME REPORT

As of: 2017/06/05

Ontario Corp Number

Corporation Name

2546456

2546456 ONTARIO INC.

Last Document Recorded

Act/Code	Description	Form	Date
CIA	CHANGE NOTICE	1	2017/05/23

THIS REPORT SETS OUT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992 AND RECORDED ON THE ONTARIO BUSINESS INFORMATION SYSTEM UP TO THE "AS OF DATE" INDICATED ON THE REPORT. ALL CURRENT DIRECTORS AND OFFICERS ARE INCLUDED AS ACTIVE ADMINISTRATORS.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON THE MICROFICHE.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

This is Exhibit "I" referred to in the Affidavit of Morteza Katebian
sworn July 4, 2018



Commissioner for Taking Affidavits (or as may be)

DAVID A. BROOKER

STEINBERG TITLE HOPE & ISRAEL LLP

BARRISTERS & SOLICITORS • TRADEMARK AGENTS

IRWIN STEINBERG
B.A., LL.B.
JACK W. HOPE
LL.B.
DAVID M. ISRAEL
B.A., LL.B.
M. MICHAEL TITLE*
B.A., J.D.
MICHAEL E. CASS
B.A., LL.B.
SHELLEY BRIAN BROWN
B.C.L., LL.B., LL.M.
PATRICIA VIRG
LL.B., LL.M., C. Dir.
DERRICK M. FULTON*
B.A. (Hons.), LL.B., LL.M.
TARAS KULISH**
B.C.L., LL.B.
DAVID A. BROOKER
B.Sc., LL.B.
ELI LEIBOWITZ
B.A.S., J.D.
DARIA KRYSIK
B.A. (Hons.), J.D.
ELI HOFFMAN
B.A. (Hons.), J.D.

David A. Brooker Ext. 214
Karen Sampson (Legal Assistant/Clerk) Ext. 218
e-mail: dbrooker@sthilaw.com

June 18, 2018

**Personal & Confidential
Via Registered Mail**

2546456 Ontario Inc.
1 Emerald Lane, Suite #409
Thornhill, Ontario
L4J 8N2

Dear Sir/Madam:

Re: 558 Dovercourt Road, Toronto

We are the lawyers for Money Gate Mortgage Investment Corporation (the "Lender").

We refer to the following:

Charge/Mortgage registered as AT4588484 on June 5, 2017 granted by 2546456 Ontario Inc. in favour of the Lender against the real property known municipally as 558 Dovercourt Road, Toronto, Ontario (the "Real Property") (the "Mortgage").

Pursuant to the Mortgage, 2546456 Ontario Inc. is indebted to the Lender in the amount of \$698,411.42 as at June 18, 2018 plus all accrued and unpaid interest thereon at the rate of 12% per annum, until paid.

We enclose a copy of the Notice of Intention to Enforce Security delivered pursuant to s. 244 of the *Bankruptcy and Insolvency Act*.

Please acknowledge your receipt of this letter and the enclosure by signing the enclosed acknowledgement and consent and return the same to the undersigned.

Yours very truly,
STEINBERG TITLE HOPE & ISRAEL LLP



David A. Brooker
DAB/ks
Enclosure

- 2 -

cc: **Money Gate Mortgage Investment Corporation**
Attn: Payam Katebian

NOTICE OF INTENTION TO ENFORCE A SECURITY

**Subsection 244(1) of the
*Bankruptcy and Insolvency Act (Canada)***

TO: 2546456 Ontario Inc., an insolvent company
1 Emerald Lane
Suite #409
Thornhill, Ontario
L4J 8N2

TAKE NOTICE THAT:

1. Money Gate Mortgage Investment Corporation, a Secured Creditor, intends to enforce its security on the insolvent company's property described below:

All present and future property, assets and undertaking of 2546456 Ontario Inc., including without limitation, accounts, books and records, chattel paper, documents of title, equipment, goods, instruments, intangibles (including intellectual property rights, contracts and permits), inventory, money, securities, contracts, licenses, agreements and real property, as more fully described in the security agreements set out below.

2. The security that is to be enforced is the following (hereinafter referred to collectively as the "Security"):

(a) Charge/Mortgage registered as AT4588484 on June 5, 2017 granted by 2546456 Ontario Inc. in favour of the Lender against the real property known municipally as 558 Dovercourt Road, Toronto, Ontario (the "Real Property")

3. The total amount of indebtedness secured by the security is the principal amount of \$698,411.42 as at June 18, 2018 plus all unpaid and accrued interest thereon.

4. The Secured Creditor will not have the right to enforce the security until after the expiry of the 10-day period after this notice is sent unless the insolvent company consents to an earlier enforcement.

DATED AT TORONTO, this 18th day of June, 2018.

STEINBERG TITLE HOPE & ISRAEL LLP
Solicitors on behalf of Money Gate Mortgage
Investment Corporation

Per: 

David A. Brooker

ACKNOWLEDGEMENT AND CONSENT

TO: 2546456 Ontario Inc.

2546456 Ontario Inc. hereby acknowledges the receipt of this letter demanding payment of its indebtedness to the Lender and the enclosed Notice of Intention to Enforce Security. 2546456 Ontario Inc. also acknowledges its indebtedness and liabilities to the Lender in the amount set forth in the demand and Notice of Intention to Enforce Security (collectively, the "Liabilities"), and hereby irrevocably waives all requires for notice of such demand and time for payment of the Liabilities.

2546456 Ontario Inc. hereby acknowledges its inability to make payment of the amount of the Liabilities and hereby consents to the immediate enforcement of the Security granted by it to the Lender by any means deemed appropriate by the Lender, including the appointment either privately or by application to the court at the option of the Lender, of such person, firm, or corporation as the Lender may select, as interim receiver, receiver or receiver and manager of the property, assets and undertaking of 2546456 Ontario Inc.

2546456 Ontario Inc. further acknowledges and confirms that it has sought the advice and recommendations of its professional advisors to the extent it deems appropriate in connection with the execution of this Acknowledgement and Consent and is executing this Acknowledgment and Consent freely, voluntarily and without duress.

DATED at Toronto, Ontario this day of , 2018.

2546456 ONTARIO INC.

By: _____
Name:

I have authority to bind the corporation.

This is Exhibit "J" referred to in the Affidavit of Morteza Katebian
sworn July 4, 2018



Commissioner for Taking Affidavits (or as may be)

DAVID A. BROOKER



Ontario ServiceOntario

LAND REGISTRY OFFICE #66

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

PAGE 1 OF 3
PREPARED FOR isteInberg
ON 2018/07/03 AT 12:30:38

21281-0074 (LT)

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

PROPERTY DESCRIPTION: PT LT 24 PL D262 TORONTO AS IN CA474878; CITY OF TORONTO

PROPERTY REMARKS:
ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED
OWNERS' NAMES
2546456 ONTARIO INC.

RECENTLY:
FIRST CONVERSION FROM BOOK
CAPACITY SHARE

EIN CREATION DATE:
2003/04/28

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKO
** PRINTOUT			INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2003/04/25 **			
**SUBJECT,			ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:			
**			SUBSECTION 41(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *			
**			AND ESCHEATS OR FORFEITURE TO THE CROWN.			
**			THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF			
**			IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY			
**			CONVENTION.			
**			ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.			
**DATE OF CONVERSION TO			LAND TITLES: 2003/04/28 **			
CA474878	1997/05/30	TRANSFER	*** COMPLETELY DELETED ***	SILVA, EZEQUIEL MENDONCA, MARGARET SILVA, LIDIA		
CA753456	2001/12/19	CHARGE	*** COMPLETELY DELETED ***	FIRST NATIONAL FINANCIAL CORPORATION		
AT445369	2004/03/31	CHARGE	*** COMPLETELY DELETED *** MENDONCA, MARGARET SILVA, EZEQUIEL SILVA, LIDIA	ROYAL BANK OF CANADA		
AT1435622	2007/05/04	CHARGE	*** COMPLETELY DELETED *** MENDONCA, MARGARET SILVA, EZEQUIEL SILVA, LIDIA	ROYAL BANK OF CANADA		
AT148069#	2007/06/21	DISCH OF CHARGE	*** COMPLETELY DELETED ***			

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



Ontario ServiceOntario

LAND
REGISTRY
OFFICE #66

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

PAGE 2 OF 3

PREPARED FOR Isteinberg
ON 2018/07/03 AT 12:30:38

21281-0074 (LT)

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT1977922	2008/12/18	CHARGE		ROYAL BANK OF CANADA	PARLIAMENT CASTLE BUILDERS OF CANADA (2004) LTD.	
AT2026969	2009/03/10	DISCH OF CHARGE		*** COMPLETELY DELETED *** SILVA, EZEQUIEL SILVA, MARGARET MENDONCA, MARGARET SILVA, LIDIA		
AT3471420	2013/12/05	TRANSFER		*** COMPLETELY DELETED *** PARLIAMENT CASTLE BUILDERS OF CANADA (2004) LTD.		
AT3471421	2013/12/05	CHARGE		*** COMPLETELY DELETED *** MENDONCA, MARGARET SILVA, EZEQUIEL	SILVA, LIDIA	
AT3540564	2014/03/19	DISCH OF CHARGE		*** COMPLETELY DELETED *** SILVA, LIDIA	FIRST NATIONAL FINANCIAL GP CORPORATION	
AT3540573	2014/03/19	DISCH OF CHARGE		*** COMPLETELY DELETED *** FIRST NATIONAL FINANCIAL CORPORATION		
AT4527558	2017/04/03	TRANSFER	\$1,900,000	*** COMPLETELY DELETED *** ROYAL BANK OF CANADA	2546456 ONTARIO INC.	C
AT4527566	2017/04/03	CHARGE	\$1,450,000	SILVA, LIDIA	B & M HANDELMAN INVESTMENTS LIMITED	C
				2546456 ONTARIO INC.	HANDELMAN, CAROL YERUSA INVESTMENTS INC. BAMBURGH HOLDINGS LTD. POLLOCK, RONALD POLLOCK, JUDY CANDID OPINION LTD. SABO PROPERTIES LIMITED STERN, NECHAMA POLLAK, CHARLES RUBINOFF, MENDEL RUBINOFF, JUDY	

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



Ontario ServiceOntario

LAND
REGISTRY
OFFICE #66

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

PAGE 3 OF 3

PREPARED FOR Isteinberg
ON 2018/07/03 AT 12:30:38

21281-0074 (LT)

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT4527567	2017/04/03	NO ASSGN RENT GEN		2546456 ONTARIO INC.	THE BANK OF NOVA SCOTIA TRUST COMPANY GRUNEIR, WENDY 1031436 ONTARIO INC. B & M HANDELMAN INVESTMENTS LIMITED HANDELMAN, CAROL YERUSHA INVESTMENTS INC. BAMBURGH HOLDINGS LTD. POLLOCK, RONALD POLLOCK, JUDY CANDID OPINION LTD. SABO PROPERTIES LIMITED STERN, NECHAMA POLLAK, CHARLES POLLAK, NANCY RUBINOFF, MENDEL RUBINOFF, JUDY THE BANK OF NOVA SCOTIA TRUST COMPANY GRUNEIR, WENDY 1031436 ONTARIO INC.	C
				*** COMPLETELY DELETED *** FIRST NATIONAL FINANCIAL GP CORPORATION		
AT4589484	2017/06/05	CHARGE	\$611,000	2546456 ONTARIO INC.	MONEY GATE MORTGAGE INVESTMENT CORPORATION	C

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

This is Exhibit "K" referred to in the Affidavit of Morteza Katebian
sworn July 4, 2018



Commissioner for Taking Affidavits (or as may be)

DAVID A. BROOKER

LRO # 80 Charge/Mortgage

Registered as AT4527566 on 2017 04 03 at 10:00

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

yyyy mm dd Page 1 of 14

Properties

PIN 21281 - 0074 LT *Interest/Estate* Fee Simple
Description PT LT 24 PL D282 TORONTO AS IN CA474878; CITY OF TORONTO
Address 558 DOVERCOURT RD
TORONTO

Chargor(s)

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

Name 2546456 ONTARIO INC.
Address for Service 1 Emerald Lane
Suite 409
Thornhill, Ontario
L4J 8N2

I, Payam Katebian, President and Secretary, have the authority to bind the corporation.
This document is not authorized under Power of Attorney by this party.

Chargee(s)**Capacity****Share**

Name	B & M HANDELMAN INVESTMENTS LIMITED		as to an undivided share of \$100,000.00 / \$1,450,000.00
Address for Service	c/o C & K Mortgage Services Inc. 1670 Bayview Avenue Suite 400 Toronto, Ontario M4G 3C2		
Name	HANDELMAN, CAROL		as to an undivided share of \$110,000.00 / \$1,450,000.00
Address for Service	c/o C & K Mortgage Services Inc. 1670 Bayview Avenue Suite 400 Toronto, Ontario M4G 3C2		
Name	YERUSHA INVESTMENTS INC.		as to an undivided share of \$100,000.00 / \$1,450,000.00
Address for Service	c/o C & K Mortgage Services Inc. 1670 Bayview Avenue Suite 400 Toronto, Ontario M4G 3C2		
Name	BAMBURGH HOLDINGS LTD.		as to an undivided share of \$100,000.00 / \$1,450,000.00
Address for Service	c/o C & K Mortgage Services Inc. 1670 Bayview Avenue Suite 400 Toronto, Ontario M4G 3C2		
Name	POLLOCK, RONALD	Joint Account, Right Of Survivorship	as to part of undivided share of \$100,000.00 / \$1,450,000.00
Address for Service	c/o C & K Mortgage Services Inc. 1670 Bayview Avenue Suite 400		

Chargee(s)	Capacity	Share
Name	Toronto, Ontario M4G 3C2	
Name	POLLOCK, JUDY	Joint Account, Right Of Survivorship
Address for Service	c/o C & K Mortgage Services Inc. 1670 Bayview Avenue Suite 400 Toronto, Ontario M4G 3C2	as to a part of undivided share of \$100,000.00 / \$1,450,000.00
Name	CANDID OPINION LTD.	as to an undivided share of \$150,000.00 / \$1,450,000.00
Address for Service	c/o C & K Mortgage Services Inc. 1670 Bayview Avenue Suite 400 Toronto, Ontario M4G 3C2	
Name	SABO PROPERTIES LIMITED	as to an undivided share of \$200,000.00 / \$1,450,000.00
Address for Service	c/o C & K Mortgage Services Inc. 1670 Bayview Avenue Suite 400 Toronto, Ontario M4G 3C2	
Name	STERN, NECHAMA	as to an undivided share of \$100,000.00 / \$1,450,000.00
Address for Service	c/o C & K Mortgage Services Inc. 1670 Bayview Avenue Suite 400 Toronto, Ontario M4G 3C2	
Name	POLLAK, CHARLES	Joint Account, Right Of Survivorship
Address for Service	c/o C & K Mortgage Services Inc. 1670 Bayview Avenue Suite 400 Toronto, Ontario M4G 3C2	as to a part of undivided share of \$100,000.00 / \$1,450,000.00
Name	POLLAK, NANCY	Joint Account, Right Of Survivorship
Address for Service	c/o C & K Mortgage Services Inc. 1670 Bayview Avenue Suite 400 Toronto, Ontario M4G 3C2	as to a part of undivided share of \$100,000.00 / \$1,450,000.00
Name	RUBINOFF, MENDEL	Joint Account, Right Of Survivorship
Address for Service	c/o C & K Mortgage Services Inc. 1670 Bayview Avenue Suite 400 Toronto, Ontario M4G 3C2	as to a part of undivided share of \$40,000.00 / \$1,450,000.00

LRO # 80 Charge/Mortgage

Registered as AT4527566 on 2017 04 03 at 10:00

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

yyyy mm dd Page 3 of 14

Chargee(s)	Capacity	Share
Name RUBINOFF, JUDY	Joint Account, Right Of Survivorship	as to a part of undivided share of \$40,000.00 / \$1,450,000.00
Address for Service c/o C & K Mortgage Services Inc. 1670 Bayview Avenue Suite 400 Toronto, Ontario M4G 3C2		
Name THE BANK OF NOVA SCOTIA TRUST COMPANY		as to an undivided share of \$150,000.00 / \$1,450,000.00
Address for Service 130 King Street West 20th Floor Toronto, Ontario M5K 1X1		
Name GRUNEIR, WENDY		as to an undivided share of \$100,000.00 / \$1,450,000.00
Address for Service c/o C & K Mortgage Services Inc. 1670 Bayview Avenue Suite 400 Toronto, Ontario M4G 3C2		
Name 1031436 ONTARIO INC.		as to an undivided share of \$100,000.00 / \$1,450,000.00
Address for Service c/o C & K Mortgage Services Inc. 1670 Bayview Avenue Suite 400 Toronto, Ontario M4G 3C2		

Statements

Schedule: The Bank of Nova Scotia Trust Company holds this mortgage in trust for RIF#491-02511-17/Doris Gruneir.

Provisions

Principal	\$1,450,000.00	Currency	CDN
Calculation Period	monthly not in advance		
Balance Due Date	2017/04/01		
Interest Rate	8.0%		
Payments	\$9,666.67		
Interest Adjustment Date	2017 04 01		
Payment Date	first day of each and every month		
First Payment Date	2017 05 01		
Last Payment Date	2018 04 01		
Standard Charge Terms	200033		
Insurance Amount	full insurable value		
Guarantor	Payam Katebian and Morteza Katebian		

Additional Provisions

See Schedules

Signed By

Kimberly Anne Gabriel

1 Adelaide Street E., Suite 801

acting for

Signed 2017 03 31

LRO # 80 Charge/Mortgage

Registered as AT4527566 on 2017 04 03 at 10:00

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

yyyy mm dd Page 4 of 14

Signed ByToronto
M5C 2V9

Chargor(s)

Tel 416-869-1234

Fax 416-869-0547

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

Submitted By

GARFINKLE, BIDERMAN LLP

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

2017 04 03

Tel 416-869-1234

Fax 416-869-0547

Fees/Taxes/Payment

Statutory Registration Fee	\$63.35
Total Paid	\$63.35

File Number

Charges Client File Number : 2677-448

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT
TORONTO

AFFIDAVIT OF MORTEZA KATEBIAN
SWORN JULY 4, 2018

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

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

Lawyers for the Applicant

RCP-E 4C (May 1, 2016)

TAB 3

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

MONEY GATE MORTGAGE INVESTMENT CORPORATION

Plaintiff

and

2546456 ONTARIO INC.

Defendant

Application pursuant to s.243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended and s.101 of the *Courts of Justice Act*, R.S.O. 1990, c.C.43, as amended

CONSENT

I, Ira Smith Trustee & Receiver Inc., consent to act as court appointed receiver of the real property of the respondent, municipally known as 558 Dovercourt Road, Toronto.

DATED AT VAUGHAN, ON, this 4th day of July, 2018.

Ira Smith Trustee & Receiver Inc.

Per: 

Ira Smith, MBA, CPA.CA, CIRP, LIT
President

MONEY GATE MORTGAGE INVESTMENT CORPORATION -and-
Applicant

2546456 ONTARIO INC.
Respondent

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**PROCEEDING COMMENCED AT
TORONTO**

**CONSENT TO ACT AS COURT APPOINTED
RECEIVER**

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

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

Lawyers for the Applicant

RCP-E4C (May 1, 2016)

TAB 4

SCHEDULE A

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE)
 JUSTICE)
)
)

, THE
 DAY OF, 20

B E T W E E N:

MONEY GATE MORTGAGE INVESTMENT CORPORATION

Applicant

and

2546456 ONTARIO INC.

Respondent

Application pursuant to s.243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended and s.101 of the *Courts of Justice Act*, R.S.O. 1990, c.C.43, as amended

ORDER
(appointing Receiver)

THIS APPLICATION brought by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing Ira Smith Trustee & Receiver Inc. as receiver (the "Receiver") without security, over the lands and premises registered in the name of the Respondent, 2546456 Ontario Inc. (the "Debtor") municipally known as 558 Dovercourt Road, Toronto, Ontario and having the legal description as set out in Schedule "A" hereto (the "Real Property") including and all proceeds therefrom was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Morteza Katebian sworn July , 2018 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant, no one from the service list appearing although duly served as appears from the affidavit of service of , and on reading the consent of Ira Smith Trustee & Receiver Inc. to act as the Receiver,

SERVICE

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

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, Ira Smith Trustee & Receiver Inc. is hereby appointed Receiver, without security, of the Real Property and all proceeds therefrom (together with the Real Property, the "Property").

RECEIVER'S POWERS

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

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

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

- (i) without the approval of this Court in respect of any transaction not exceeding \$50,000.00, provided that the aggregate consideration for all such transactions does not exceed \$250,000.00; and
- (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

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

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and

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

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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

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

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy

any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

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

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

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

RECEIVER TO HOLD FUNDS

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

EMPLOYEES

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

PIPEDA

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

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

LIMITATION ON THE RECEIVER'S LIABILITY

16. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the

Wage Earner Protection Program Act. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

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

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

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

FUNDING OF THE RECEIVERSHIP

20. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$250,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but

subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

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

24. THIS COURT ORDERS that notwithstanding paragraphs 20 to 23 inclusive, and as an alternate thereto, the Receiver is hereby authorized to borrow money and to fund the exercise of its powers and duties hereunder by way of advances from the Applicant, which advances shall be secured by the Applicant's security on the Property, with the same priority that may attach to such security.

SERVICE AND NOTICE

THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL http://www.irasmithinc.com/case_studies/558Dovercourt.

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

GENERAL

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

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

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

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

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

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

SCHEDULE "A"**LEGAL DESCRIPTION OF REAL PROPERTY**

PIN 21281 -0074 LT

PT LT 24 PL D262 TORONTO AS IN CA474878; CITY OF TORONTO

MUNICIPALLY KNOWN AS 558 DOVERCOURT RD, TORONTO

SCHEDULE "B"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that Ira Smith Trustee & Receiver Inc., the receiver (the "Receiver") of the Property of the Debtor, as such terms are defined in the Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the ___ day of _____, 20__ (the "Order") made in an action having Court file number __-CL-_____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$_____, being part of the total principal sum of \$_____ which the Receiver is authorized to borrow under and pursuant to the Order.

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

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

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

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

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

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

DATED the ____ day of _____, 20__.

Ira Smith Trustee & Receiver Inc., solely in its
capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

MONEY GATE MORTGAGE INVESTMENT CORPORATION -and-
Applicant

2546456 ONTARIO INC.
Respondent

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT
TORONTO

ORDER

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

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

Lawyers for the Applicant

RCP-E 4C (May 1, 2016)

TAB 5

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

Court File No.

**ONTARIO
 SUPERIOR COURT OF JUSTICE
 COMMERCIAL LIST**

THE HONOURABLE)	WEEKDAY , THE #
)	
JUSTICE)	DAY OF MONTH , 20 YR

PLAINTIFF⁺

Plaintiff BETWEEN:

MONEY GATE MORTGAGE INVESTMENT CORPORATION

Applicant

and

2546456 ONTARIO INC.

Respondent

Application pursuant to s.243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended and s.101 of the *Courts of Justice Act*, R.S.O. 1990, c.C.43, as amended

~~and~~

DEFENDANT

Defendant

⁺ ~~The Model Order Subcommittee notes that a receivership proceeding may be commenced by action or by application. This model order is drafted on the basis that the receivership proceeding is commenced by way of an action.~~

- 2 -

ORDER
(appointing Receiver)

THIS ~~MOTION-APPLICATION~~ brought ~~made~~ by the ~~Plaintiff Applicant~~² for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing ~~[RECEIVER'S NAME]~~ Ira Smith Trustee & Receiver Inc. as receiver ~~[and manager] (in such capacities, the "Receiver")~~ without security, ~~of all of the assets, undertakings and properties of [DEBTOR'S NAME] over the lands and premises registered in the name of the Respondent, 2546456 Ontario Inc. (the "Debtor") municipally known as 558 Dovercourt Road, Toronto, Ontario and having the legal description as set out in Schedule "A" hereto (the "Real Property") including and all proceeds therefrom acquired for, or used in relation to a business carried on by the Debtor,~~ was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of ~~[NAME]~~ Morteza Katebian sworn ~~[DATE]~~ July , 2018 and the Exhibits thereto and on hearing the submissions of counsel for ~~the Applicant~~ [NAMES], no one ~~from the service list appearing for [NAME]~~ although duly served as appears from the affidavit of service of ~~[NAME]~~ sworn ~~[DATE]~~, and on reading the consent of Ira Smith Trustee & Receiver Inc. [RECEIVER'S NAME] to act as the Receiver,

SERVICE

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

APPOINTMENT

² ~~Section 243(1) of the BIA provides that the Court may appoint a receiver "on application by a secured creditor",~~

³ ~~If service is effected in a manner other than as authorized by the Ontario Rules of Civil Procedure, an order validating irregular service is required pursuant to Rule 16.08 of the Rules of Civil Procedure and may be granted in appropriate circumstances.~~

- 3 -

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, Ira Smith Trustee & Receiver Inc. ~~[RECEIVER'S NAME]~~ is hereby appointed Receiver, without security, ~~of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the Real Property and all proceeds therefrom (together with the Real Property, the "Property"))~~.

RECEIVER'S POWERS

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

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

- 4 -

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

⁴ ~~This model order does not include specific authority permitting the Receiver to either file an assignment in bankruptcy on behalf of the Debtor, or to consent to the making of a bankruptcy order against the Debtor. A bankruptcy may have the effect of altering the priorities among creditors, and therefore the specific authority of the Court should be sought if the Receiver wishes to take one of these steps.~~

- 5 -

- (i) without the approval of this Court in respect of any transaction not exceeding ~~\$50,000.00~~, provided that the aggregate consideration for all such transactions does not exceed ~~\$250,000.00~~; and
- (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, [or section 31 of the Ontario *Mortgages Act*, as the case may be,]⁶ shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;

~~⁶If the Receiver will be dealing with assets in other provinces, consider adding references to applicable statutes in other provinces. If this is done, those statutes must be reviewed to ensure that the Receiver is exempt from or can be exempted from such notice periods, and further that the Ontario Court has the jurisdiction to grant such an exemption.~~

- 6 -

- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that

- 7 -

nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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

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

NO PROCEEDINGS AGAINST THE RECEIVER

- 8 -

~~8.7.~~ THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

~~9.8.~~ THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

~~10.9.~~ THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

~~11.10.~~ THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

~~12.11.~~ THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to

the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

~~13.~~12. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

~~14.~~13. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

~~15.~~14. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal

information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

~~16-15.~~ THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

~~17.16.~~ THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

~~18.17.~~ THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.⁶

~~19.18.~~ THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

~~20.19.~~ THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

⁶ ~~Note that subsection 243(6) of the BIA provides that the Court may not make such an order "unless it is satisfied that the secured creditors who would be materially affected by the order were given reasonable notice and an opportunity to make representations".~~

FUNDING OF THE RECEIVERSHIP

~~21-20.~~ THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$250,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

~~22-21.~~ THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

~~23-22.~~ THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "~~B-A~~" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

~~24-23.~~ THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

24. THIS COURT ORDERS that notwithstanding paragraphs 20 to 23 inclusive, and as an alternate thereto, the Receiver is hereby authorized to borrow money and to fund the exercise of its powers and duties hereunder by way of advances from the Applicant, which advances shall be secured by the Applicant's security on the Property, with the same priority that may attach to such security.

SERVICE AND NOTICE

~~25.~~ THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL ~~'@'~~ http://www.irasmithinc.com/case_studies/558Dovercourt.

~~26.~~25. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

~~27.~~26. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

~~28.~~27. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

~~29.~~28. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this

Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

~~30-29~~ THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

~~31-30~~ THIS COURT ORDERS that the Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

~~32-31~~ THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

- 15 -

SCHEDULE "A"**LEGAL DESCRIPTION OF REAL PROPERTY****PIN 21281 -0074 LT****PT LT 24 PL D262 TORONTO AS IN CA474878; CITY OF TORONTO****MUNICIPALLY KNOWN AS 558 DOVERCOURT RD. TORONTO**

SCHEDULE "BA"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

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

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

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

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

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

- 2 -

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

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

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

DATED the ____ day of _____, 20__.

~~{RECEIVER'S NAME}~~ Ira Smith Trustee & Receiver Inc., solely in its capacity as Receiver of the Property, and not in its personal capacity

Per: _____

Name:

Title:

MONEY GATE MORTGAGE INVESTMENT CORPORATION -and-
Applicant

2546456 ONTARIO INC.
Respondent

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT
TORONTO

ORDER

STEINBERG TITLE HOPE & ISRAEL LLP

Barristers & Solicitors

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Toronto, Ontario

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David A. Brooker (35787W)

Tel: 416-225-2777

Fax: 416-225-7112

Lawyers for the Applicant

RCP-E-4C (May 1, 2016)

MONEY GATE MORTGAGE INVESTMENT CORPORATION -and-
Applicant

2546456 ONTARIO INC.
Respondent

Court File No. CV-18-601199-00CL

ONTARIO
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