

RUN NUMBER : 166
 RUN DATE : 2021/06/15
 ID : 20210615104814.36
 TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : GROSS PROPERTIES INC.
 FILE CURRENCY : 14JUN 2021

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN
 FILE NUMBER
 713545983

CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
 FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
 008 12 20160125 1221 1590 1999

01 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 02 DEBTOR
 03 NAME BUSINESS NAME ONTARIO CORPORATION NO.

04 DATE OF BIRTH ADDRESS INITIAL SURNAME
 05 DEBTOR
 06 NAME BUSINESS NAME ONTARIO CORPORATION NO.

07 SECURED PARTY / ADDRESS
 08 LIEN CLAIMANT ADDRESS
 09 COLLATERAL CLASSIFICATION STREET, 16TH FLOOR

10 CONSUMER AMOUNT DATE OF NO FIXED
 GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE
 YEAR MAKE MODEL V.I.N.

11 MOTOR
 12 VEHICLE
 13 GENERAL
 14 COLLATERAL
 15 DESCRIPTION
 16 REGISTERING
 17 AGENT

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
 CONTINUED... 11

CAUTION FILING	PAGE NO.	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
00	009	12	20160125	1221 1590	1999	
01	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME		
02	DEBTOR NAME	BUSINESS NAME				ONTARIO CORPORATION NO.
03	DATE OF BIRTH	ADDRESS	FIRST GIVEN NAME	INITIAL	SURNAME	
04	DEBTOR NAME	BUSINESS NAME				ONTARIO CORPORATION NO.
05	SECURED PARTY / LIEN CLAIMANT	ADDRESS	LEXINGTON INSURANCE COMPANY			
06	COLLATERAL CLASSIFICATION	ADDRESS	C/O LARGO REAL ESTATE ADVISORS, INC.	GETZVILLE	NY	14068
07	CONSUMER	GOODS	INVENTORY EQUIPMENT	ACCOUNTS OTHER INCLUDED	MOTOR VEHICLE	AMOUNT
08	YEAR MAKE				DATE OF MATURITY	OR MATURITY DATE
09	MOTOR VEHICLE GENERAL					
10	COLLATERAL					
11	DESCRIPTION					
12	REGISTERING AGENT					
13	ADDRESS					
14						
15						
16						
17						

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

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00	713545983	010	12	20160125	1221 1590	1999	
01				FIRST GIVEN NAME	INITIAL	SURNAME	
02				BUSINESS NAME			ONTARIO CORPORATION NO.
03				ADDRESS			
04				DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
05				BUSINESS NAME			ONTARIO CORPORATION NO.
06				ADDRESS			
07				ADDRESS			
08				ADDRESS	2420 NORTH FOREST ROAD		
09				COLLATERAL CLASSIFICATION			
10				CONSUMER			
11				GOODS	INVENTORY EQUIPMENT	ACCOUNTS OTHER	INCLUDED
12				YEAR MAKE			
13				MOTOR VEHICLE	AMOUNT	DATE OF MATURITY	OR NO FIXED MATURITY DATE
14				MODEL			V.I.N.
15							
16							
17				ADDRESS			

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
 CONTINUED.... 13

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02	DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME					
03	DEBTOR BUSINESS NAME					
04	ADDRESS					
05	DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME					
06	DEBTOR BUSINESS NAME					
07	ADDRESS					
08	SECURED PARTY / LIEN CLAIMANT					
09	ADDRESS C/O AIG INVESTMENTS, 777 SOUTH FIGUEROA LOS ANGELES CA 90017-5800					
10	COLLATERAL CLASSIFICATION CONSUMER					
	GOODS	INVENTORY EQUIPMENT	ACCOUNTS OTHER INCLUDED	MOTOR VEHICLE AMOUNT	DATE OF MATURITY OR	NO FIXED MATURITY DATE
11	YEAR MAKE MODEL V.I.N.					
12	MOTOR					
13	VEHICLE					
14	GENERAL					
15	COLLATERAL					
16	DESCRIPTION					
17	REGISTERING AGENT ADDRESS					

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

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00	713545983	012	12	20160125	1221 1590	1999	
01				FIRST GIVEN NAME	INITIAL	SURNAME	
02				BUSINESS NAME			ONTARIO CORPORATION NO.
03				DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
04				ADDRESS			
05				DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
06				BUSINESS NAME			ONTARIO CORPORATION NO.
07				ADDRESS			
08				SECURED PARTY / LIEN CLAIMANT			
09				ADDRESS	STREET, 16TH FLOOR		
10				COLLATERAL CLASSIFICATION CONSUMER			
11				GOODS	INVENTORY EQUIPMENT	ACCOUNTS OTHER	AMOUNT
12				YEAR MAKE			
13				MOTOR VEHICLE	INCLUDED	DATE OF MATURITY	OR NO FIXED MATURITY DATE
14				MODEL			
15							
16							
17				ADDRESS			

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
 CONTINUED.... 15

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY SEARCH RESPONSE

REPORT : PSSR00043
PAGE : 15

RUN NUMBER : 166
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FILE CURRENCY : 14JUN 2021

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
763378398	20200706	1611 1590	6938
713545983	20160125	1221 1590	1999

2 REGISTRATIONS(S) ARE REPORTED IN THIS ENQUIRY RESPONSE.

This is **Exhibit "W"** referred to in the
Affidavit of Jacob Baron
sworn before me by video conference
this 18th day of June, 2021


A Commissioner, etc.

Nancy Ann Thompson, a Commissioner, etc.,
Province of Ontario, for Blake, Cassels & Graydon LLP,
Barristers and Solicitors.
Expires July 13, 2021.



Blake, Cassels & Graydon LLP
 Barristers & Solicitors
 Patent & Trade-mark Agents
 199 Bay Street
 Suite 4000, Commerce Court West
 Toronto ON M5L 1A9 Canada
 Tel: 416-863-2400 Fax: 416-863-2653

Pamela L.J. Huff

Partner

Dir: 416-863-2958

pamela.huff@blakes.com

February 14, 2020

VIA E-MAIL

Fogler, Rubinoff LLP
 77 King Street West
 Suite 3000
 Toronto, Ontario
 M5K 1G8

Attention: Avi Sugar / Nina Perfetto

Email: asugar@foglers.com / nperfetto@foglers.com

Re: Loan No. 7777005 - Events of Default and Reservation of Rights

We are counsel to American General Life Insurance Company, as lead lender for and on behalf of the lenders (collectively, the "**Lenders**") party to the loan and security documents set out on Schedule "A" hereto (collectively, the "**Loan and Security Documents**").

We are writing to you as counsel to the borrowers under the Loan and Security Documents (collectively, the "**Borrowers**").

We make reference to our conference call of this morning, during which you indicated that the Borrowers expect to receive a written offer of purchase (the "**Proposed Transaction**") by Tuesday, February 18, 2020, the proceeds of which your client hopes will be sufficient to address the current financial circumstances of the Borrowers and their affiliates to the satisfaction of the Lenders.

The obligations of the Borrowers under the Loan and Security Documents are secured by the mortgages, charges and other security (collectively, the "**Security**") granted to the Lenders under the Loan and Security Documents and the additional agreements and documents set out on Schedule "B" hereto (collectively, the "**Additional Security Documents**") over, among other collateral, the real property listed on Schedule "C" hereto (collectively, the "**Real Property**").

We remind you that by way of letters dated February 5 and February 6, 2020 (the "**Notices of Default**"), former counsel to the Lenders notified the Borrowers of the occurrence of certain Events of Default (as defined in the Loan and Security Documents) (collectively, the "**Existing Events of Default**") as a result of, among other things:

- (i) the Borrower's failure to pay when due, interest and principal for the month of January and February 2020, which payments remain outstanding as at the date hereof;
- (ii) the Borrowers' failure to pay when due, municipal taxes owing in respect of the Real Property; and
- (iii) the registration of certain encumbrances against the Real Property without the written consent of the Lenders (collectively, the "**Unpermitted Encumbrances**").



In the Notices of Default, the Lenders reserved all of their rights and remedies in respect of the Existing Events of Default and any other Event of Default that may occur.

Additionally, we understand that certain rents generated by the Real Property may have been distributed to holders of the Unpermitted Encumbrances (the "**Potentially Preferential Payments**"), which would result in further Events of Default under the Loan and Security Documents. Please treat this as notice to immediately cease and desist from making any Potentially Preferential Payments in contravention of the Loan and Security Documents.

Irrespective of whether or not the Proposed Transaction is presented to the Lenders for their consideration on Tuesday, the Lenders expect that the Borrowers consent to the appointment of a financial advisor at the cost and expense of the Borrowers, to, among other things, provide further information to the Lenders regarding the Borrowers' business, the Proposed Transaction, and the Real Property.

The Lenders have not waived and hereby expressly reserve and retain all rights and remedies with respect to any and all Events of Default, the Potentially Preferential Payments, and the indebtedness and other obligations owing to them under the Loan and Security Documents and the Additional Security Documents, including, without limitation, the right to demand payment from any guarantors of such obligations. For greater certainty, the Lenders have not agreed to forbear or delay the exercise of any of their rights or remedies.

Yours truly,

Per: 

Pamela L.J. Huff

c. Client
A. Shalviri (Blakes)

SCHEDULE "A"**LOAN & SECURITY DOCUMENTS**

1. Promissory note dated as of January 25, 2016 in the principal amount of CAD \$30,800,000.00 made by Southmount Healthcare Centre (formerly Carriage Gate Group Inc.), 180 Vine Inc., 2478658 Ontario Ltd., 2009 Long Lake Holdings Inc., 65 Larch Holdings Inc., 100 Colborne Holdings Inc. and 240 Old Penetanguish Holdings Inc. in favour of American General Life Insurance Company
2. Promissory note dated as of January 25, 2016 in the principal amount of CAD \$23,100,000.00 made by Southmount Healthcare Centre (formerly Carriage Gate Group Inc.), 180 Vine Inc., 2478658 Ontario Ltd., 2009 Long Lake Holdings Inc., 65 Larch Holdings Inc., 100 Colborne Holdings Inc. and 240 Old Penetanguish Holdings Inc. in favour of Lexington Insurance Company
3. Promissory note dated as of January 25, 2016 in the principal amount of CAD \$16,100,000.00 made by Southmount Healthcare Centre (formerly Carriage Gate Group Inc.), 180 Vine Inc., 2478658 Ontario Ltd., 2009 Long Lake Holdings Inc., 65 Larch Holdings Inc., 100 Colborne Holdings Inc. and 240 Old Penetanguish Holdings Inc. in favour of The Variable Annuity Life Insurance Company
4. Charge/Mortgage granted by Southmount Healthcare Centre (formerly Carriage Gate Group Inc.) in respect of 35 Upper Centennial Parkway, Ontario (Freehold) registered on January 26, 2016, as instrument no. WE1096059 in respect of 35 Upper Centennial Parkway
5. Charge/Mortgage granted by 180 Vine Inc. in respect of 180 Vine Street South, St. Catharines, Ontario (Freehold) registered on January 26, 2016, as instrument no. NR403682 in respect of 180 Vine Street South
6. Charge/Mortgage granted by 2478658 Ontario Ltd. In respect of 849 Alexander Court, Peterborough, Ontario (Freehold) registered on January 26, 2016, as instrument no. PE239807 in respect of 849 Alexander Court
7. Charge/Mortgage granted by 2009 Long Lake Holdings Inc. in respect of 2009 Lake Road, Sudbury, Ontario (Freehold) registered on January 26, 2016, as instrument no. SD309728 in respect of 2009 Lake Road
8. Charge/Mortgage granted by 65 Larch Holdings Inc. in respect of 65 Larch Street, Sudbury, Ontario (Freehold) registered on January 26, 2016, as instrument no. SC1278217 in respect of 65 Larch Street
9. Charge/Mortgage granted by 100 Colborne Inc. in respect of 100 Colborne Street West, Orillia, Ontario (Freehold) and 77 Wyandotte Street, Orillia, Ontario (Freehold) registered on January 26, 2016, as instrument no. SC1278217 in respect of 100 Colborne Street West and 77 Wyandotte Street
10. Charge/Mortgage granted by 240 Old Penetanguish Holdings Inc. in respect of 240 Old Penetanguish Road, Midland, Ontario (Freehold) registered on January 26, 2016, as instrument no. SC1278220 in respect of 240 Old Penetanguish Road

SCHEDULE "B"**ADDITIONAL SECURITY DOCUMENTS**

1. Assignment of Rents in respect of 35 Upper Centennial Parkway, Hamilton, Ontario, dated as of January 25, 2016 granted by Southmount Healthcare Centre (formerly Carriage Gate Group Inc.) in favour of the Lenders
2. General Security Agreement dated as of January 25, 2016 granted by Southmount Healthcare Centre (formerly Carriage Gate Group Inc.) in favour of the Lenders
3. Assignment of Rents in respect of 180 Vine Street South, St. Catharines, Ontario dated as of January 25, 2016 granted by 180 Vine Inc. in favour of the Lenders
4. Direction to Nominee and Acknowledgement by 180 Vine Purchaser Inc. and 2413667 Ontario Inc. to 180 Vine Inc. and to the Lenders dated as of January 25, 2016
5. General Security Agreement dated as of January 25, 2016 granted by 180 Vine Inc. in favour of the Lenders
6. Assignment of Rents in respect of 849 Alexander Court, Peterborough, Ontario dated as of January 25, 2016 granted by 2478658 Ontario Ltd. In favour of the Lenders
7. Direction to Nominee and Acknowledgement by Gross Properties Inc. and 2413667 Ontario Inc. to 2488658 Ontario Ltd. and to the Lenders dated as of January 25, 2016
8. General Security Agreement dated as of January 25, 2016 granted by 2478658 Ontario in favour of the Lenders
9. Assignment of Rents in respect of 2009 Long Lake Road, Sudbury, Ontario dated as of January 25, 2016 granted by 2009 Long Lake Holdings Inc. in favour of the Lenders
10. Direction to Nominee and Acknowledgement by Gross Properties Inc. and 2413667 Ontario Inc. to 2009 Long Lake Holdings Inc. and to the Lenders dated as of January 25, 2016
11. General Security Agreement dated as of January 25, 2016 granted by 2009 Long Lake Holdings Inc. in favour of the Lenders
12. Assignment of Rents in respect of 65 Larch Street, Sudbury, Ontario dated as of January 25, 2016 granted by 65 Larch Holdings Inc. in favour of the Lenders
13. Direction to Nominee and Acknowledgement by Gross Properties Inc. and 2413667 Ontario Inc. to 65 Larch Holdings Inc. and to the Lenders dated as of January 25, 2016
14. General Security Agreement dated as of January 25, 2016 granted by 65 Larch Holdings Inc. in favour of the Lenders
15. Assignment of Rents in respect of 100 Colborne Street West, Orillia, Ontario and 77 Wyandotte Street, Orillia, Ontario, dated as of January 25, 2016 granted by 100 Colborne Holdings Inc. in favour of the Lenders
16. Direction to Nominee and Acknowledgement by Gross Properties Inc. and 2413667 Ontario Inc. to 100 Colborne Holdings Inc. to the Lenders dated as of January 25, 2016
17. General Security Agreement dated as of January 25, 2016 granted by 100 Colborne Holdings Inc. in favour of the Lenders
18. Assignment of Rents in respect of 240 Old Penetanguish Road, Midland, Ontario dated as of January 25, 2016 granted by 240 Old Penetanguish Holdings Inc. in favour of the Lenders

19. Direction to Nominee and Acknowledgement by Gross Properties Inc. and 2413667 Ontario Inc. to 240 Old Penetanguish Holdings Inc. and to the Lenders dated as of January 25, 2016
20. General Security Agreement dated as of January 25, 2016 granted by 240 Old Penetanguish Holdings Inc. in Favour of the Lenders

SCHEDULE "C"**REAL PROPERTY**

1. 35 Upper Centennial Parkway, Hamilton, Ontario
2. 180 Vine Street South, St. Catharines, Ontario
3. 849 Alexander Court, Peterborough, Ontario
4. 2009 Long Lake Road, Sudbury, Ontario
5. 65 Larch Street, Sudbury, Ontario
6. 100 Colborne Street West, Orillia, Ontario
7. 77 Wyandotte Street, Orillia, Ontario
8. 240 Old Penetanguish Road, Midland, Ontario

This is **Exhibit "X"** referred to in the
Affidavit of Jacob Baron
sworn before me by video conference
this 18th day of June, 2021


A Commissioner, etc.

Nancy Ann Thompson, a Commissioner, etc.,
Province of Ontario, for Blake, Cassels & Graydon LLP,
Barristers and Solicitors.
Expires July 13, 2021.

FASKEN

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

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February 5, 2020
File No.: 276968.00014/16471

Aubrey E. Kauffman
Direct +1 416 868 3538
akauffman@fasken.com

Via Email -asugar@foglers.com

Mr. Avi Sugar
Fogler Rubinoff LLP
77 King Street West
Suite 3000, P.O. Box 95
TD Centre North Tower
Toronto, ON M5K 1G8

Dear Mr. Sugar:

Re: AIG Loans to the Gross Capital Group
AIG Loan Number: 7777001 (“\$24,500,000 Loan”)
AIG Loan Number: 7777005 (“\$70,000,000 Loan”)
AIG Loan Number: 7777007 (“\$18,171,000 Loan”)
(Collectively “the Loans”)

As you are aware, we act for AIG Group (“AIG”) with respect to the Loans. The purpose of this letter is to summarize the discussion at the meeting yesterday amongst representatives of the Gross Capital Group, AIG and Largo Capital. We are writing to you in your capacity as lawyer for the Gross Capital Group.

As a preliminary matter we wish to express and underscore the concern of AIG with respect to the present circumstances. There are significant monetary defaults and apparent diversion of the rents paid by the tenants of the mortgaged properties for unknown purposes. In addition, in contravention of the borrowers’ covenants, subsequent mortgages have been registered against on title securing what appears to be distress financing. All of this causes AIG to question the good faith of the Gross Capital Group and to have serious concerns with respect to its outstanding loan facilities.

At our meeting we tabled the following defaults:



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- (a) nonpayment of amounts due under the mortgages, including nonpayment of amounts owing with respect to January and February;¹
- (b) nonpayment of municipal taxes;²
- (c) improper registration of subsequent mortgages and, in particular, mortgages in the amount of \$6,250,000 in favour of 1592106 Ontario Inc. having an interest rate of 22%; and
- (d) covenant defaults with respect to the delivery of certified rent rolls and certain financial statements.

At the meeting, the Gross Capital Group confirmed the above defaults.

The Gross Capital Group advised that it was engaged in an informal divestiture process seeking to sell certain properties in order to generate proceeds to address the AIG defaults. In particular, the Gross Capital Group advised that it had letters of intent with respect to the sale of the property securing the \$18,171,000 Loan and that such a sale could close within 60-70 days. We were advised that the potential purchaser may also have an interest in some of the properties securing the \$70,000,000 Loan. In order to substantiate this information please provide us, forthwith, with copies of the aforesaid letter or letters of intent.

At our meeting, the Gross Capital Group agreed:

- (a) to immediately deliver certified rent rolls;³ and
- (b) deliver a business plan setting out, with particulars, the proposed divestiture program. This plan should include milestone dates dealing with the marketing of the properties and the receipt of offers. The business plan should also address ongoing payment under the Loans and immediate payment of realty taxes. This plan is to be delivered this week.

Given our client's concern with respect to the nonpayment of material amounts, the apparent diversion of rental payments and the distress loans entered into by the Gross Capital Group, we are seeking instructions from our client with respect to the appointment of a consultant or consultants to attend at your client's premises, at your client's expense, in order to do due diligence with respect to the Loans and, without limitation, to review the status of Loans, the use of rents received and the value of AIG collateral. The consultant would also review the reasonableness of the proposed business plan referred to above. We anticipate contacting you shortly in this regard. We assume the appropriate contact person for your client is Mark Gross.

¹ Except with respect to the \$24,500,000 Loan.

² Except with respect to the \$24,500,000 Loan.

³ Since the dictation of this letter some rent rolls have been received and are being reviewed.



FASKEN

With respect to payments that were due on February 1, 2020, the Gross Capital Group has, presumably, collected rents with respect to the month of February 2020. Those rents should be used to immediately make payment under the Loans with respect to amounts that were due on February 1, 2020.

AIG hereby confirms that it reserves the right to exercise all rights and remedies available to it with respect to the Loans and further confirms that it has not agreed to forebear or delay the exercise of such remedies.

Yours truly,

FASKEN MARTINEAU DuMOULIN LLP



Aubrey E. Kauffman

AEK/ima



FASKEN

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

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February 6, 2020
File No.: 276968.00011/16471

Aubrey E. Kauffman
Direct +1 416 868 3538
akauffman@fasken.com

Via Email

Carriage Gate Group Inc.
180 Vine Inc.
2478658 Ontario Ltd.
2009 Long Lake Holdings Inc.
65 Larch Holdings Inc.
100 Colborne Holdings Inc.
240 Old Penetanguish Holdings Inc.
2413667 Ontario Inc.
180 Vine Purchaser Inc.
Gross Properties Inc.
200 Ronson Drive
Suite 300
Toronto, Ontario M9L 1R5

Attention: Mr. Mark Gross

Dear Sirs:

Rc: Notice of Default
Re: AIG Loan Number: 7777005 - \$70,000,000
Re: Loan and Security Referred to in Schedule "A"

We are counsel to American General Life Insurance Company, The Variable Annuity Life Insurance Company and Lexington Insurance Company (collectively, the "**Lenders**"). The purpose of this letter is to provide you with notice of your defaults under the loans and security documents referred to in Schedule "A".

As you are aware, the Lenders have advanced \$70,000,000 to certain borrowers as set out in the Promissory Notes described in Schedule "A" (the "**Loan**"). This Loan is secured by, among other things, the security set out in Schedule "A". We are sending this letter to you in your capacity as Chargor and/or Beneficial Owner under the security.



FASKEN


This letter is notice to you of defaults under the Loans and the security including, without limitation, the following:

- (a) failure to make monthly installment payments for the months of January and February, 2020;
- (b) failure to pay an account of Fasken Martineau DuMoulin LLP dated January 16, 2019, in the amount of \$20,474.76;
- (c) failure to pay certain late payment fees;
- (d) failure to pay municipal real property tax for 2019 and 2020; and
- (e) registration of subsequent charges without the prior written consent of the Lenders.

The Lenders hereby reserve all rights and remedies they may have arising from the aforesaid defaults.

Yours truly,

FASKEN MARTINEAU DuMOULIN LLP



Aubrey E. Kauffman

AEK/ima
Enclosure

cc. Avi Sugar - Fogler Rubinoff
Client

SCHEDULE "A"
AIG LOAN 777005 - \$70,000,000

PROMISSORY NOTES

No.:	Date:	Amount:	Holder:	Makers:
1.	January 25, 2016	\$30,800,000	American General Life Insurance Company	Carriage Gate Group Inc., 180 Vine Inc., 2478658 Ontario Ltd., 2009 Long Lake Holdings Inc., 65 Larch Holdings Inc., 100 Colborne Holdings Inc., 240 Old Penetanguish Holdings Inc. (collectively, the "Borrowers")
2.	January 25, 2016	\$16,100,000	The Variable Annuity Life Insurance Company	The Borrowers
3.	January 25, 2016	\$23,100,000	Lexington Insurance Company	The Borrowers

SECURITY PACKAGE

1. 35 Upper Centennial Parkway, Hamilton

Security - Charge/Mortgage, Notice of Assignment of Rents - General and General Security Agreement - all dated January 25, 2016, or registered on January 26, 2016

Borrower - Carriage Gate Group Inc.

Lenders/Secured Creditors - American General Life Insurance Company (44%), The Variable Annuity Life Insurance Company (23%) and Lexington Insurance Company (33%)

2. 180 Vine Street South, St. Catharines

Security - Charge/Mortgage, Notice of Assignment of Rents - General and General Security Agreement - all dated January 25, 2016, or registered on January 26, 2016

Borrower - 180 Vine Inc.

Lenders/Secured Creditors - American General Life Insurance Company (44%), The Variable Annuity Life Insurance Company (23%) and Lexington Insurance Company (33%)

3. 849 Alexander Court, Peterborough

Security - Charge/Mortgage, Notice of Assignment of Rents - General and General Security Agreement - all dated January 25, 2016, or registered on January 26, 2016

Borrower - 2478658 Ontario Ltd.

Lenders/Secured Creditors - American General Life Insurance Company (44%), The Variable Annuity Life Insurance Company (23%) and Lexington Insurance Company (33%)

4. 2009 Long Lake Road, Sudbury

Security - Charge/Mortgage, Notice of Assignment of Rents - General and General Security Agreement - all dated January 25, 2016, or registered on January 26, 2016

Borrower - 2009 Long Lake Holdings Inc.

Lenders/Secured Creditors - American General Life Insurance Company (44%), The Variable Annuity Life Insurance Company (23%) and Lexington Insurance Company (33%)

5. 65 Larch Street, Sudbury

Security - Charge/Mortgage, Notice of Assignment of Rents - General and General Security Agreement - all dated January 25, 2016, or registered on January 26, 2016

Borrower - 65 Larch Holdings Inc.

Lenders/Secured Creditors - American General Life Insurance Company (44%), The Variable Annuity Life Insurance Company (23%) and Lexington Insurance Company (33%)

6. 100 Colborne Street West, Orillia and 77 Wyandotte Street, Orillia

Security - Charge/Mortgage, Notice of Assignment of Rents - General and General Security Agreement - all dated January 25, 2016, or registered on January 26, 2016

Borrower - 100 Colborne Holdings Inc.

Lenders/Secured Creditors - American General Life Insurance Company (44%), The Variable Annuity Life Insurance Company (23%) and Lexington Insurance Company (33%)

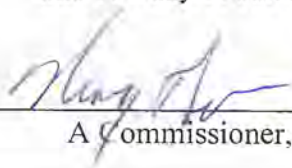
7. 240 Old Penetanguish Road, Midland

Security - Charge/Mortgage, Notice of Assignment of Rents - General and General Security Agreement - all dated January 25, 2016, or registered on January 26, 2016

Borrower - 240 Old Penetanguish Holdings Inc.

Lenders/Secured Creditors - American General Life Insurance Company (44%), The Variable Annuity Life Insurance Company (23%) and Lexington Insurance Company (33%)

This is **Exhibit "Y"** referred to in the
Affidavit of Jacob Baron
sworn before me by video conference
this 18th day of June, 2021



A Commissioner, etc.

Nancy Ann Thompson, a Commissioner, etc.,
Province of Ontario, for Blake, Cassels & Graydon LLP,
Barristers and Solicitors.
Expires July 13, 2021.



Blake, Cassels & Graydon LLP
 Barristers & Solicitors
 Patent & Trademark Agents
 199 Bay Street
 Suite 4000, Commerce Court West
 Toronto ON M5L 1A9 Canada
 Tel: 416-863-2400 Fax: 416-863-2653

Pamela L.J. Huff

Partner

Dir: 416-863-2958

pamela.huff@blakes.com

March 9, 2020

VIA E-MAIL

Fogler, Rubinoff LLP

77 King Street West

Suite 3000

Toronto, Ontario

M5K 1G8

Attention: Avi Sugar / Nina Perfetto

Email: asugar@foglers.com / nperfetto@foglers.com

Re: Loan No. 7777005 - Notice of Additional Event of Default and Reservation of Rights

We are counsel to American General Life Insurance Company, Lexington Insurance Company, and The Variable Annuity Life Insurance Company, in their capacity as lenders (the "**Lenders**") to Southmount Healthcare Centre Inc. (formerly Carriage Gate Group Inc.), 180 Vine Inc., 2478658 Ontario Ltd., 2009 Long Lake Holdings Inc., 65 Larch Holdings Inc., 100 Colborne Holdings Inc., and 240 Old Penetanguish Holdings Inc. (collectively, the "**Borrowers**").

We hereby make reference to the letters from counsel to the Lenders dated February 5, February 6, February 14 and February 21, 2020 (collectively, the "**Letters**"). Capitalized terms used herein not otherwise defined have the meanings given to them in our letter dated February 14, 2020.

The Borrowers have failed to pay when due, interest and principal for the month of March 2020, resulting in an additional Event of Default under the Loan and Security Documents (the "**Additional Event of Default**").

The Lenders have not waived and hereby expressly reserve and retain all rights and remedies with respect to the Existing Events of Default (as described in greater detail in the Letters) and the Additional Event of Default. For greater certainty, the Lenders have also not agreed to forbear or delay the exercise of any of their rights or remedies.

Yours truly,



Pamela L.J. Huff

c. Client
 A. Shalviri (Blakes)

This is **Exhibit "Z"** referred to in the
Affidavit of Jacob Baron
sworn before me by video conference
this 18th day of June, 2021


A Commissioner, etc.

Nancy Ann Thompson, a Commissioner, etc.,
Province of Ontario, for Blake, Cassels & Graydon LLP,
Barristers and Solicitors.



Blake, Cassels & Graydon LLP
 Barristers & Solicitors
 Patent & Trade-mark Agents
 199 Bay Street
 Suite 4000, Commerce Court West
 Toronto ON M5L 1A9 Canada
 Tel: 416-863-2400 Fax: 416-863-2653

Pamela L.J. Huff

Partner

Dir: 416-863-2958

pamela.huff@blakes.com

May 7, 2020

VIA E-MAIL

To: **Southmount Healthcare Centre Inc.
 (formerly Carriage Gate Group Inc.)**

Attention: Mr. Mark Gross
 Email: mark@grosscapital.ca

And to: **180 Vine Inc.
 2009 Long Lake Holdings Inc.
 65 Larch Holdings Inc.
 100 Colborne Holdings Inc.
 240 Old Penetanguish Holdings Inc.**

Attention: Mr. Mark Gross
 Email: mark@grosscapital.ca

And to: **2478658 Ontario Ltd.**

Attention: Mr. Mark Gross
 Email: mark@grosscapital.ca

And to: **180 Vine Purchaser Inc. (beneficial owner of 180 Vine Street)
 Gross Properties Inc. (beneficial owner of 849 Alexander Court,
 2009 Long Lake Road, 65 Larch Street, 100 Colborne Street,
 77 Wyandotte Street, and 240 Penetanguishene Road)**

Attention: Mr. Mark Gross
 Email: mark@grosscapital.ca

And to: **2413667 Ontario Inc. (beneficial owner of 180 Vine Street,
 849 Alexander Court, 2009 Long Lake Road, 65 Larch Street,
 100 Colborne Street, 77 Wyandotte Street, and 240
 Penetanguishene Road)**

Attention: Mr. Fausto Carnicelli
 Email: fausto@medicaone.ca

Re: Loan and security documents set out on Schedule "A" hereto (collectively, the "**Loan and Security Documents**") and additional agreements and documents set out on Schedule "B" hereto (collectively, the "**Additional Security Documents**")



And Re: Demand from Southmount Healthcare Centre Inc., 180 Vine Inc., 2009 Long Lake Holdings Inc., 65 Larch Holdings Inc., 100 Colborne Holdings Inc., 240 Old Penetanguish Holdings Inc. and 2478658 Ontario Ltd. (collectively, the “**Borrowers**”) of the Total Indebtedness (defined below) owed to American General Life Insurance Company, Lexington Insurance Company, and The Variable Annuity Life Insurance Company (collectively, the “**Lenders**”)

Dear Sirs:

We are counsel to the Lenders.

The obligations of the Borrowers under the Loan and Security Documents are secured by the mortgages, charges and other security (collectively, the “**Security**”) granted to the Lenders under the Loan and Security Documents and the Additional Security Documents over, among other collateral, the real property listed on Schedule “C” hereto (collectively, the “**Real Property**”).

By way of letters dated February 5, February 6, February 14, and March 9, 2020 (collectively, the “**Notices of Default**”), the Lenders notified the Borrowers of the occurrence of certain Events of Default (defined in the Loan and Security Documents) (collectively, the “**Existing Events of Default**”) as a result of, among other things:

- (i) the Borrowers’ failure to pay when due interest and principal for the months of January, February, and March 2020, which payments remain outstanding as at the date hereof;
- (ii) the Borrowers’ failure to pay when due certain fees and disbursements of the Lenders’ legal advisors, which fees and disbursements remain outstanding as at the date hereof;
- (iii) the Borrowers’ failure to pay when due municipal taxes owing in respect of the Real Property (the “**Outstanding Municipal Taxes**”); and
- (iv) the registration of the following encumbrances on the Real Property without the written consent of the Lenders (collectively, the “**Unpermitted Encumbrances**”):
 - a. a charge by Cannect International Mortgage Corporation (formerly 1592106 Ontario Inc.) on the Real Property located at 35 Upper Centennial Parkway, Hamilton in the amount of \$8,750,000;
 - b. a charge by 1012689 Ontario Limited on the Real Property located at 849 Alexander Court, Peterborough in the amount of \$1,000,000;
 - c. a charge by Cannect International Mortgage Corporation (formerly 1592106 Ontario Inc.) on the Real Property located at 849 Alexander Court, Peterborough in the amount of \$8,750,000;
 - d. a charge by Gross Capital Inc. on the Real Property located at 2009 Long Lake Road, Sudbury in the amount of \$1,600,000;



- e. a charge by Cannect International Mortgage Corporation (formerly 1592106 Ontario Inc.) on the Real Property located at 2009 Long Lake Road, Sudbury in the amount of \$8,750,000;
- f. a Notice of Security Interest registered by De Lage Landen Financial Services Canada Inc. on the Real Property located at 2009 Long Lake Road, Sudbury in the amount of \$152,185;
- g. a charge by Gross Capital Inc. on the Real Property located at 65 Larch Street, Sudbury in the amount of \$1,600,000;
- h. a charge by Cannect International Mortgage Corporation (formerly 1592106 Ontario Inc.) on the Real Property located at 65 Larch Street, Sudbury in the amount of \$8,750,000;
- i. a charge by Cannect International Mortgage Corporation (formerly 1592106 Ontario Inc.) on the Real Property located at 100 Colborne Street, Orillia in the amount of \$8,750,000;
- j. a charge by Cannect International Mortgage Corporation (formerly 1592106 Ontario Inc.) on the Real Property located at 77 Wyandotte Street, Orillia in the amount of \$8,750,000; and
- k. a charge by Cannect International Mortgage Corporation (formerly 1592106 Ontario Inc.) on the Real Property located at 240 Old Penetanguishene Road N, Midland in the amount of \$8,750,000.

In the Notices of Default, the Lenders reserved all of their rights and remedies in respect of the Existing Events of Default and any other Event of Default that may occur.

Additionally, the Borrowers have failed to pay when due, interest and principal for the month of April 2020, resulting in an additional Event of Default under the Loan and Security Documents (the “**Additional Event of Default**”).

Due to the Existing Events of Default and the Additional Event of Default, the Lenders are, among other things, entitled to enforce all of their rights and remedies under the Loan and Security Documents and the Additional Security Documents, including, without limitation, to (i) declare the entire balance of principal, accrued and unpaid interest and other monies owing under the Loan and Security Documents immediately due and payable to the Lenders, and (ii) enforce the Security.

On behalf of each Lender, we hereby declare that the entire balance of principal, accrued and unpaid interest under the Loan and Security Documents is immediately due and payable in the aggregate total amount of \$65,076,621.36 (as at April 6, 2020) (the “**April 6 Indebtedness**”).

On behalf of each Lender, we hereby demand immediate payment from the Borrowers of the April 6 Indebtedness, plus all interest, costs, fees, expenses, charges and other amounts whatsoever (including without limitation, all yield maintenance amounts and all legal fees and expenses of the Lenders) that are payable by the Borrowers under the Loan and Security Documents and the Additional Security Documents (collectively, the “**Total Indebtedness**”). Interest has accrued since April 6, 2020 and continues to accrue on the Total Indebtedness in accordance with the Loan and Security Documents.



We also hereby demand that the Borrowers immediately (i) pay all of the Outstanding Municipal Taxes and any interest, fees or penalties payable in connection therewith, and (ii) discharge all of the Unpermitted Encumbrances.

If payment of the Total Indebtedness is not made by way of immediately available funds by **5:00 p.m. Toronto time on May 19, 2020**, the Lenders will take any and all steps necessary to collect the Total Indebtedness, including, without limitation, enforcing all Security granted by the Borrowers. In that regard, we enclose a Notice of Intention to Enforce Security pursuant to Section 244 of the *Bankruptcy and Insolvency Act* (Canada), together with a consent for the immediate enforcement by the Lenders (the "**Consent**"). Please return the duly executed Consent as soon as possible.

The Lenders have not waived and hereby expressly reserve and retain all rights and remedies with respect to any and all Events of Default, the Total Indebtedness and all other obligations owing to them under the Loan and Security Documents and the Additional Security Documents, including, without limitation, the right to demand payment from any guarantors.

Yours truly,

Pamela L.J. Huff

Encl.

- c. Client
 - A. Shalviri (Blakes)
 - A. Sugar / N. Perfetto (Fogler)

SCHEDULE "A"**LOAN AND SECURITY DOCUMENTS**

1. Mortgage Loan Application dated as of November 30, 2015
2. Promissory note dated as of January 25, 2016 in the principal amount of CAD \$30,800,000.00 made by Southmount Healthcare Centre Inc. (formerly Carriage Gate Group Inc.), 180 Vine Inc., 2478658 Ontario Ltd., 2009 Long Lake Holdings Inc., 65 Larch Holdings Inc., 100 Colborne Holdings Inc. and 240 Old Penetanguish Holdings Inc. in favour of American General Life Insurance Company
3. Promissory note dated as of January 25, 2016 in the principal amount of CAD \$23,100,000.00 made by Southmount Healthcare Centre Inc. (formerly Carriage Gate Group Inc.), 180 Vine Inc., 2478658 Ontario Ltd., 2009 Long Lake Holdings Inc., 65 Larch Holdings Inc., 100 Colborne Holdings Inc. and 240 Old Penetanguish Holdings Inc. in favour of Lexington Insurance Company
4. Promissory note dated as of January 25, 2016 in the principal amount of CAD \$16,100,000.00 made by Southmount Healthcare Centre Inc. (formerly Carriage Gate Group Inc.), 180 Vine Inc., 2478658 Ontario Ltd., 2009 Long Lake Holdings Inc., 65 Larch Holdings Inc., 100 Colborne Holdings Inc. and 240 Old Penetanguish Holdings Inc. in favour of The Variable Annuity Life Insurance Company
5. Charge/Mortgage granted by Southmount Healthcare Centre Inc. (formerly Carriage Gate Group Inc.) in respect of 35 Upper Centennial Parkway, Ontario registered on January 26, 2016, as instrument no. WE1096059
6. Charge/Mortgage granted by 180 Vine Inc. in respect of 180 Vine Street South, St. Catharines, Ontario registered on January 26, 2016, as instrument no. NR403682
7. Charge/Mortgage granted by 2478658 Ontario Ltd. In respect of 849 Alexander Court, Peterborough, Ontario registered on January 26, 2016, as instrument no. PE239807
8. Charge/Mortgage granted by 2009 Long Lake Holdings Inc. in respect of 2009 Long Lake Road, Sudbury, Ontario registered on January 26, 2016, as instrument no. SD309728
9. Charge/Mortgage granted by 65 Larch Holdings Inc. in respect of 65 Larch Street, Sudbury, Ontario registered on January 26, 2016, as instrument no. SD309725
10. Charge/Mortgage granted by 100 Colborne Inc. in respect of 100 Colborne Street West, Orillia, Ontario and 77 Wyandotte Street, Orillia, Ontario registered on January 26, 2016, as instrument no. SC1278217
11. Charge/Mortgage granted by 240 Old Penetanguish Holdings Inc. in respect of 240 Old Penetanguishene Road, Midland, Ontario registered on January 26, 2016, as instrument no. SC1278220

SCHEDULE "B"**ADDITIONAL SECURITY DOCUMENTS**

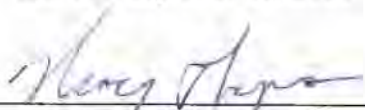
1. General Assignment of Leases and Rents in respect of 35 Upper Centennial Parkway, Hamilton, Ontario, dated as of January 25, 2016 granted by Southmount Healthcare Centre Inc. (formerly Carriage Gate Group Inc.) in favour of the Lenders
2. General Security Agreement dated as of January 25, 2016 granted by Southmount Healthcare Centre Inc. (formerly Carriage Gate Group Inc.) in favour of the Lenders
3. General Assignment of Leases and Rents in respect of 180 Vine Street South, St. Catharines, Ontario dated as of January 25, 2016 granted by 180 Vine Inc. in favour of the Lenders
4. Direction to Nominee and Acknowledgement by 180 Vine Purchaser Inc. and 2413667 Ontario Inc. to 180 Vine Inc. and to the Lenders dated as of January 25, 2016
5. General Security Agreement dated as of January 25, 2016 granted by 180 Vine Inc. in favour of the Lenders
6. General Assignment of Leases and Rents in respect of 849 Alexander Court, Peterborough, Ontario dated as of January 25, 2016 granted by 2478658 Ontario Ltd. In favour of the Lenders
7. Direction to Nominee and Acknowledgement by Gross Properties Inc. and 2413667 Ontario Inc. to 2478658 Ontario Ltd. and to the Lenders dated as of January 25, 2016
8. General Security Agreement dated as of January 25, 2016 granted by 2478658 Ontario in favour of the Lenders
9. General Assignment of Leases and Rents in respect of 2009 Long Lake Road, Sudbury, Ontario dated as of January 25, 2016 granted by 2009 Long Lake Holdings Inc. in favour of the Lenders
10. Direction to Nominee and Acknowledgement by Gross Properties Inc. and 2413667 Ontario Inc. to 2009 Long Lake Holdings Inc. and to the Lenders dated as of January 25, 2016
11. General Security Agreement dated as of January 25, 2016 granted by 2009 Long Lake Holdings Inc. in favour of the Lenders
12. General Assignment of Leases and Rents in respect of 65 Larch Street, Sudbury, Ontario dated as of January 25, 2016 granted by 65 Larch Holdings Inc. in favour of the Lenders
13. Direction to Nominee and Acknowledgement by Gross Properties Inc. and 2413667 Ontario Inc. to 65 Larch Holdings Inc. and to the Lenders dated as of January 25, 2016
14. General Security Agreement dated as of January 25, 2016 granted by 65 Larch Holdings Inc. in favour of the Lenders
15. General Assignment of Leases and Rents in respect of 100 Colborne Street West, Orillia, Ontario and 77 Wyandotte Street, Orillia, Ontario, dated as of January 25, 2016 granted by 100 Colborne Holdings Inc. in favour of the Lenders
16. Direction to Nominee and Acknowledgement by Gross Properties Inc. and 2413667 Ontario Inc. to 100 Colborne Holdings Inc. to the Lenders dated as of January 25, 2016

17. General Security Agreement dated as of January 25, 2016 granted by 100 Colborne Holdings Inc. in favour of the Lenders
18. General Assignment of Leases and Rents in respect of 240 Old Penetanguishene Road, Midland, Ontario dated as of January 25, 2016 granted by 240 Old Penetanguish Holdings Inc. in favour of the Lenders
19. Direction to Nominee and Acknowledgement by Gross Properties Inc. and 2413667 Ontario Inc. to 240 Old Penetanguish Holdings Inc. and to the Lenders dated as of January 25, 2016
20. General Security Agreement dated as of January 25, 2016 granted by 240 Old Penetanguish Holdings Inc. in Favour of the Lenders

SCHEDULE "C"**REAL PROPERTY**

1. 35 Upper Centennial Parkway, Hamilton, Ontario
2. 180 Vine Street South, St. Catharines, Ontario
3. 849 Alexander Court, Peterborough, Ontario
4. 2009 Long Lake Road, Sudbury, Ontario
5. 65 Larch Street, Sudbury, Ontario
6. 100 Colborne Street West, Orillia, Ontario
7. 77 Wyandotte Street, Orillia, Ontario
8. 240 Old Penetanguishene Road, Midland, Ontario

This is **Exhibit “AA”** referred to in the
Affidavit of Jacob Baron
sworn before me by video conference
this 18th day of June, 2021


A Commissioner, etc.

Nancy Ann Thompson, a Commissioner, etc.,
Province of Ontario, for Blake, Cassels & Graydon LLP,
Barristers and Solicitors.
Expires July 13, 2021.

NOTICE OF INTENTION TO ENFORCE SECURITY

(Rule 124)

(Section 244 of the Bankruptcy and Insolvency Act)

TO: **65 LARCH HOLDINGS INC.**, an insolvent person
(the “**Debtor**”)

Attention: Mark Gross

Email: mark@grosscapital.ca

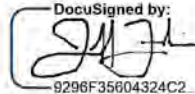
Take notice that:

1. American General Life Insurance Company, Lexington Insurance Company and The Variable Annuity Life Insurance Company (collectively, the “**Lenders**”) intend to enforce their Security (as defined herein) on the property of the Debtor described on Schedule “A” hereto (collectively, the “**Collateral**”), and all proceeds thereof.
2. The security (“**Security**”) that is to be enforced has been granted to the Lenders under the loan and security documents set out on Schedule “B” hereto (the “**Loan and Security Documents**”).
3. The total amount of the indebtedness secured by the Security is CAD \$65,076,621.36 as at April 6, 2020, plus all interest, costs, fees, expenses, charges and other amounts whatsoever (including without limitation, all yield maintenance amounts and all legal fees and expenses of the Lenders) that are payable by the Debtor under the Loan and Security Documents.
4. The Lenders 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 Debtor consents to an earlier enforcement.

[signature page follows]

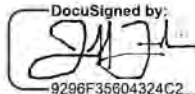
DATED 5/7/2020 at Houston, Texas.

AMERICAN GENERAL LIFE INSURANCE COMPANY by its investment advisor, **AIG Asset Management (U.S.), LLC**, a Delaware limited liability company

DocuSigned by:


Per: _____
Name: Jeff Flinn
Title: Managing Director

THE VARIABLE ANNUITY LIFE INSURANCE COMPANY by its investment advisor, **AIG Asset Management (U.S.), LLC**, a Delaware limited liability company,

DocuSigned by:


Per: _____
Name: Jeff Flinn
Title: Managing Director

LEXINGTON INSURANCE COMPANY by its investment advisor, **AIG Asset Management (U.S.), LLC**, a Delaware limited liability company

DocuSigned by:


Per: _____
Name: Jeff Flinn
Title: Managing Director

SCHEDULE “A”
COLLATERAL

1. All of the Debtor’s right, title and interest in and to: (i) the Lands, (ii) Buildings, (iii) Chattels, and (iv) Additional Security, together with all additional real and personal property over which the Debtor is now or hereafter granted a security interest and any other interests in the Lands and the Buildings acquired by the Debtor, all as defined and more particularly described in the Charge/Mortgage identified on Schedule “B” hereto.
2. All of the Debtor’s right, title and interest in and to the lands municipally and legally described in the General Security Agreement identified on Schedule “B” hereto, together with all property relating thereto including, without limitation, all of the Debtor’s right, title and interest in and to the buildings and appurtenances situate thereon and the leases pertaining thereto and rents payable under such leases (the “**Property**”).
3. All of the Debtor’s present and future undertaking and property, both real and personal, located at, relating to or used in connection with, the Property, or which is necessary to the use and operation of the Property including, without limitation, all right, title and interest that the Debtor now has or may hereafter have, be possessed of, be entitled to or which may hereafter be acquired by the Debtor in Accounts, Chattel Paper, Documents of Title, Equipment, Goods, Instruments, Intangibles, Inventory, Money, Securities, Books and Records, Contracts, Insurance Policies, licences and permits and all replacements of, substitutions for and increases, additions and accessions to the foregoing, together with all Proceeds thereof, all as defined and more particularly described in the General Security Agreement identified on Schedule “B” hereto.
4. All of the Debtor’s right, title and interest in and to: (i) all present and future Gross Receipts, issues, profits and other moneys reserved or payable under the Leases, and (ii) all present and future Leases and the full benefit and advantage of the Leases and of the covenants, conditions, provisions, stipulations and agreements contained therein, all as defined and more particularly described in the General Assignment of Leases and Rents identified on Schedule “B” hereto.

SCHEDULE “B”
LOAN & SECURITY DOCUMENTS

1. Charge/Mortgage granted by 65 Larch Holdings Inc. in respect of 65 Larch Street, Sudbury, Ontario (Freehold) registered on January 26, 2016, as instrument no. SD309725 (the “**Charge/Mortgage**”).
2. General Assignment of Leases and Rents in respect of 65 Larch Street, Sudbury, Ontario dated as of January 25, 2016 granted by 65 Larch Holdings Inc. in favour of the Lenders (the “**General Assignment of Leases and Rents**”).
3. General Security Agreement dated as of January 25, 2016 granted by 65 Larch Holdings Inc. in favour of the Lenders (the “**General Security Agreement**”).
4. Direction to Nominee and Acknowledgement by Gross Properties Inc. and 2413667 Ontario Inc. to 65 Larch Holdings Inc. and to the Lenders dated as of January 25, 2016.
5. Mortgage Loan Application dated as of November 30, 2015.
6. Promissory note dated as of January 25, 2016 in the principal amount of CAD \$30,800,000.00 made by Southmount Healthcare Centre Inc. (formerly Carriage Gate Group Inc.), 180 Vine Inc., 2478658 Ontario Ltd., 2009 Long Lake Holdings Inc., 65 Larch Holdings Inc., 100 Colborne Holdings Inc. and 240 Old Penetanguish Holdings Inc. in favour of American General Life Insurance Company.
7. Promissory note dated as of January 25, 2016 in the principal amount of CAD \$23,100,000.00 made by Southmount Healthcare Centre Inc. (formerly Carriage Gate Group Inc.), 180 Vine Inc., 2478658 Ontario Ltd., 2009 Long Lake Holdings Inc., 65 Larch Holdings Inc., 100 Colborne Holdings Inc. and 240 Old Penetanguish Holdings Inc. in favour of Lexington Insurance Company.
8. Promissory note dated as of January 25, 2016 in the principal amount of CAD \$16,100,000.00 made by Southmount Healthcare Centre Inc. (formerly Carriage Gate Group Inc.), 180 Vine Inc., 2478658 Ontario Ltd., 2009 Long Lake Holdings Inc., 65 Larch Holdings Inc., 100 Colborne Holdings Inc. and 240 Old Penetanguish Holdings Inc. in favour of The Variable Annuity Life Insurance Company.

ACKNOWLEDGEMENT AND CONSENT

TO: **AMERICAN GENERAL LIFE INSURANCE COMPANY, THE VARIABLE ANNUITY LIFE INSURANCE COMPANY and LEXINGTON INSURANCE COMPANY** (collectively, the “**Lenders**”) under the loan and security documents between 65 Larch Holdings Inc. (the “**Debtor**”) and the Lenders, including, without limitation, the Charge/Mortgage dated as of January 26, 2016 (collectively, the “**Loan Documents**”)

The Debtor hereby acknowledges:

- (i) receipt of the Notices of Default, dated February 5, February 6, February 14, and March 9, 2020;
- (ii) receipt of the Demand Letter, dated May 7, 2020;
- (iii) receipt of the Notice of Intention to Enforce Security, dated May 7, 2020 (the “**Notice**”);
- (iv) the Debtor’s indebtedness to the Lenders under the Loan Documents as at April 6, 2020 (the “**Indebtedness**”), being in the amount set out in the Notice; and
- (v) its inability to pay the Indebtedness.

The Debtor hereby irrevocably waives any and all requirement of, and right to, further notice of demand or time for payment of the Indebtedness and irrevocably consents to the immediate enforcement of the Security (as defined and more particularly set out in the Notice) it has granted to the Lenders, including, without limitation, at the option of the Lenders, the appointment of a receiver or receiver and manager, either privately or by the appointment of a court of competent jurisdiction.

The Debtor further acknowledges and confirms that it has sought and obtained advice from its professional advisors, including legal counsel, in connection with the enforcement by the Lenders of their Security and is executing this Acknowledgement and Consent in favour of the Lenders freely, voluntarily and without duress.

Dated at Toronto, this 7th day of May, 2020.

65 LARCH HOLDINGS INC.

Per: 

Name: _____

Title: _____

NOTICE OF INTENTION TO ENFORCE SECURITY

(Rule 124)

(Section 244 of the Bankruptcy and Insolvency Act)

TO: **100 COLBORNE HOLDINGS INC.**, an insolvent person
(the “**Debtor**”)

Attention: Mark Gross

Email: mark@grosscapital.ca

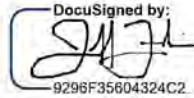
Take notice that:

1. American General Life Insurance Company, Lexington Insurance Company and The Variable Annuity Life Insurance Company (collectively, the “**Lenders**”) intend to enforce their Security (as defined herein) on the property of the Debtor described on Schedule “A” hereto (collectively, the “**Collateral**”), and all proceeds thereof.
2. The security (“**Security**”) that is to be enforced has been granted to the Lenders under the loan and security documents set out on Schedule “B” hereto (the “**Loan and Security Documents**”).
3. The total amount of the indebtedness secured by the Security is CAD \$65,076,621.36 as at April 6, 2020, plus all interest, costs, fees, expenses, charges and other amounts whatsoever (including without limitation, all yield maintenance amounts and all legal fees and expenses of the Lenders) that are payable by the Debtor under the Loan and Security Documents.
4. The Lenders 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 Debtor consents to an earlier enforcement.

[signature page follows]

DATED 5/7/2020 at Houston, Texas.

AMERICAN GENERAL LIFE INSURANCE COMPANY by its investment advisor, AIG Asset Management (U.S.), LLC, a Delaware limited liability company

DocuSigned by:

9296F35604324C2

Per: _____
Name: Jeff Flinn
Title: Managing Director

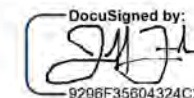
THE VARIABLE ANNUITY LIFE INSURANCE COMPANY by its investment advisor, AIG Asset Management (U.S.), LLC, a Delaware limited liability company

DocuSigned by:

9296F35604324C2

Per: _____
Name: Jeff Flinn
Title: Managing Director

LEXINGTON INSURANCE COMPANY by its investment advisor, AIG Asset Management (U.S.), LLC, a Delaware limited liability company

DocuSigned by:

9296F35604324C2

Per: _____
Name: Jeff Flinn
Title: Managing Director

SCHEDULE “A”
COLLATERAL

1. All of the Debtor’s right, title and interest in and to: (i) the Lands, (ii) Buildings, (iii) Chattels, and (iv) Additional Security, together with all additional real and personal property over which the Debtor is now or hereafter granted a security interest and any other interests in the Lands and the Buildings acquired by the Debtor, all as defined and more particularly described in the Charge/Mortgage identified on Schedule “B” hereto.
2. All of the Debtor’s right, title and interest in and to the lands municipally and legally described in the General Security Agreement identified on Schedule “B” hereto, together with all property relating thereto including, without limitation, all of the Debtor’s right, title and interest in and to the buildings and appurtenances situate thereon and the leases pertaining thereto and rents payable under such leases (the “**Property**”).
3. All of the Debtor’s present and future undertaking and property, both real and personal, located at, relating to or used in connection with, the Property, or which is necessary to the use and operation of the Property including, without limitation, all right, title and interest that the Debtor now has or may hereafter have, be possessed of, be entitled to or which may hereafter be acquired by the Debtor in Accounts, Chattel Paper, Documents of Title, Equipment, Goods, Instruments, Intangibles, Inventory, Money, Securities, Books and Records, Contracts, Insurance Policies, licences and permits and all replacements of, substitutions for and increases, additions and accessions to the foregoing, together with all Proceeds thereof, all as defined and more particularly described in the General Security Agreement identified on Schedule “B” hereto.
4. All of the Debtor’s right, title and interest in and to: (i) all present and future Gross Receipts, issues, profits and other moneys reserved or payable under the Leases, and (ii) all present and future Leases and the full benefit and advantage of the Leases and of the covenants, conditions, provisions, stipulations and agreements contained therein, all as defined and more particularly described in the General Assignment of Leases and Rents identified on Schedule “B” hereto.

SCHEDULE “B”**LOAN & SECURITY DOCUMENTS**

1. Charge/Mortgage granted by 100 Colborne Holdings Inc. in respect of 100 Colborne Street West, Orillia, Ontario (Freehold) and 77 Wyandotte Street, Orillia, Ontario (Freehold) registered on January 26, 2016, as instrument no. SC1278217 (the “**Charge/Mortgage**”).
2. General Assignment of Leases and Rents in respect of 100 Colborne Street West, Orillia, Ontario and 77 Wyandotte Street, Orillia, Ontario, dated as of January 25, 2016 granted by 100 Colborne Holdings Inc. in favour of the Lenders (the “**General Assignment of Leases and Rents**”).
3. General Security Agreement dated as of January 25, 2016 granted by 100 Colborne Holdings Inc. in favour of the Lenders (the “**General Security Agreement**”).
4. Direction to Nominee and Acknowledgement by Gross Properties Inc. and 2413667 Ontario Inc. to 100 Colborne Holdings Inc. and to the Lenders dated as of January 25, 2016
5. Mortgage Loan Application dated as of November 30, 2015
6. Promissory note dated as of January 25, 2016 in the principal amount of CAD \$30,800,000.00 made by Southmount Healthcare Centre Inc. (formerly Carriage Gate Group Inc.), 180 Vine Inc., 2478658 Ontario Ltd., 2009 Long Lake Holdings Inc., 65 Larch Holdings Inc., 100 Colborne Holdings Inc. and 240 Old Penetanguish Holdings Inc. in favour of American General Life Insurance Company
7. Promissory note dated as of January 25, 2016 in the principal amount of CAD \$23,100,000.00 made by Southmount Healthcare Centre Inc. (formerly Carriage Gate Group Inc.), 180 Vine Inc., 2478658 Ontario Ltd., 2009 Long Lake Holdings Inc., 65 Larch Holdings Inc., 100 Colborne Holdings Inc. and 240 Old Penetanguish Holdings Inc. in favour of Lexington Insurance Company
8. Promissory note dated as of January 25, 2016 in the principal amount of CAD \$16,100,000.00 made by Southmount Healthcare Centre Inc. (formerly Carriage Gate Group Inc.), 180 Vine Inc., 2478658 Ontario Ltd., 2009 Long Lake Holdings Inc., 65 Larch Holdings Inc., 100 Colborne Holdings Inc. and 240 Old Penetanguish Holdings Inc. in favour of The Variable Annuity Life Insurance Company

ACKNOWLEDGEMENT AND CONSENT

TO: **AMERICAN GENERAL LIFE INSURANCE COMPANY, THE VARIABLE ANNUITY LIFE INSURANCE COMPANY and LEXINGTON INSURANCE COMPANY** (collectively, the “**Lenders**”) under the loan and security documents between 100 Colborne Holdings Inc. (the “**Debtor**”) and the Lenders, including, without limitation, the Charge/Mortgage dated as of January 26, 2016 (collectively, the “**Loan Documents**”)

The Debtor hereby acknowledges:

- (i) receipt of the Notices of Default, dated February 5, February 6, February 14, and March 9, 2020;
- (ii) receipt of the Demand Letter, dated May 7, 2020;
- (iii) receipt of the Notice of Intention to Enforce Security, dated May 7, 2020 (the “**Notice**”);
- (iv) the Debtor’s indebtedness to the Lenders under the Loan Documents as at April 6, 2020 (the “**Indebtedness**”), being in the amount set out in the Notice; and
- (v) its inability to pay the Indebtedness.

The Debtor hereby irrevocably waives any and all requirement of, and right to, further notice of demand or time for payment of the Indebtedness and irrevocably consents to the immediate enforcement of the Security (as defined and more particularly set out in the Notice) it has granted to the Lenders, including, without limitation, at the option of the Lenders, the appointment of a receiver or receiver and manager, either privately or by the appointment of a court of competent jurisdiction.

The Debtor further acknowledges and confirms that it has sought and obtained advice from its professional advisors, including legal counsel, in connection with the enforcement by the Lenders of their Security and is executing this Acknowledgement and Consent in favour of the Lenders freely, voluntarily and without duress.

Dated at Toronto, this 7th day of May, 2020.

100 COLBORNE HOLDINGS INC.

Per: _____
 Name: _____
 Title: _____



NOTICE OF INTENTION TO ENFORCE SECURITY

(Rule 124)

(Section 244 of the Bankruptcy and Insolvency Act)

TO: **180 VINE INC.**, an insolvent person
(the “**Debtor**”)

Attention: Mark Gross
Email: mark@grosscapital.ca

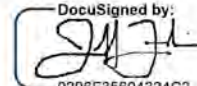
Take notice that:

1. American General Life Insurance Company, Lexington Insurance Company and The Variable Annuity Life Insurance Company (collectively, the “**Lenders**”) intend to enforce their Security (as defined herein) on the property of the Debtor described on Schedule “A” hereto (collectively, the “**Collateral**”), and all proceeds thereof.
2. The security (“**Security**”) that is to be enforced has been granted to the Lenders under the loan and security documents set out on Schedule “B” hereto (the “**Loan and Security Documents**”).
3. The total amount of the indebtedness secured by the Security is CAD \$65,076,621.36 as at April 6, 2020, plus all interest, costs, fees, expenses, charges and other amounts whatsoever (including without limitation, all yield maintenance amounts and all legal fees and expenses of the Lenders) that are payable by the Debtor under the Loan and Security Documents.
4. The Lenders 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 Debtor consents to an earlier enforcement.

[signature page follows]

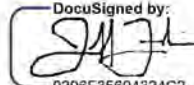
DATED 5/7/2020 at Houston, Texas.

AMERICAN GENERAL LIFE INSURANCE COMPANY by its investment advisor, AIG Asset Management (U.S.), LLC, a Delaware limited liability company

DocuSigned by:

9296F35604324C2

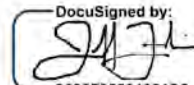
Per: _____
Name: Jeff Flinn
Title: Managing Director

THE VARIABLE ANNUITY LIFE INSURANCE COMPANY by its investment advisor, AIG Asset Management (U.S.), LLC, a Delaware limited liability company,

DocuSigned by:

9296F35604324C2

Per: _____
Name: Jeff Flinn
Title: Managing Director

LEXINGTON INSURANCE COMPANY by its investment advisor, AIG Asset Management (U.S.), LLC, a Delaware limited liability company

DocuSigned by:

9296F35604324C2

Per: _____
Name: Jeff Flinn
Title: Managing Director

SCHEDULE “A”
COLLATERAL

1. All of the Debtor’s right, title and interest in and to: (i) the Lands, (ii) Buildings, (iii) Chattels, and (iv) Additional Security, together with all additional real and personal property over which the Debtor is now or hereafter granted a security interest and any other interests in the Lands and the Buildings acquired by the Debtor, all as defined and more particularly described in the Charge/Mortgage identified on Schedule “B” hereto.
2. All of the Debtor’s right, title and interest in and to the lands municipally and legally described in the General Security Agreement identified on Schedule “B” hereto, together with all property relating thereto including, without limitation, all of the Debtor’s right, title and interest in and to the buildings and appurtenances situate thereon and the leases pertaining thereto and rents payable under such leases (the “**Property**”).
3. All of the Debtor’s present and future undertaking and property, both real and personal, located at, relating to or used in connection with, the Property, or which is necessary to the use and operation of the Property including, without limitation, all right, title and interest that the Debtor now has or may hereafter have, be possessed of, be entitled to or which may hereafter be acquired by the Debtor in Accounts, Chattel Paper, Documents of Title, Equipment, Goods, Instruments, Intangibles, Inventory, Money, Securities, Books and Records, Contracts, Insurance Policies, licences and permits and all replacements of, substitutions for and increases, additions and accessions to the foregoing, together with all Proceeds thereof, all as defined and more particularly described in the General Security Agreement identified on Schedule “B” hereto.
4. All of the Debtor’s right, title and interest in and to: (i) all present and future Gross Receipts, issues, profits and other moneys reserved or payable under the Leases, and (ii) all present and future Leases and the full benefit and advantage of the Leases and of the covenants, conditions, provisions, stipulations and agreements contained therein, all as defined and more particularly described in the General Assignment of Leases and Rents identified on Schedule “B” hereto.

SCHEDULE “B”
LOAN & SECURITY DOCUMENTS

1. Charge/Mortgage granted by 180 Vine Inc. in respect of 180 Vine Street South, St. Catharines, Ontario (Freehold) registered on January 26, 2016, as instrument no. NR403682 (the “**Charge/Mortgage**”).
2. General Assignment of Leases and Rents in respect of 180 Vine Street South, St. Catharines, Ontario dated as of January 25, 2016 granted by 180 Vine Inc. in favour of the Lenders (the “**General Assignment of Leases and Rents**”).
3. General Security Agreement dated as of January 25, 2016 granted by 180 Vine Inc. in favour of the Lenders (the “**General Security Agreement**”).
4. Direction to Nominee and Acknowledgement by 180 Vine Purchaser Inc. and 2413667 Ontario Inc. to 180 Vine Inc. and to the Lenders dated as of January 25, 2016.
5. Mortgage Loan Application dated as of November 30, 2015.
6. Promissory note dated as of January 25, 2016 in the principal amount of CAD \$30,800,000.00 made by Southmount Healthcare Centre Inc. (formerly Carriage Gate Group Inc.), 180 Vine Inc., 2478658 Ontario Ltd., 2009 Long Lake Holdings Inc., 65 Larch Holdings Inc., 100 Colborne Holdings Inc. and 240 Old Penetanguish Holdings Inc. in favour of American General Life Insurance Company.
7. Promissory note dated as of January 25, 2016 in the principal amount of CAD \$23,100,000.00 made by Southmount Healthcare Centre Inc. (formerly Carriage Gate Group Inc.), 180 Vine Inc., 2478658 Ontario Ltd., 2009 Long Lake Holdings Inc., 65 Larch Holdings Inc., 100 Colborne Holdings Inc. and 240 Old Penetanguish Holdings Inc. in favour of Lexington Insurance Company.
8. Promissory note dated as of January 25, 2016 in the principal amount of CAD \$16,100,000.00 made by Southmount Healthcare Centre Inc. (formerly Carriage Gate Group Inc.), 180 Vine Inc., 2478658 Ontario Ltd., 2009 Long Lake Holdings Inc., 65 Larch Holdings Inc., 100 Colborne Holdings Inc. and 240 Old Penetanguish Holdings Inc. in favour of The Variable Annuity Life Insurance Company.

ACKNOWLEDGEMENT AND CONSENT

TO: **AMERICAN GENERAL LIFE INSURANCE COMPANY, THE VARIABLE ANNUITY LIFE INSURANCE COMPANY and LEXINGTON INSURANCE COMPANY** (collectively, the “**Lenders**”) under the loan and security documents between 180 Vine Inc. (the “**Debtor**”) and the Lenders, including, without limitation, the Charge/Mortgage dated as of January 26, 2016 (collectively, the “**Loan Documents**”)

The Debtor hereby acknowledges:

- (i) receipt of the Notices of Default, dated February 5, February 6, February 14, and March 9, 2020;
- (ii) receipt of the Demand Letter, dated May 7, 2020;
- (iii) receipt of the Notice of Intention to Enforce Security, dated May 7, 2020 (the “**Notice**”);
- (iv) the Debtor’s indebtedness to the Lenders under the Loan Documents as at April 6, 2020 (the “**Indebtedness**”), being in the amount set out in the Notice; and
- (v) its inability to pay the Indebtedness.

The Debtor hereby irrevocably waives any and all requirement of, and right to, further notice of demand or time for payment of the Indebtedness and irrevocably consents to the immediate enforcement of the Security (as defined and more particularly set out in the Notice) it has granted to the Lenders, including, without limitation, at the option of the Lenders, the appointment of a receiver or receiver and manager, either privately or by the appointment of a court of competent jurisdiction.

The Debtor further acknowledges and confirms that it has sought and obtained advice from its professional advisors, including legal counsel, in connection with the enforcement by the Lenders of their Security and is executing this Acknowledgement and Consent in favour of the Lenders freely, voluntarily and without duress.

Dated at Toronto, this 7th day of May, 2020.

180 VINE INC.

Per: 
 Name: _____
 Title: _____

NOTICE OF INTENTION TO ENFORCE SECURITY

(Rule 124)


*(Section 244 of the Bankruptcy and Insolvency Act)*TO: **180 VINE PURCHASER INC.** (the “**Debtor**”)**Attention: Mark Gross**Email: mark@grosscapital.ca**Take notice that:**

1. American General Life Insurance Company, Lexington Insurance Company, and The Variable Annuity Life Insurance Company (collectively, the “**Lenders**”) intend to enforce their Security (as defined herein) on the property described on Schedule “A” hereto (collectively, the “**Collateral**”), and all proceeds thereof.
2. The security (“**Security**”) that is to be enforced has been granted to the Lenders under the loan and security documents set out on Schedule “B” hereto (collectively, the “**Loan and Security Documents**”).
3. The total amount of the indebtedness secured by the Security is CAD \$65,076,621.36 as at April 6, 2020, plus all interest, costs, fees, expenses, charges and other amounts whatsoever (including without limitation, all yield maintenance amounts and all legal fees and expenses of the Lenders) that are payable by the Debtor under the Loan and Security Documents.
4. The Lenders 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 Debtor consents to an earlier enforcement.

[signature page follows]

DATED 5/7/2020 at Houston, Texas.

AMERICAN GENERAL LIFE INSURANCE COMPANY by its investment advisor, **AIG Asset Management (U.S.), LLC**, a Delaware limited liability company

DocuSigned by:

9296F35604324C2

Per: _____
Name: Jeff Flinn
Title: Managing Director

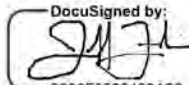
THE VARIABLE ANNUITY LIFE INSURANCE COMPANY by its investment advisor, **AIG Asset Management (U.S.), LLC**, a Delaware limited liability company

DocuSigned by:

9296F35604324C2

Per: _____
Name: Jeff Flinn
Title: Managing Director

LEXINGTON INSURANCE COMPANY by its investment advisor, **AIG Asset Management (U.S.), LLC**, a Delaware limited liability company

DocuSigned by:

9296F35604324C2

Per: _____
Name: Jeff Flinn
Title: Managing Director

SCHEDULE "A"
COLLATERAL

1. All of the Debtor's right, title, estate and interest in the property, assets and undertaking (including the Property) subject to the Mortgage and Loan documentation, together with all proceeds thereof, all as defined and more particularly described in the Direction identified on Schedule "B" hereto (collectively, the "**Property**").

SCHEDULE “B”
LOAN & SECURITY DOCUMENTS

1. Direction to Nominee and Acknowledgement by 180 Vine Purchaser Inc. and 2413667 Ontario Inc. to 180 Vine Inc. and to the Lenders dated as of January 25, 2016 (the “**Direction**”).
2. Charge/Mortgage granted by 180 Vine Inc. in respect of 180 Vine Street South, St. Catharines, Ontario (Freehold) registered on January 26, 2016, as instrument no. NR403682.
3. General Assignment of Leases and Rents in respect of 180 Vine Street South, St. Catharines, Ontario dated as of January 25, 2016 granted by 180 Vine Inc. in favour of the Lenders
4. General Security Agreement dated as of January 25, 2016 granted by 180 Vine Inc. in favour of the Lenders
5. Mortgage Loan Application dated as of November 30, 2015
6. Promissory note dated as of January 25, 2016 in the principal amount of CAD \$30,800,000.00 made by Southmount Healthcare Centre Inc. (formerly Carriage Gate Group Inc.), 180 Vine Inc., 2478658 Ontario Ltd., 2009 Long Lake Holdings Inc., 65 Larch Holdings Inc., 100 Colborne Holdings Inc. and 240 Old Penetanguish Holdings Inc. in favour of American General Life Insurance Company
7. Promissory note dated as of January 25, 2016 in the principal amount of CAD \$23,100,000.00 made by Southmount Healthcare Centre Inc. (formerly Carriage Gate Group Inc.), 180 Vine Inc., 2478658 Ontario Ltd., 2009 Long Lake Holdings Inc., 65 Larch Holdings Inc., 100 Colborne Holdings Inc. and 240 Old Penetanguish Holdings Inc. in favour of Lexington Insurance Company
8. Promissory note dated as of January 25, 2016 in the principal amount of CAD \$16,100,000.00 made by Southmount Healthcare Centre Inc. (formerly Carriage Gate Group Inc.), 180 Vine Inc., 2478658 Ontario Ltd., 2009 Long Lake Holdings Inc., 65 Larch Holdings Inc., 100 Colborne Holdings Inc. and 240 Old Penetanguish Holdings Inc. in favour of The Variable Annuity Life Insurance Company

NOTICE OF INTENTION TO ENFORCE SECURITY

(Rule 124)

(Section 244 of the Bankruptcy and Insolvency Act)

TO: **240 OLD PENETANGUISH HOLDINGS INC.**, an insolvent person
(the “**Debtor**”)

Attention: Mark Gross

Email: mark@grosscapital.ca

Take notice that:

1. American General Life Insurance Company, Lexington Insurance Company and The Variable Annuity Life Insurance Company (collectively, the “**Lenders**”) intend to enforce their Security (as defined herein) on the property of the Debtor described on Schedule “A” hereto (collectively, the “**Collateral**”), and all proceeds thereof.
2. The security (“**Security**”) that is to be enforced has been granted to the Lenders under the loan and security documents set out on Schedule “B” hereto (the “**Loan and Security Documents**”).
3. The total amount of the indebtedness secured by the Security is CAD \$65,076,621.36 as at April 6, 2020, plus all interest, costs, fees, expenses, charges and other amounts whatsoever (including without limitation, all yield maintenance amounts and all legal fees and expenses of the Lenders) that are payable by the Debtor under the Loan and Security Documents.
4. The Lenders 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 Debtor consents to an earlier enforcement.

[signature page follows]

DATED 5/7/2020 at Houston, Texas

AMERICAN GENERAL LIFE INSURANCE COMPANY by its investment advisor, AIG Asset Management (U.S.), LLC, a Delaware limited liability company

DocuSigned by:

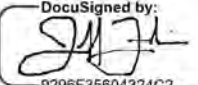
Per: _____
9296F35604324C2
Name: Jeff Flinn
Title: Managing Director

THE VARIABLE ANNUITY LIFE INSURANCE COMPANY by its investment advisor, AIG Asset Management (U.S.), LLC, a Delaware limited liability company

DocuSigned by:

Per: _____
9296F35604324C2
Name: Jeff Flinn
Title: Managing Director

LEXINGTON INSURANCE COMPANY by its investment advisor, AIG Asset Management (U.S.), LLC, a Delaware limited liability company

DocuSigned by:

Per: _____
9296F35604324C2
Name: Jeff Flinn
Title: Managing Director

SCHEDULE “A”
COLLATERAL

1. All of the Debtor’s right, title and interest in and to: (i) the Lands, (ii) Buildings, (iii) Chattels, and (iv) Additional Security, together with all additional real and personal property over which the Debtor is now or hereafter granted a security interest and any other interests in the Lands and the Buildings acquired by the Debtor, all as defined and more particularly described in the Charge/Mortgage identified on Schedule “B” hereto.
2. All of the Debtor’s right, title and interest in and to the lands municipally and legally described in the General Security Agreement identified on Schedule “B” hereto, together with all property relating thereto including, without limitation, all of the Debtor’s right, title and interest in and to the buildings and appurtenances situate thereon and the leases pertaining thereto and rents payable under such leases (the “**Property**”).
3. All of the Debtor’s present and future undertaking and property, both real and personal, located at, relating to or used in connection with, the Property, or which is necessary to the use and operation of the Property including, without limitation, all right, title and interest that the Debtor now has or may hereafter have, be possessed of, be entitled to or which may hereafter be acquired by the Debtor in Accounts, Chattel Paper, Documents of Title, Equipment, Goods, Instruments, Intangibles, Inventory, Money, Securities, Books and Records, Contracts, Insurance Policies, licences and permits and all replacements of, substitutions for and increases, additions and accessions to the foregoing, together with all Proceeds thereof, all as defined and more particularly described in the General Security Agreement identified on Schedule “B” hereto.
4. All of the Debtor’s right, title and interest in and to: (i) all present and future Gross Receipts, issues, profits and other moneys reserved or payable under the Leases, and (ii) all present and future Leases and the full benefit and advantage of the Leases and of the covenants, conditions, provisions, stipulations and agreements contained therein, all as defined and more particularly described in the General Assignment of Leases and Rents identified on Schedule “B” hereto.

SCHEDULE “B”
LOAN & SECURITY DOCUMENTS

1. Charge/Mortgage granted by 240 Old Penetanguish Holdings Inc. in respect of 240 Old Penetanguish Road, Midland, Ontario (Freehold) registered on January 26, 2016, as instrument no. SC1278220 (the “**Charge/Mortgage**”).
2. General Assignment of Leases and Rents in respect of 240 Old Penetanguish Road, Midland, Ontario dated as of January 25, 2016 granted by 240 Old Penetanguish Holdings Inc. in favour of the Lenders (the “**General Assignment of Leases and Rents**”).
3. General Security Agreement dated as of January 25, 2016 granted by 240 Old Penetanguish Holdings Inc. in favour of the Lenders (the “**General Security Agreement**”).
4. Direction to Nominee and Acknowledgement by Gross Properties Inc. and 2413667 Ontario Inc. to 240 Old Penetanguish Holdings Inc. and to the Lenders dated as of January 25, 2016.
5. Mortgage Loan Application dated as of November 30, 2015.
6. Promissory note dated as of January 25, 2016 in the principal amount of CAD \$30,800,000.00 made by Southmount Healthcare Centre Inc. (formerly Carriage Gate Group Inc.), 180 Vine Inc., 2478658 Ontario Ltd., 2009 Long Lake Holdings Inc., 65 Larch Holdings Inc., 100 Colborne Holdings Inc. and 240 Old Penetanguish Holdings Inc. in favour of American General Life Insurance Company.
7. Promissory note dated as of January 25, 2016 in the principal amount of CAD \$23,100,000.00 made by Southmount Healthcare Centre Inc. (formerly Carriage Gate Group Inc.), 180 Vine Inc., 2478658 Ontario Ltd., 2009 Long Lake Holdings Inc., 65 Larch Holdings Inc., 100 Colborne Holdings Inc. and 240 Old Penetanguish Holdings Inc. in favour of Lexington Insurance Company.
8. Promissory note dated as of January 25, 2016 in the principal amount of CAD \$16,100,000.00 made by Southmount Healthcare Centre Inc. (formerly Carriage Gate Group Inc.), 180 Vine Inc., 2478658 Ontario Ltd., 2009 Long Lake Holdings Inc., 65 Larch Holdings Inc., 100 Colborne Holdings Inc. and 240 Old Penetanguish Holdings Inc. in favour of The Variable Annuity Life Insurance Company.

ACKNOWLEDGEMENT AND CONSENT

TO: **AMERICAN GENERAL LIFE INSURANCE COMPANY, THE VARIABLE ANNUITY LIFE INSURANCE COMPANY and LEXINGTON INSURANCE COMPANY** (collectively, the "**Lenders**") under the loan and security documents between 240 Old Penetanguish Holdings Inc. (the "**Debtor**") and the Lenders, including, without limitation, the Charge/Mortgage dated as of January 26, 2016 (collectively, the "**Loan Documents**")

The Debtor hereby acknowledges:

- (i) receipt of the Notices of Default, dated February 5, February 6, February 14, and March 9, 2020;
- (ii) receipt of the Demand Letter, dated May 7, 2020;
- (iii) receipt of the Notice of Intention to Enforce Security, dated May 7, 2020 (the "**Notice**");
- (iv) the Debtor's indebtedness to the Lenders under the Loan Documents as at April 6, 2020 (the "**Indebtedness**"), being in the amount set out in the Notice; and
- (v) its inability to pay the Indebtedness.

The Debtor hereby irrevocably waives any and all requirement of, and right to, further notice of demand or time for payment of the Indebtedness and irrevocably consents to the immediate enforcement of the Security (as defined and more particularly set out in the Notice) it has granted to the Lenders, including, without limitation, at the option of the Lenders, the appointment of a receiver or receiver and manager, either privately or by the appointment of a court of competent jurisdiction.

The Debtor further acknowledges and confirms that it has sought and obtained advice from its professional advisors, including legal counsel, in connection with the enforcement by the Lenders of their Security and is executing this Acknowledgement and Consent in favour of the Lenders freely, voluntarily and without duress.

Dated at _____, this ____ day of May, 2020.

**240 OLD PENETANGUISH HOLDINGS
INC.**

Per: _____
Name:
Title:



NOTICE OF INTENTION TO ENFORCE SECURITY

(Rule 124)

(Section 244 of the Bankruptcy and Insolvency Act)

TO: **2009 LONG LAKE HOLDINGS INC.**, an insolvent person
(the “**Debtor**”)

Attention: Mark Gross

Email: mark@grosscapital.ca

Take notice that:

1. American General Life Insurance Company, Lexington Insurance Company and The Variable Annuity Life Insurance Company (collectively, the “**Lenders**”) intend to enforce their Security (as defined herein) on the property of the Debtor described on Schedule “A” hereto (collectively, the “**Collateral**”), and all proceeds thereof.
2. The security (“**Security**”) that is to be enforced has been granted to the Lenders under the loan and security documents set out on Schedule “B” hereto (the “**Loan and Security Documents**”).
3. The total amount of the indebtedness secured by the Security is CAD \$65,076,621.36 as at April 6, 2020, plus all interest, costs, fees, expenses, charges and other amounts whatsoever (including without limitation, all yield maintenance amounts and all legal fees and expenses of the Lenders) that are payable by the Debtor under the Loan and Security Documents.
4. The Lenders 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 Debtor consents to an earlier enforcement.

[signature page follows]

DATED 5/7/2020 at Houston, Texas

AMERICAN GENERAL LIFE INSURANCE COMPANY by its investment advisor, AIG Asset Management (U.S.), LLC, a Delaware limited liability company

DocuSigned by:

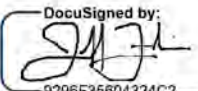
Per: _____
Name: Jeff Flinn
Title: Managing Director

THE VARIABLE ANNUITY LIFE INSURANCE COMPANY by its investment advisor, AIG Asset Management (U.S.), LLC, a Delaware limited liability company

DocuSigned by:

Per: _____
Name: Jeff Flinn
Title: Managing Director

LEXINGTON INSURANCE COMPANY by its investment advisor, AIG Asset Management (U.S.), LLC, a Delaware limited liability company

DocuSigned by:

Per: _____
Name: Jeff Flinn
Title: Managing Director

SCHEDULE "A"
COLLATERAL

1. All of the Debtor's right, title and interest in and to: (i) the Lands, (ii) Buildings, (iii) Chattels, and (iv) Additional Security, together with all additional real and personal property over which the Debtor is now or hereafter granted a security interest and any other interests in the Lands and the Buildings acquired by the Debtor, all as defined and more particularly described in the Charge/Mortgage identified on Schedule "B" hereto.
2. All of the Debtor's right, title and interest in and to the lands municipally and legally described in the General Security Agreement identified on Schedule "B" hereto, together with all property relating thereto including, without limitation, all of the Debtor's right, title and interest in and to the buildings and appurtenances situate thereon and the leases pertaining thereto and rents payable under such leases (the "**Property**").
3. All of the Debtor's present and future undertaking and property, both real and personal, located at, relating to or used in connection with, the Property, or which is necessary to the use and operation of the Property including, without limitation, all right, title and interest that the Debtor now has or may hereafter have, be possessed of, be entitled to or which may hereafter be acquired by the Debtor in Accounts, Chattel Paper, Documents of Title, Equipment, Goods, Instruments, Intangibles, Inventory, Money, Securities, Books and Records, Contracts, Insurance Policies, licences and permits and all replacements of, substitutions for and increases, additions and accessions to the foregoing, together with all Proceeds thereof, all as defined and more particularly described in the General Security Agreement identified on Schedule "B" hereto.
4. All of the Debtor's right, title and interest in and to: (i) all present and future Gross Receipts, issues, profits and other moneys reserved or payable under the Leases, and (ii) all present and future Leases and the full benefit and advantage of the Leases and of the covenants, conditions, provisions, stipulations and agreements contained therein, all as defined and more particularly described in the General Assignment of Leases and Rents identified on Schedule "B" hereto.

SCHEDULE “B”**LOAN & SECURITY DOCUMENTS**

1. Charge/Mortgage granted by 2009 Long Lake Holdings Inc. in respect of 2009 Long Lake Road, Sudbury, Ontario (Freehold) registered on January 26, 2016, as instrument no. SD309728 (the “**Charge/Mortgage**”).
2. General Assignment of Leases and Rents in respect of 2009 Long Lake Road, Sudbury, Ontario dated as of January 25, 2016 granted by 2009 Long Lake Holdings Inc. in favour of the Lenders (the “**General Assignment of Leases and Rents**”).
3. General Security Agreement dated as of January 25, 2016 granted by 2009 Long Lake Holdings Inc. in favour of the Lenders (the “**General Security Agreement**”).
4. Direction to Nominee and Acknowledgement by Gross Properties Inc. and 2413667 Ontario Inc. to 2009 Long Lake Holdings Inc. and to the Lenders dated as of January 25, 2016.
5. Mortgage Loan Application dated as of November 30, 2015.
6. Promissory note dated as of January 25, 2016 in the principal amount of CAD \$30,800,000.00 made by Southmount Healthcare Centre Inc. (formerly Carriage Gate Group Inc.), 180 Vine Inc., 2478658 Ontario Ltd., 2009 Long Lake Holdings Inc., 65 Larch Holdings Inc., 100 Colborne Holdings Inc. and 240 Old Penetanguish Holdings Inc. in favour of American General Life Insurance Company.
7. Promissory note dated as of January 25, 2016 in the principal amount of CAD \$23,100,000.00 made by Southmount Healthcare Centre Inc. (formerly Carriage Gate Group Inc.), 180 Vine Inc., 2478658 Ontario Ltd., 2009 Long Lake Holdings Inc., 65 Larch Holdings Inc., 100 Colborne Holdings Inc. and 240 Old Penetanguish Holdings Inc. in favour of Lexington Insurance Company.
8. Promissory note dated as of January 25, 2016 in the principal amount of CAD \$16,100,000.00 made by Southmount Healthcare Centre Inc. (formerly Carriage Gate Group Inc.), 180 Vine Inc., 2478658 Ontario Ltd., 2009 Long Lake Holdings Inc., 65 Larch Holdings Inc., 100 Colborne Holdings Inc. and 240 Old Penetanguish Holdings Inc. in favour of The Variable Annuity Life Insurance Company.

ACKNOWLEDGEMENT AND CONSENT

TO: **AMERICAN GENERAL LIFE INSURANCE COMPANY, THE VARIABLE ANNUITY LIFE INSURANCE COMPANY and LEXINGTON INSURANCE COMPANY** (collectively, the “**Lenders**”) under the loan and security documents between 2009 Long Lake Holdings Inc. (the “**Debtor**”) and the Lenders, including, without limitation, the Charge/Mortgage dated as of January 26, 2016 (collectively, the “**Loan Documents**”)

The Debtor hereby acknowledges:

- (i) receipt of the Notices of Default, dated February 5, February 6, February 14, and March 9, 2020;
- (ii) receipt of the Demand Letter, dated May 7, 2020;
- (iii) receipt of the Notice of Intention to Enforce Security, dated May 7, 2020 (the “**Notice**”);
- (iv) the Debtor’s indebtedness to the Lenders under the Loan Documents as at April 6, 2020 (the “**Indebtedness**”), being in the amount set out in the Notice; and
- (v) its inability to pay the Indebtedness.

The Debtor hereby irrevocably waives any and all requirement of, and right to, further notice of demand or time for payment of the Indebtedness and irrevocably consents to the immediate enforcement of the Security (as defined and more particularly set out in the Notice) it has granted to the Lenders, including, without limitation, at the option of the Lenders, the appointment of a receiver or receiver and manager, either privately or by the appointment of a court of competent jurisdiction.

The Debtor further acknowledges and confirms that it has sought and obtained advice from its professional advisors, including legal counsel, in connection with the enforcement by the Lenders of their Security and is executing this Acknowledgement and Consent in favour of the Lenders freely, voluntarily and without duress.

Dated at Toronto, this 7th day of May, 2020.

2009 LONG LAKE HOLDINGS INC.

Per: _____
 Name: _____
 Title: _____

NOTICE OF INTENTION TO ENFORCE SECURITY

(Rule 124)

*(Section 244 of the Bankruptcy and Insolvency Act)*TO: **2413667 ONTARIO INC.** (the “Debtor”)**Attention: Fausto Carnicelli****Email: fausto@medicaone.ca****Take notice that:**

1. American General Life Insurance Company, Lexington Insurance Company, and The Variable Annuity Life Insurance Company (collectively, the “**Lenders**”) intend to enforce their Security (as defined herein) on the property described on Schedule “A” hereto (collectively, the “**Collateral**”), and all proceeds thereof.
2. The security (“**Security**”) that is to be enforced has been granted to the Lenders under the loan and security documents set out on Schedule “B” hereto (collectively, the “**Loan and Security Documents**”).
3. The total amount of the indebtedness secured by the Security is CAD \$65,076,621.36 as at April 6, 2020, plus all interest, costs, fees, expenses, charges and other amounts whatsoever (including without limitation, all yield maintenance amounts and all legal fees and expenses of the Lenders) that are payable by the Debtor under the Loan and Security Documents.
4. The Lenders 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 Debtor consents to an earlier enforcement.

[signature page follows]

DATED 5/7/2020 at Houston, Texas

AMERICAN GENERAL LIFE INSURANCE COMPANY by its investment advisor, AIG Asset Management (U.S.), LLC, a Delaware limited liability company

Per: 
Name: Jeff Flinn
Title: Managing Director

THE VARIABLE ANNUITY LIFE INSURANCE COMPANY by its investment advisor, AIG Asset Management (U.S.), LLC, a Delaware limited liability company

Per: 
Name: Jeff Flinn
Title: Managing Director

LEXINGTON INSURANCE COMPANY by its investment advisor, AIG Asset Management (U.S.), LLC, a Delaware limited liability company

Per: 
Name: Jeff Flinn
Title: Managing Director

SCHEDULE “A”
COLLATERAL

1. All of the Debtor’s right, title, estate and interest in the property, assets and undertaking (including the Property) subject to the Mortgage and Loan documentation, together with all proceeds thereof, all as defined and more particularly described in the Directions identified on Schedule “B” hereto (collectively, the “**Property**”).

SCHEDULE “B”
LOAN & SECURITY DOCUMENTS

1. The following Directions to Nominee and Acknowledgments (collectively, the “**Directions**”):
 - a. Direction to Nominee and Acknowledgement by 180 Vine Purchaser Inc. and 2413667 Ontario Inc. to 180 Vine Inc. and to the Lenders dated as of January 25, 2016;
 - b. Direction to Nominee and Acknowledgement by Gross Properties Inc. and 2413667 Ontario Inc. to 2488658 Ontario Ltd. and to the Lenders dated as of January 25, 2016;
 - c. Direction to Nominee and Acknowledgement by Gross Properties Inc. and 2413667 Ontario Inc. to 2009 Long Lake Holdings Inc. and to the Lenders dated as of January 25, 2016;
 - d. Direction to Nominee and Acknowledgement by Gross Properties Inc. and 2413667 Ontario Inc. to 65 Larch Holdings Inc. and to the Lenders dated as of January 25, 2016;
 - e. Direction to Nominee and Acknowledgement by Gross Properties Inc. and 2413667 Ontario Inc. to 100 Colborne Holdings Inc. to the Lenders dated as of January 25, 2016;
 - f. Direction to Nominee and Acknowledgement by Gross Properties Inc. and 2413667 Ontario Inc. to 240 Old Penetanguish Holdings Inc. and to the Lenders dated as of January 25, 2016.
2. Charge/Mortgage granted by 180 Vine Inc. in respect of 180 Vine Street South, St. Catharines, Ontario (Freehold) registered on January 26, 2016, as instrument no. NR403682.
3. Charge/Mortgage granted by 2478658 Ontario Ltd. In respect of 849 Alexander Court, Peterborough, Ontario (Freehold) registered on January 26, 2016, as instrument no. PE239807.
4. Charge/Mortgage granted by 2009 Long Lake Holdings Inc. in respect of 2009 Long Lake Road, Sudbury, Ontario (Freehold) registered on January 26, 2016, as instrument no. SD309728.
5. Charge/Mortgage granted by 65 Larch Holdings Inc. in respect of 65 Larch Street, Sudbury, Ontario (Freehold) registered on January 26, 2016, as instrument no. SD309725.
6. Charge/Mortgage granted by 100 Colborne Inc. in respect of 100 Colborne Street West, Orillia, Ontario (Freehold) and 77 Wyandotte Street, Orillia, Ontario (Freehold) registered on January 26, 2016, as instrument no. SC1278217.

7. Charge/Mortgage granted by 240 Old Penetanguish Holdings Inc. in respect of 240 Old Penetanguish Road, Midland, Ontario (Freehold) registered on January 26, 2016, as instrument no. SC1278220.
8. General Assignment of Leases and Rents in respect of 180 Vine Street South, St. Catharines, Ontario dated as of January 25, 2016 granted by 180 Vine Inc. in favour of the Lenders
9. General Assignment of Leases and Rents in respect of 849 Alexander Court, Peterborough, Ontario dated as of January 25, 2016 granted by 2478658 Ontario Ltd. In favour of the Lenders
10. General Assignment of Leases and Rents in respect of 2009 Long Lake Road, Sudbury, Ontario dated as of January 25, 2016 granted by 2009 Long Lake Holdings Inc. in favour of the Lenders
11. General Assignment of Leases and Rents in respect of 65 Larch Street, Sudbury, Ontario dated as of January 25, 2016 granted by 65 Larch Holdings Inc. in favour of the Lenders
12. General Assignment of Leases and Rents in respect of 100 Colborne Street West, Orillia, Ontario and 77 Wyandotte Street, Orillia, Ontario, dated as of January 25, 2016 granted by 100 Colborne Holdings Inc. in favour of the Lenders
13. General Assignment of Leases and Rents in respect of 240 Old Penetanguish Road, Midland, Ontario dated as of January 25, 2016 granted by 240 Old Penetanguish Holdings Inc. in favour of the Lenders
14. General Security Agreement dated as of January 25, 2016 granted by 180 Vine Inc. in favour of the Lenders
15. General Security Agreement dated as of January 25, 2016 granted by 2478658 Ontario in favour of the Lenders
16. General Security Agreement dated as of January 25, 2016 granted by 2009 Long Lake Holdings Inc. in favour of the Lenders
17. General Security Agreement dated as of January 25, 2016 granted by 65 Larch Holdings Inc. in favour of the Lenders
18. General Security Agreement dated as of January 25, 2016 granted by 100 Colborne Holdings Inc. in favour of the Lenders
19. General Security Agreement dated as of January 25, 2016 granted by 240 Old Penetanguish Holdings Inc. in Favour of the Lenders
20. Mortgage Loan Application dated as of November 30, 2015

21. Promissory note dated as of January 25, 2016 in the principal amount of CAD \$30,800,000.00 made by Southmount Healthcare Centre Inc. (formerly Carriage Gate Group Inc.), 180 Vine Inc., 2478658 Ontario Ltd., 2009 Long Lake Holdings Inc., 65 Larch Holdings Inc., 100 Colborne Holdings Inc. and 240 Old Penetanguish Holdings Inc. in favour of American General Life Insurance Company
22. Promissory note dated as of January 25, 2016 in the principal amount of CAD \$23,100,000.00 made by Southmount Healthcare Centre Inc. (formerly Carriage Gate Group Inc.), 180 Vine Inc., 2478658 Ontario Ltd., 2009 Long Lake Holdings Inc., 65 Larch Holdings Inc., 100 Colborne Holdings Inc. and 240 Old Penetanguish Holdings Inc. in favour of Lexington Insurance Company
23. Promissory note dated as of January 25, 2016 in the principal amount of CAD \$16,100,000.00 made by Southmount Healthcare Centre Inc. (formerly Carriage Gate Group Inc.), 180 Vine Inc., 2478658 Ontario Ltd., 2009 Long Lake Holdings Inc., 65 Larch Holdings Inc., 100 Colborne Holdings Inc. and 240 Old Penetanguish Holdings Inc. in favour of The Variable Annuity Life Insurance Company

NOTICE OF INTENTION TO ENFORCE SECURITY

(Rule 124)

(Section 244 of the Bankruptcy and Insolvency Act)

TO: **2478658 ONTARIO LTD.**, an insolvent person
(the “**Debtor**”)

Attention: Mark Gross

Email: mark@grosscapital.ca

Take notice that:

1. American General Life Insurance Company, Lexington Insurance Company and The Variable Annuity Life Insurance Company (collectively, the “**Lenders**”) intend to enforce their Security (as defined herein) on the property of the Debtor described on Schedule “A” hereto (collectively, the “**Collateral**”), and all proceeds thereof.
2. The security (“**Security**”) that is to be enforced has been granted to the Lenders under the loan and security documents set out on Schedule “B” hereto (the “**Loan and Security Documents**”).
3. The total amount of the indebtedness secured by the Security is CAD \$65,076,621.36 as at April 6, 2020, plus all interest, costs, fees, expenses, charges and other amounts whatsoever (including without limitation, all yield maintenance amounts and all legal fees and expenses of the Lenders) that are payable by the Debtor under the Loan and Security Documents.
4. The Lenders 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 Debtor consents to an earlier enforcement.

[signature page follows]

DATED 5/7/2020 at Houston, Texas

AMERICAN GENERAL LIFE INSURANCE COMPANY by its investment advisor, AIG Asset Management (U.S.), LLC, a Delaware limited liability company

DocuSigned by:

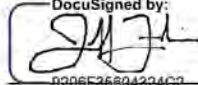
Per: _____
Name: Jeff Flinn
Title: Managing Director

THE VARIABLE ANNUITY LIFE INSURANCE COMPANY by its investment advisor, AIG Asset Management (U.S.), LLC, a Delaware limited liability company

DocuSigned by:

Per: _____
Name: Jeff Flinn
Title: Managing Director

LEXINGTON INSURANCE COMPANY by its investment advisor, AIG Asset Management (U.S.), LLC, a Delaware limited liability company

DocuSigned by:

Per: _____
Name: Jeff Flinn
Title: Managing Director

SCHEDULE "A"
COLLATERAL

1. All of the Debtor's right, title and interest in and to: (i) the Lands, (ii) Buildings, (iii) Chattels, and (iv) Additional Security, together with all additional real and personal property over which the Debtor is now or hereafter granted a security interest and any other interests in the Lands and the Buildings acquired by the Debtor, all as defined and more particularly described in the Charge/Mortgage identified on Schedule "B" hereto.
2. All of the Debtor's right, title and interest in and to the lands municipally and legally described in the General Security Agreement identified on Schedule "B" hereto, together with all property relating thereto including, without limitation, all of the Debtor's right, title and interest in and to the buildings and appurtenances situate thereon and the leases pertaining thereto and rents payable under such leases (the "**Property**").
3. All of the Debtor's present and future undertaking and property, both real and personal, located at, relating to or used in connection with, the Property, or which is necessary to the use and operation of the Property including, without limitation, all right, title and interest that the Debtor now has or may hereafter have, be possessed of, be entitled to or which may hereafter be acquired by the Debtor in Accounts, Chattel Paper, Documents of Title, Equipment, Goods, Instruments, Intangibles, Inventory, Money, Securities, Books and Records, Contracts, Insurance Policies, licences and permits and all replacements of, substitutions for and increases, additions and accessions to the foregoing, together with all Proceeds thereof, all as defined and more particularly described in the General Security Agreement identified on Schedule "B" hereto.
4. All of the Debtor's right, title and interest in and to: (i) all present and future Gross Receipts, issues, profits and other moneys reserved or payable under the Leases, and (ii) all present and future Leases and the full benefit and advantage of the Leases and of the covenants, conditions, provisions, stipulations and agreements contained therein, all as defined and more particularly described in the General Assignment of Leases and Rents identified on Schedule "B" hereto.

SCHEDULE “B”
LOAN & SECURITY DOCUMENTS

1. Charge/Mortgage granted by 2478658 Ontario Ltd. In respect of 849 Alexander Court, Peterborough, Ontario (Freehold) registered on January 26, 2016, as instrument no. PE239807 (the “**Charge/Mortgage**”).
2. General Assignment of Leases and Rents in respect of 849 Alexander Court, Peterborough, Ontario dated as of January 25, 2016 granted by 2478658 Ontario Ltd. in favour of the Lenders (the “**General Assignment of Leases and Rents**”).
3. General Security Agreement dated as of January 25, 2016 granted by 2478658 Ontario in favour of the Lenders (the “**General Security Agreement**”).
4. Direction to Nominee and Acknowledgement by Gross Properties Inc. and 2413667 Ontario Inc. to 2488658 Ontario Ltd. and to the Lenders dated as of January 25, 2016.
5. Mortgage Loan Application dated as of November 30, 2015.
6. Promissory note dated as of January 25, 2016 in the principal amount of CAD \$30,800,000.00 made by Southmount Healthcare Centre Inc. (formerly Carriage Gate Group Inc.), 180 Vine Inc., 2478658 Ontario Ltd., 2009 Long Lake Holdings Inc., 65 Larch Holdings Inc., 100 Colborne Holdings Inc. and 240 Old Penetanguish Holdings Inc. in favour of American General Life Insurance Company.
7. Promissory note dated as of January 25, 2016 in the principal amount of CAD \$23,100,000.00 made by Southmount Healthcare Centre Inc. (formerly Carriage Gate Group Inc.), 180 Vine Inc., 2478658 Ontario Ltd., 2009 Long Lake Holdings Inc., 65 Larch Holdings Inc., 100 Colborne Holdings Inc. and 240 Old Penetanguish Holdings Inc. in favour of Lexington Insurance Company.
8. Promissory note dated as of January 25, 2016 in the principal amount of CAD \$16,100,000.00 made by Southmount Healthcare Centre Inc. (formerly Carriage Gate Group Inc.), 180 Vine Inc., 2478658 Ontario Ltd., 2009 Long Lake Holdings Inc., 65 Larch Holdings Inc., 100 Colborne Holdings Inc. and 240 Old Penetanguish Holdings Inc. in favour of The Variable Annuity Life Insurance Company.

ACKNOWLEDGEMENT AND CONSENT

TO: **AMERICAN GENERAL LIFE INSURANCE COMPANY, THE VARIABLE ANNUITY LIFE INSURANCE COMPANY and LEXINGTON INSURANCE COMPANY** (collectively, the “**Lenders**”) under the loan and security documents between 2478658 Ontario Ltd. (the “**Debtor**”) and the Lenders, including, without limitation, the Charge/Mortgage dated as of January 26, 2016 (collectively, the “**Loan Documents**”)

The Debtor hereby acknowledges:

- (i) receipt of the Notices of Default, dated February 5, February 6, February 14, and March 9, 2020;
- (ii) receipt of the Demand Letter, dated May 7, 2020;
- (iii) receipt of the Notice of Intention to Enforce Security, dated May 7, 2020 (the “**Notice**”);
- (iv) the Debtor’s indebtedness to the Lenders under the Loan Documents as at April 6, 2020 (the “**Indebtedness**”), being in the amount set out in the Notice; and
- (v) its inability to pay the Indebtedness.

The Debtor hereby irrevocably waives any and all requirement of, and right to, further notice of demand or time for payment of the Indebtedness and irrevocably consents to the immediate enforcement of the Security (as defined and more particularly set out in the Notice) it has granted to the Lenders, including, without limitation, at the option of the Lenders, the appointment of a receiver or receiver and manager, either privately or by the appointment of a court of competent jurisdiction.

The Debtor further acknowledges and confirms that it has sought and obtained advice from its professional advisors, including legal counsel, in connection with the enforcement by the Lenders of their Security and is executing this Acknowledgement and Consent in favour of the Lenders freely, voluntarily and without duress.

Dated at Toronto, this 7th day of May, 2020.

2478658 ONTARIO LTD.

Per: 
 Name: _____
 Title: _____

NOTICE OF INTENTION TO ENFORCE SECURITY

(Rule 124)

(Section 244 of the Bankruptcy and Insolvency Act)

TO: **GROSS PROPERTIES INC.**
(the “**Debtor**”)

Attention: Mark Gross
Email: mark@grosscapital.ca

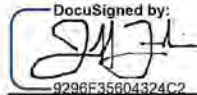
Take notice that:

1. American General Life Insurance Company, Lexington Insurance Company, and The Variable Annuity Life Insurance Company (collectively, the “**Lenders**”) intend to enforce their Security (as defined herein) on the property described on Schedule “A” hereto (collectively, the “**Collateral**”), and all proceeds thereof.
2. The security (“**Security**”) that is to be enforced has been granted to the Lenders under the loan and security documents set out on Schedule “B” hereto (collectively, the “**Loan and Security Documents**”).
3. The total amount of the indebtedness secured by the Security is CAD \$65,076,621.36 as at April 6, 2020, plus all interest, costs, fees, expenses, charges and other amounts whatsoever (including without limitation, all yield maintenance amounts and all legal fees and expenses of the Lenders) that are payable by the Debtor under the Loan and Security Documents.
4. The Lenders 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 Debtor consents to an earlier enforcement.

[signature page follows]

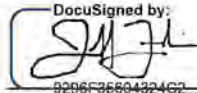
DATED 5/7/2020 at Houston, Texas

AMERICAN GENERAL LIFE INSURANCE COMPANY by its investment advisor, AIG Asset Management (U.S.), LLC, a Delaware limited liability company

DocuSigned by:


Per: _____
Name: Jeff Flinn
Title: Managing Director

THE VARIABLE ANNUITY LIFE INSURANCE COMPANY by its investment advisor, AIG Asset Management (U.S.), LLC, a Delaware limited liability company

DocuSigned by:


Per: _____
Name: Jeff Flinn
Title: Managing Director

LEXINGTON INSURANCE COMPANY by its investment advisor, AIG Asset Management (U.S.), LLC, a Delaware limited liability company

DocuSigned by:


Per: _____
Name: Jeff Flinn
Title: Managing Director

SCHEDULE "A"
COLLATERAL

1. All of the Debtor's right, title, estate and interest in the property, assets and undertaking (including the Property) subject to the Mortgage and Loan documentation, together with all proceeds thereof, all as defined and more particularly described in the Directions identified on Schedule "B" hereto (collectively, the "**Property**").

SCHEDULE “B”
LOAN & SECURITY DOCUMENTS

1. The following Directions to Nominee and Acknowledgments (collectively, the “**Directions**”):
 - a. Direction to Nominee and Acknowledgement by Gross Properties Inc. and 2413667 Ontario Inc. to 2488658 Ontario Ltd. and to the Lenders dated as of January 25, 2016;
 - b. Direction to Nominee and Acknowledgement by Gross Properties Inc. and 2413667 Ontario Inc. to 2009 Long Lake Holdings Inc. and to the Lenders dated as of January 25, 2016;
 - c. Direction to Nominee and Acknowledgement by Gross Properties Inc. and 2413667 Ontario Inc. to 65 Larch Holdings Inc. and to the Lenders dated as of January 25, 2016;
 - d. Direction to Nominee and Acknowledgement by Gross Properties Inc. and 2413667 Ontario Inc. to 100 Colborne Holdings Inc. to the Lenders dated as of January 25, 2016; and
 - e. Direction to Nominee and Acknowledgement by Gross Properties Inc. and 2413667 Ontario Inc. to 240 Old Penetanguish Holdings Inc. and to the Lenders dated as of January 25, 2016.
2. Charge/Mortgage granted by 2478658 Ontario Ltd. in respect of 849 Alexander Court, Peterborough, Ontario registered on January 26, 2016, as instrument no. PE239807.
3. Charge/Mortgage granted by 2009 Long Lake Holdings Inc. in respect of 2009 Long Lake Road, Sudbury, Ontario registered on January 26, 2016, as instrument no. SD309728.
4. Charge/Mortgage granted by 65 Larch Holdings Inc. in respect of 65 Larch Street, Sudbury, Ontario registered on January 26, 2016, as instrument no. SD309725.
5. Charge/Mortgage granted by 100 Colborne Inc. in respect of 100 Colborne Street West, Orillia, Ontario and 77 Wyandotte Street, Orillia, Ontario registered on January 26, 2016, as instrument no. SC1278217.
6. Charge/Mortgage granted by 240 Old Penetanguish Holdings Inc. in respect of 240 Old Penetanguish Road, Midland, Ontario registered on January 26, 2016, as instrument no. SC1278220.
7. General Assignment of Leases and Rents in respect of 849 Alexander Court, Peterborough, Ontario dated as of January 25, 2016 granted by 2478658 Ontario Ltd. in favour of the Lenders.

8. General Assignment of Leases and Rents in respect of 2009 Long Lake Road, Sudbury, Ontario dated as of January 25, 2016 granted by 2009 Long Lake Holdings Inc. in favour of the Lenders.
9. General Assignment of Leases and Rents in respect of 65 Larch Street, Sudbury, Ontario dated as of January 25, 2016 granted by 65 Larch Holdings Inc. in favour of the Lenders.
10. General Assignment of Leases and Rents in respect of 100 Colborne Street West, Orillia, Ontario and 77 Wyandotte Street, Orillia, Ontario, dated as of January 25, 2016 granted by 100 Colborne Holdings Inc. in favour of the Lenders.
11. General Assignment of Leases and Rents in respect of 240 Old Penetanguishene Road, Midland, Ontario dated as of January 25, 2016 granted by 240 Old Penetanguish Holdings Inc. in favour of the Lenders.
12. General Security Agreement dated as of January 25, 2016 granted by 2478658 Ontario in favour of the Lenders.
13. General Security Agreement dated as of January 25, 2016 granted by 2009 Long Lake Holdings Inc. in favour of the Lenders.
14. General Security Agreement dated as of January 25, 2016 granted by 65 Larch Holdings Inc. in favour of the Lenders.
15. General Security Agreement dated as of January 25, 2016 granted by 100 Colborne Holdings Inc. in favour of the Lenders.
16. General Security Agreement dated as of January 25, 2016 granted by 240 Old Penetanguish Holdings Inc. in favour of the Lenders.
17. Mortgage Loan Application dated as of November 30, 2015.
18. Promissory note dated as of January 25, 2016 in the principal amount of CAD \$30,800,000.00 made by Southmount Healthcare Centre Inc. (formerly Carriage Gate Group Inc.), 180 Vine Inc., 2478658 Ontario Ltd., 2009 Long Lake Holdings Inc., 65 Larch Holdings Inc., 100 Colborne Holdings Inc. and 240 Old Penetanguish Holdings Inc. in favour of American General Life Insurance Company.
19. Promissory note dated as of January 25, 2016 in the principal amount of CAD \$23,100,000.00 made by Southmount Healthcare Centre Inc. (formerly Carriage Gate Group Inc.), 180 Vine Inc., 2478658 Ontario Ltd., 2009 Long Lake Holdings Inc., 65 Larch Holdings Inc., 100 Colborne Holdings Inc. and 240 Old Penetanguish Holdings Inc. in favour of Lexington Insurance Company.
20. Promissory note dated as of January 25, 2016 in the principal amount of CAD \$16,100,000.00 made by Southmount Healthcare Centre Inc.(formerly Carriage Gate Group Inc.), 180 Vine Inc., 2478658 Ontario Ltd., 2009 Long Lake Holdings Inc., 65 Larch

Holdings Inc., 100 Colborne Holdings Inc. and 240 Old Penetanguish Holdings Inc. in favour of The Variable Annuity Life Insurance Company.

ACKNOWLEDGEMENT AND CONSENT

TO: **AMERICAN GENERAL LIFE INSURANCE COMPANY, THE VARIABLE ANNUITY LIFE INSURANCE COMPANY and LEXINGTON INSURANCE COMPANY** (collectively, the “**Lenders**”) under the loan and security documents among Gross Properties Inc. (the “**Debtor**”), Southmount Healthcare Centre Inc. (formerly Carriage Gate Group Inc.), 180 Vine Inc., 2009 Long Lake Holdings Inc., 65 Larch Holdings Inc. 100 Colborne Holdings Inc., 240 Old Penetanguish Holdings Inc., and 2478658 Ontario Ltd. and the Lenders

The Debtor hereby acknowledges:

- (i) receipt of the Demand Letter, dated May 7, 2020;
- (ii) receipt of the Notice of Intention to Enforce Security, dated May 7, 2020 (the “**Notice**”); and
- (iii) that the Debtor is a beneficial owner of the Property (as defined in Schedule “**A**” to the Notice).

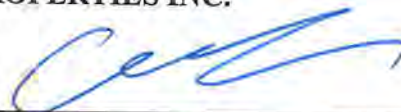
The Debtor hereby irrevocably waives any and all requirement of, and right to, further notice of demand or time for payment of the indebtedness referenced in the Notice and irrevocably consents to the immediate enforcement of the Security (as defined and more particularly set out in the Notice), including, without limitation, at the option of the Lenders, the appointment of a receiver or receiver and manager, either privately or by the appointment of a court of competent jurisdiction.

The Debtor further acknowledges and confirms that it has sought and obtained advice from its professional advisors, including legal counsel, in connection with the enforcement by the Lenders of their Security and is executing this Acknowledgement and Consent in favour of the Lenders freely, voluntarily and without duress.

Dated at Toronto, this 7th day of May, 2020.

GROSS PROPERTIES INC.

Per: _____
 Name:
 Title:



NOTICE OF INTENTION TO ENFORCE SECURITY

(Rule 124)

(Section 244 of the Bankruptcy and Insolvency Act)

TO: **SOUTHMOUNT HEALTHCARE CENTRE INC.**
(FORMERLY CARRIAGE GATE GROUP INC.), an insolvent person
(the “**Debtor**”)

Attention: Mark Gross
Email: mark@grosscapital.ca


Take notice that:

1. American General Life Insurance Company, Lexington Insurance Company and The Variable Annuity Life Insurance Company (collectively, the “**Lenders**”) intend to enforce their Security (as defined herein) on the property of the Debtor described on Schedule “A” hereto (collectively, the “**Collateral**”), and all proceeds thereof.
2. The security (“**Security**”) that is to be enforced has been granted to the Lenders under the loan and security documents set out on Schedule “B” hereto (the “**Loan and Security Documents**”).
3. The total amount of the indebtedness secured by the Security is CAD \$65,076,621.36 as at April 6, 2020, plus all interest, costs, fees, expenses, charges and other amounts whatsoever (including without limitation, all yield maintenance amounts and all legal fees and expenses of the Lenders) that are payable by the Debtor under the Loan and Security Documents.
4. The Lenders 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 Debtor consents to an earlier enforcement.

[signature page follows]

DATED 5/7/2020 at Houston, Texas.

AMERICAN GENERAL LIFE INSURANCE COMPANY by its investment advisor, **AIG Asset Management (U.S.), LLC**, a Delaware limited liability company

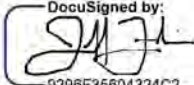
DocuSigned by:

Per: _____
9298E35604324C2
Name: Jeff Flinn
Title: Managing Director

THE VARIABLE ANNUITY LIFE INSURANCE COMPANY by its investment advisor, **AIG Asset Management (U.S.), LLC**, a Delaware limited liability company

DocuSigned by:

Per: _____
9298E35604324C2
Name: Jeff Flinn
Title: Managing Director

LEXINGTON INSURANCE COMPANY by its investment advisor, **AIG Asset Management (U.S.), LLC**, a Delaware limited liability company

DocuSigned by:

Per: _____
9298E35604324C2
Name: Jeff Flinn
Title: Managing Director

SCHEDULE "A"**COLLATERAL**

1. All of the Debtor's right, title and interest in and to: (i) the Lands, (ii) Buildings, (iii) Chattels, and (iv) Additional Security, together with all additional real and personal property over which the Debtor is now or hereafter granted a security interest and any other interests in the Lands and the Buildings acquired by the Debtor, all as defined and more particularly described in the Charge/Mortgage identified on Schedule "B" hereto.
2. All of the Debtor's right, title and interest in and to the lands municipally and legally described in the General Security Agreement identified on Schedule "B" hereto, together with all property relating thereto including, without limitation, all of the Debtor's right, title and interest in and to the buildings and appurtenances situate thereon and the leases pertaining thereto and rents payable under the such leases (the "**Property**").
3. All of the Debtor's present and future undertaking and property, both real and personal, located at, relating to or used in connection with, the Property, or which is necessary to the use and operation of the Property including, without limitation, all right, title and interest that the Debtor now has or may hereafter have, be possessed of, be entitled to or which may hereafter be acquired by the Debtor in Accounts, Chattel Paper, Documents of Title, Equipment, Goods, Instruments, Intangibles, Inventory, Money, Securities, Books and Records, Contracts, Insurance Policies, licences and permits and all replacements of, substitutions for and increases, additions and accessions to the foregoing, together with all Proceeds thereof, all as defined and more particularly described in the General Security Agreement identified on Schedule "B" hereto.
4. All of the Debtor's right, title and interest in and to: (i) all present and future Gross Receipts, issues, profits and other moneys reserved or payable under the Leases, and (ii) all present and future Leases and the full benefit and advantage of the Leases and of the covenants, conditions, provisions, stipulations and agreements contained therein, all as defined and more particularly described in the General Assignment of Leases and Rents identified on Schedule "B" hereto.

SCHEDULE “B”**LOAN & SECURITY DOCUMENTS**

1. Charge/Mortgage granted by Southmount Healthcare Centre Inc. (formerly Carriage Gate Group Inc.) in respect of 35 Upper Centennial Parkway, Ontario (Freehold) registered on January 26, 2016, as instrument no. WE1096059 (the “**Charge/Mortgage**”).
2. General Assignment of Leases and Rents in respect of 35 Upper Centennial Parkway, Hamilton, Ontario, dated as of January 25, 2016 granted by Southmount Healthcare Centre Inc. (formerly Carriage Gate Group Inc.) in favour of the Lenders (the “**General Assignment of Leases and Rents**”).
3. General Security Agreement dated as of January 25, 2016 granted by Southmount Healthcare Centre Inc. (formerly Carriage Gate Group Inc.) in favour of the Lenders (the “**General Security Agreement**”).
4. Mortgage Loan Application dated as of November 30, 2015.
5. Promissory note dated as of January 25, 2016 in the principal amount of CAD \$30,800,000.00 made by Southmount Healthcare Centre Inc. (formerly Carriage Gate Group Inc.), 180 Vine Inc., 2478658 Ontario Ltd., 2009 Long Lake Holdings Inc., 65 Larch Holdings Inc., 100 Colborne Holdings Inc. and 240 Old Penetanguish Holdings Inc. in favour of American General Life Insurance Company.
6. Promissory note dated as of January 25, 2016 in the principal amount of CAD \$23,100,000.00 made by Southmount Healthcare Centre Inc. (formerly Carriage Gate Group Inc.), 180 Vine Inc., 2478658 Ontario Ltd., 2009 Long Lake Holdings Inc., 65 Larch Holdings Inc., 100 Colborne Holdings Inc. and 240 Old Penetanguish Holdings Inc. in favour of Lexington Insurance Company.
7. Promissory note dated as of January 25, 2016 in the principal amount of CAD \$16,100,000.00 made by Southmount Healthcare Centre Inc. (formerly Carriage Gate Group Inc.), 180 Vine Inc., 2478658 Ontario Ltd., 2009 Long Lake Holdings Inc., 65 Larch Holdings Inc., 100 Colborne Holdings Inc. and 240 Old Penetanguish Holdings Inc. in favour of The Variable Annuity Life Insurance Company.

ACKNOWLEDGEMENT AND CONSENT

TO: **AMERICAN GENERAL LIFE INSURANCE COMPANY, THE VARIABLE ANNUITY LIFE INSURANCE COMPANY and LEXINGTON INSURANCE COMPANY** (collectively, the “**Lenders**”) under the loan and security documents between Southmount Healthcare Centre Inc. (formerly Carriage Gate Group Inc.) (the “**Debtor**”) and the Lenders, including, without limitation, the Charge/Mortgage dated as of January 26, 2016 (collectively, the “**Loan Documents**”)

The Debtor hereby acknowledges:

- (i) receipt of the Notices of Default, dated February 5, February 6, February 14, and March 9, 2020;
- (ii) receipt of the Demand Letter, dated May 7, 2020;
- (iii) receipt of the Notice of Intention to Enforce Security, dated May 7, 2020 (the “**Notice**”);
- (iv) the Debtor’s indebtedness to the Lenders under the Loan Documents as at April 6, 2020 (the “**Indebtedness**”), being in the amount set out in the Notice; and
- (v) its inability to pay the Indebtedness.

The Debtor hereby irrevocably waives any and all requirement of, and right to, further notice of demand or time for payment of the Indebtedness and irrevocably consents to the immediate enforcement of the Security (as defined and more particularly set out in the Notice) it has granted to the Lenders, including, without limitation, at the option of the Lenders, the appointment of a receiver or receiver and manager, either privately or by the appointment of a court of competent jurisdiction.

The Debtor further acknowledges and confirms that it has sought and obtained advice from its professional advisors, including legal counsel, in connection with the enforcement by the Lenders of their Security and is executing this Acknowledgement and Consent in favour of the Lenders freely, voluntarily and without duress.

Dated at Toronto, this 7th day of May, 2020.

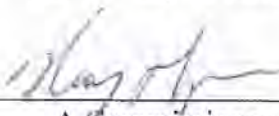
**SOUTHMOUNT HEALTHCARE CENTRE
INC.**

Per: _____

Name: _____

Title: _____

This is **Exhibit “BB”** referred to in the
Affidavit of Jacob Baron
sworn before me by video conference
this 18th day of June, 2021


A Commissioner, etc.

Nancy Ann Thompson, a Commissioner, etc.,
Province of Ontario, for Blake, Cassels & Graydon LLP,
Barristers and Solicitors.
Expires July 13, 2021.



Blake, Cassels & Graydon LLP
 Barristers & Solicitors
 Patent & Trademark Agents
 199 Bay Street
 Suite 4000, Commerce Court West
 Toronto ON M5L 1A9 Canada
 Tel: 416-863-2400 Fax: 416-863-2653

Pamela L.J. Huff

Partner

Dir: 416-863-2958

pamela.huff@blakes.com

May 7, 2020

VIA E-MAIL

To: **Mark Gross**

Email: mark@grosscapital.ca

And to: **Sheldon Gross**

Email: sheldon@grosscapital.ca

Re: Loan and security documents set out on Schedule "A" hereto (collectively, the "**Loan and Security Documents**")

And Re: Guarantee dated January 25, 2016 (the "**Guarantee**") granted by Mark Gross and Sheldon Gross (each, a "**Guarantor**" and collectively, the "**Guarantors**") in favour of American General Life Insurance Company, Lexington Insurance Company, and The Variable Annuity Life Insurance Company (collectively, the "**Lenders**")

Dear Sirs:

We are counsel to the Lenders.

As a result of certain Events of Default (defined in the Loan and Security Documents), on May 7, 2020, the Lenders made demand on Southmount Healthcare Centre Inc. (formerly Carriage Gate Group Inc.), 180 Vine Inc., 2009 Long Lake Holdings Inc., 65 Larch Holdings Inc. 100 Colborne Holdings Inc., 240 Old Penetanguish Holdings Inc., and 2478658 Ontario Ltd. (collectively, the "**Borrowers**") for immediate payment of all loans, indebtedness and other obligations of the Borrowers under the Loan and Security Documents (the "**Demand**"). A copy of the Demand is enclosed herewith. Capitalized terms used herein and not otherwise defined have the meaning ascribed to them in the Demand.

On behalf of the Lenders, we hereby demand immediate payment from each Guarantor of the following amounts owing by the Guarantors under the Guarantee (collectively, the "**Guaranteed Indebtedness**"): (i) \$7,000,000 of the Total Indebtedness, (ii) the amount of Outstanding Municipal Taxes plus any interest, fees or penalties payable in connection therewith, and (iii) the amount of any funds that the Borrowers have failed to remit to the Lenders that were earned on or otherwise generated by the Real Property.

If payment of the Guaranteed Indebtedness is not made by way of immediately payable funds forthwith, we will seek instructions to take any and all steps necessary to collect the Guaranteed Indebtedness, including, without limitation, commencing an action against each of you.

The Lenders have not waived and hereby expressly reserve and retain all rights and remedies with respect to any and all Events of Default, the Total Indebtedness and all other obligations owing to them under the

Blakes

Loan and Security Documents and the Guarantee (including, for greater certainty, to claim any other amounts that may become owing by the Guarantors under the Guarantee).

Yours truly,



Pamela L.J. Huff

Encl.

- c. Client
 - A. Shalviri (Blakes)
 - A. Sugar / N. Perfetto (Fogler)

SCHEDULE "A"**LOAN AND SECURITY DOCUMENTS**

1. Mortgage Loan Application dated as of November 30, 2019
2. Promissory note dated as of January 25, 2016 in the principal amount of CAD \$30,800,000.00 made by Southmount Healthcare Centre Inc. (formerly Carriage Gate Group Inc.), 180 Vine Inc., 2478658 Ontario Ltd., 2009 Long Lake Holdings Inc., 65 Larch Holdings Inc., 100 Colborne Holdings Inc. and 240 Old Penetanguish Holdings Inc. in favour of American General Life Insurance Company
3. Promissory note dated as of January 25, 2016 in the principal amount of CAD \$23,100,000.00 made by Southmount Healthcare Centre Inc. (formerly Carriage Gate Group Inc.), 180 Vine Inc., 2478658 Ontario Ltd., 2009 Long Lake Holdings Inc., 65 Larch Holdings Inc., 100 Colborne Holdings Inc. and 240 Old Penetanguish Holdings Inc. in favour of Lexington Insurance Company
4. Promissory note dated as of January 25, 2016 in the principal amount of CAD \$16,100,000.00 made by Southmount Healthcare Centre Inc. (formerly Carriage Gate Group Inc.), 180 Vine Inc., 2478658 Ontario Ltd., 2009 Long Lake Holdings Inc., 65 Larch Holdings Inc., 100 Colborne Holdings Inc. and 240 Old Penetanguish Holdings Inc. in favour of The Variable Annuity Life Insurance Company
5. Charge/Mortgage granted by Southmount Healthcare Centre Inc. (formerly Carriage Gate Group Inc.) in respect of 35 Upper Centennial Parkway, Ontario registered on January 26, 2016, as instrument no. WE1096059
6. Charge/Mortgage granted by 180 Vine Inc. in respect of 180 Vine Street South, St. Catharines, Ontario registered on January 26, 2016, as instrument no. NR403682
7. Charge/Mortgage granted by 2478658 Ontario Ltd. In respect of 849 Alexander Court, Peterborough, Ontario registered on January 26, 2016, as instrument no. PE239807
8. Charge/Mortgage granted by 2009 Long Lake Holdings Inc. in respect of 2009 Lake Road, Sudbury, Ontario registered on January 26, 2016, as instrument no. SD309728
9. Charge/Mortgage granted by 65 Larch Holdings Inc. in respect of 65 Larch Street, Sudbury, Ontario registered on January 26, 2016, as instrument no. SC1278217
10. Charge/Mortgage granted by 100 Colborne Inc. in respect of 100 Colborne Street West, Orillia, Ontario and 77 Wyandotte Street, Orillia, Ontario registered on January 26, 2016, as instrument no. SC1278217
11. Charge/Mortgage granted by 240 Old Penetanguish Holdings Inc. in respect of 240 Old Penetanguish Road, Midland, Ontario registered on January 26, 2016, as instrument no. SC1278220

This is **Exhibit "CC"** referred to in the
Affidavit of Jacob Baron
sworn before me by video conference
this 18th day of June, 2021



A Commissioner, etc.

Nancy Ann Thompson, a Commissioner, etc.,
Province of Ontario, for Blake, Cassels & Graydon LLP,
Barristers and Solicitors.
Expires July 13, 2021.

THIS FIFTH AND FINAL AMENDED AND RESTATED FORBEARANCE AGREEMENT is made as of June 4, 2021 among the Borrowers and the Lenders (as each term is defined below).

RECITALS:

- A. The Borrowers are indebted and liable to the Lenders in the amounts set out on **Schedule “A”** hereto as at close of business on January 31, 2021 (the **“Payout Date”**), in addition to all interest, costs, fees, expenses, charges and other amounts whatsoever and all legal fees and expenses of the Lenders that are payable by the Borrowers under the Loan and Security Documents (as defined below) (collectively, the **“Indebtedness”**).
- B. The Borrowers are in default of their obligations under the Loan and Security Documents, as set out in greater detail in each of the Prior Default Notices, the Demands and 244 Notices, the Initial Forbearance Agreement, the First Amended and Restated Forbearance Agreement, the Second Amended and Restated Forbearance Agreement, the Third Amended and Restated Forbearance Agreement and the Fourth Amended and Restated Forbearance Agreement (as each term is defined below) (collectively, the **“Existing Events of Default”**).
- C. As a result of the Existing Events of Default the Loan 5 Lenders have (i) delivered to the Loan 5 Borrowers and the Loan 5 Beneficial Owners the Loan 5 Demands and 244 Notices, and (ii) received from the Loan 5 Borrowers and Gross Properties executed acknowledgments of receipt of the Loan 5 Demands and 244 Notices and consents to immediate enforcement.
- D. In addition to the Existing Events of Default, there have been a number of additional events of default under the Loan and Security Documents as a result of, among other things, (i) the failure of the Borrowers to pay when due, interest and principal under the Loans for the month of June 2021, (ii) the failure of the Borrowers to comply with the financial covenants set out in Section 7(b) and 7(c) of the Fourth and Final Amended and Restated Forbearance Agreement, and (iii) the registration of certain purported personal property security interests against the Loan 1 Borrower, 2009 Long Lake Holdings Inc., 65 Larch Holdings Inc., 100 Colborne Holdings Inc., and 240 Old Penetanguish Holdings Inc (collectively, the **“Additional Events of Default”**).
- E. The Forbearance Period (as defined in the Initial Forbearance Agreement) expired on October 31, 2020 and the Lenders reserved all of their rights and remedies. Following expiry of the Forbearance Period (as defined in the Initial Forbearance Agreement), the Borrowers, the Guarantors and the Lenders entered into an Amended and Restated Forbearance Agreement dated as of February 8, 2021 (the **“First Amended and Restated Forbearance Agreement”**) which, among other things, extended the Forbearance Period until the earlier of the occurrence of a Termination Event (as defined in the First Amended and Restated Forbearance Agreement) and February 26, 2021.
- F. Certain Termination Events (as defined in the First Amended and Restated Forbearance Agreement) occurred and were continuing pursuant to the First Amended and Restated Forbearance Agreement as a result of the following conditions and covenants not having

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- been satisfied: (i) the Lenders not having been provided with a fully executed facility agreement in respect of the Proposed Refinancing Transaction by February 10, 2021, as required by Section 7(p) of the First Amended and Restated Forbearance Agreement, (ii) the Lenders not having been provided with a confirmation by February 12, 2021, in form and substance satisfactory to them, that the Proposed Refinancing Transaction was scheduled to close by no later than February 15, 2021, as required by Section 7(q) of the First Amended and Restated Forbearance Agreement, and (iii) the Proposed Refinancing Transaction not having closed by February 15, 2021, as required by Section 5(a) of the First Amended and Restated Forbearance Agreement Forbearance Agreement.
- G. On February 25, 2021, the Lenders gave the Borrowers formal notice of the expiry of the Forbearance Period (as defined in the First Amended and Restated Forbearance Period) and reserved all of their rights and remedies.
- H. On March 2, 2021, the Borrowers, the Guarantors and the Lenders entered into a Second Amended and Restated Forbearance Agreement (the “**Second Amended and Restated Forbearance Agreement**”).
- I. Pursuant to the Second Amended and Restated Forbearance Agreement, the Borrowers requested and the Lenders agreed, in accordance with the terms and conditions thereof, to further forbear from: (i) delivering demand letters and notices of intention to enforce security in respect of Loan 1 (as defined below), and (ii) exercising their enforcement rights under the Security (as defined below) in respect of Loan 5 (defined below), in each case, from the Effective Time (as defined therein) until the earlier of: (i) the occurrence or existence of any Termination Event (as defined therein), and (ii) March 31, 2021, as such date may be extended from time to time by the Lenders in writing and in their sole and absolute discretion (the “**March Forbearance Period**”).
- J. The March Forbearance Period expired and the Borrowers again requested and the Lenders again agreed, pursuant to the terms of a Third Amended and Restated Forbearance Agreement dated April 19, 2021 (the “**Third Amended and Restated Forbearance Agreement**”), to further forbear from: (i) delivering demand letters and notices of intention to enforce security in respect of Loan 1 (as defined below), and (ii) exercising their enforcement rights under the Security (as defined below) in respect of Loan 5 (defined below), in each case, from the Effective Time (as defined therein) until the earlier of: (i) the occurrence or existence of any Termination Event (as defined therein), and (ii) April 23, 2021, as such date may be extended from time to time by the Lenders in writing and in their sole and absolute discretion (the “**April Forbearance Period**”).
- K. The April Forbearance Period expired and the Borrowers again requested and the Lenders again agreed, pursuant to the terms of a Fourth Amended and Restated Forbearance Agreement dated May 7, 2021 (the “**Fourth Amended and Restated Forbearance Agreement**”), to further forbear from: (i) delivering demand letters and notices of intention to enforce security in respect of Loan 1 (as defined below), and (ii) exercising their enforcement rights under the Security (as defined below) in respect of Loan 5 (as defined below), in each case, from the Effective Time (as defined therein) until the earlier of: (i)

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the occurrence or existence of any Termination Event (as defined therein), and (ii) May 15, 2021 (the “**May Forbearance Period**”).

- L. The May Forbearance Period has expired and the Borrowers have again requested and the Lenders have agreed, in accordance with the terms and conditions hereof, to forbear one final time from: (i) delivering demand letters and notices of intention to enforce security in respect of Loan 1 (as defined below), and (ii) exercising their enforcement rights under the Security (as defined below) in respect of Loan 5 (defined below), in each case, from the Effective Time (as defined below) until the earlier of: (i) the occurrence or existence of any Termination Event (as defined below), and (ii) 5:00 p.m. (Toronto time) on June 17, 2021 (the “**Forbearance Period**”).
- M. The Borrowers have also again requested that the Lenders (i) consent to the Proposed Refinancing Transaction such that it is an Acceptable Transaction (as each term is defined below), and (ii) accept the Payout Amount, together with any applicable Per Diem Amount (as each term is defined below) in full and final satisfaction of the Indebtedness.
- N. Although the Lenders continue to assert that they are entitled to payment, in full, of the yield maintenance amount provided for under Loan 1 and Loan 5 (the “**Yield Maintenance Amount**”) and the Borrowers dispute that the Yield Maintenance Amount is owing under Loan 1 and Loan 5 in the circumstances, the parties have agreed to settle such dispute on the basis of partial payment of the Yield Maintenance Amount as set out herein and the Lenders are prepared to consent to the Proposed Refinancing Transaction and accept the Payout Amount together with any applicable Per Diem Amount and Additional Amount (as each term is defined below), in full and final satisfaction of the Existing Obligations, provided that no Termination Event has occurred (as defined below) and subject to and in accordance with the terms and conditions set out herein.

NOW THEREFORE, in consideration of the mutual agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Definitions**

As used herein, the following terms shall have the respective meanings given to them below:

- (a) “**180 Vine**” means 180 Vine Inc.;
- (b) “**Acceptable Transaction**” means any sale, refinancing or investment transaction in respect of the Real Property or the Indebtedness (or any subset thereof), which the Lenders have confirmed in writing is acceptable to them;
- (c) “**Additional Events of Default**” shall have the meaning set forth in Recital D;
- (d) “**Beneficial Owners**” means, collectively, the Loan 1 Beneficial Owners and the Loan 5 Beneficial Owners;

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- (e) “**Borrowers**” means, collectively, the Loan 1 Borrower and the Loan 5 Borrowers;
- (f) “**Business Day**” means a day, other than a Saturday or Sunday, on which banks are open for business in the City of Toronto;
- (g) “**Cashflow Forecast**” means the cash flow forecast/budget set out on **Schedule “B”** hereto, as may be amended restated, supplemented, modified or replaced in accordance with the terms hereof;
- (h) “**Cashflow Variance Report**” has the meaning set forth in Section 4(a)(i) hereof;
- (i) “**Closing Date**” has the meaning set forth in Section 5(a)
- (j) “**Consultant**” means KPMG Inc.;
- (k) “**Demands and 244 Notices**” means, collectively, the Loan 5 Demands and 244 Notices;
- (l) “**Effective Time**” shall have the meaning set forth in Section 3 hereof;
- (m) “**Existing Events of Default**” shall have the meaning set forth in Recital B;
- (n) “**Fifth and Final Amended and Restated Forbearance Agreement**” means this agreement, including all Schedules hereto, as each may be amended, supplemented, modified, restated or replaced from time to time in accordance with the terms hereof;
- (o) “**First Amended and Restated Forbearance Agreement**” shall have the meaning set forth in Recital E.
- (p) “**Forbearance Period**” shall have the meaning set forth in Recital L;
- (q) “**Fourth Amended and Restated Forbearance Agreement**” shall have the meaning set forth in Recital K;
- (r) “**Gross Properties**” means Gross Properties Inc.;
- (s) “**Guarantees**” means, collectively, the Loan 1 Guarantee and Loan 5 Guarantee;
- (t) “**Guarantors**” means, collectively, Sheldon Gross and Mark Gross;
- (u) “**HST**” means harmonized sales tax.
- (v) “**HST Liabilities**” has the meaning set forth in Schedule 5(e) hereof;
- (w) “**Indebtedness**” shall have the meaning set forth in Recital A;
- (x) “**Initial Forbearance Agreement**” means the Forbearance Agreement dated as of May 7, 2020, *inter alios*, the Borrowers, the Guarantors and the Lenders, as

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amended by Amending Agreement No. 1 dated as of July 31, 2020, Amending Agreement No. 2 dated as of August 31, 2020 and Amending Agreement No. 3 dated as of September 30, 2020.

- (y) “**Insolvency Statute**” means the *Companies’ Creditors Arrangement Act* (Canada), the *Bankruptcy and Insolvency Act* (Canada), any corporate statute in respect of any arrangement or compromise of debt, and/or any other analogous statutes or laws;
- (z) “**Lenders**” means, collectively, the Loan 1 Lenders and the Loan 5 Lenders;
- (aa) “**Lenders’ Advisors**” means collectively, the Servicer, the Consultant, the Lenders’ legal counsel and any appraiser(s) or other consultant(s) engaged by the Lenders.
- (bb) “**Loan 1**” means Loan No. 7777001 in the initial principal amount of \$24,500,000;
- (cc) “**Loan 1 Beneficial Owners**” has the meaning set forth in Section 8(f)(i) hereof;
- (dd) “**Loan 1 Borrower**” means Victoria Avenue North Holdings Inc.;
- (ee) “**Loan 1 CI Reserve**” has the meaning set forth in Section 6(a) hereof;
- (ff) “**Loan 1 Guarantee**” means the Guarantee dated March 30, 2015 granted by the Guarantors in favour of the Loan 1 Lenders;
- (gg) “**Loan 1 Lenders**” means, collectively, American General Life Insurance Company and National Union Fire Insurance Company of Pittsburgh, P.A.;
- (hh) “**Loan 1 Real Property**” means, collectively, the real property municipally known as 304 Victoria Avenue N, Hamilton, Ontario and 414 Victoria Avenue N, Hamilton, Ontario;
- (ii) “**Loan 5**” means Loan No. 7777005 in the initial principal amount of \$70,000,000;
- (jj) “**Loan 5 Beneficial Owners**” has the meaning set forth in Section 8(f)(ii) hereof.;
- (kk) “**Loan 5 Borrowers**” means, collectively, Southmount Healthcare Centre Inc., 180 Vine, 2009 Long Lake Holdings Inc., 65 Larch Holdings Inc., 100 Colborne Holdings Inc., 240 Old Penetanguish Holdings Inc. and 2478658 Ontario Ltd.;
- (ll) “**Loan 5 Demands and 244 Notices**” means, collectively, (i) the demand letter dated as of the date hereof from the Loan 5 Lenders to the Loan 5 Borrowers and the Loan 5 Beneficial Owners, and (ii) the notices of intention to enforce security dated as of the date hereof from the Loan 5 Lenders to the Loan 5 Borrowers and Loan 5 Beneficial Owners;
- (mm) “**Loan 5 Earnout Reserve**” has the meaning set forth in Section 6(b) hereof;

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- (nn) “**Loan 5 Guarantee**” means the Guarantee dated January 25, 2016 granted by the Guarantors in favour of the Loan 5 Lenders;
- (oo) “**Loan 5 Lenders**” means, collectively, American General Life Insurance Company, Lexington Insurance Company, and The Variable Annuity Life Insurance Company;
- (pp) “**Loan 5 Real Property**” means, collectively, the real property municipally known as 35 Upper Centennial Parkway, Hamilton, Ontario and 849 Alexander Court, Peterborough, Ontario, 180 Vine Street South, St. Catharines, Ontario, 2009 Long Lake Road, Sudbury, Ontario, 65 Larch Street, Sudbury, Ontario, 100 Colborne Street West, Orillia, Ontario, 77 Wyandotte Street, Orillia, Ontario and 240 Old Penetanguishene Road, Midland, Ontario;
- (qq) “**Loan and Security Documents**” means, collectively, all of the loan documents, Guarantees, security documents and/or other documents or instruments entered into or granted by the Borrowers, the Beneficial Owners and/or the Guarantors in connection with the Loans;
- (rr) “**Loans**” means, collectively, Loan 1 and Loan 5;
- (ss) “**Payout Amount**” has the meaning set forth in Section 5(b).
- (tt) “**Payout Date**” has the meaning set forth in Recital A;
- (uu) “**Per Diem Amount**” has the meaning set forth in Section 5(b).
- (vv) “**Permitted Rent Deferral Variance**” means, an adverse variance of receipts resulting from a deferral of rents agreed upon by a Borrower and a tenant thereof that is evidenced by a written agreement among such Borrower and tenant, with the consent of the Lenders, acting reasonably;
- (ww) “**Prior Default Notices**” means, collectively, the letters dated February 5, February 6, February 14, 2020, March 9, 2020, June 11, 2020 and February 16, 2021, from counsel for the Lenders to counsel for the Borrowers;
- (xx) “**Priority Payables**” means payments to any governmental authority holding a statutory deemed trust over the Real Property or rent proceeds derived therefrom which would result in a claim ranking in priority or *pari passu* to the claims of the Lenders and includes any sales tax remittances and/or municipal property taxes but, for greater certainty, does not include any outstanding sales taxes which are in arrears;
- (yy) “**Proposed Refinancing Lenders**” Apex Corporate Trustees (UK) Limited and certain other lenders.
- (zz) “**Proposed Refinancing Transaction**” means the proposed refinancing transaction *inter alios*, the Borrowers and the Proposed Refinancing Lenders.

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- (aaa) “**Real Property**” means, collectively, the Loan 1 Real Property and the Loan 5 Real Property;
- (bbb) “**Released Claims**” has the meaning set forth in Section 15 hereof;
- (ccc) “**Releasers**” has the meaning set forth in Section 15 hereof;
- (ddd) “**Reporting Period**” has the meaning set forth in Section 4(a)(i) hereof;
- (eee) “**Second Amended and Restated Forbearance Agreement**” shall have the meaning set forth in Recital H.
- (fff) “**Security**” means the mortgages, charges, liens and other security interests granted to the Lenders under the Loan and Security Documents;
- (ggg) “**Servicer**” means Largo Real Estate Advisors, Inc.; and
- (hhh) “**Termination Event**” shall have the meaning set forth in Section 10 hereof.
- (iii) “**Third Amended and Restated Forbearance Agreement**” shall have the meaning set forth in Recital J.
- (jjj) “**Yield Maintenance Amount**” shall have the meaning set forth in Recital N.

2. **Forbearance**

Subject to the conditions set out in Section 3 below and the rights of the Lenders upon the occurrence of a Termination Event, during the Forbearance Period, the Lenders will forbear and refrain from (i) delivering any demand letters or notices of intention to enforce security in respect of Loan 1, and (ii) exercising their enforcement rights under the Security in respect of Loan 5. The Borrowers and Guarantors acknowledge that there will be no further extension of the Forbearance Period and upon expiry of the Forbearance Period and as early as June 18, 2021, the Lenders may (i) deliver demand letters and notices of intention to enforce security in respect of Loan 1, and (ii) exercise their enforcement rights under the Security in respect of Loan 5.

3. **Conditions Precedent**

The Lenders’ consent and agreement to forbear the exercise of their rights and remedies as set out herein, shall become effective as of 5:00 p.m. (Toronto time) on the date (the “**Effective Time**”) on which all of the following conditions precedent have been met (or waived in writing), as determined by the Lenders, in their sole and absolute discretion:

- (a) Each of the Borrowers and Guarantors shall have delivered to the Lenders a duly executed copy of this Fifth and Final Amended and Restated Forbearance Agreement.
- (b) No Termination Events shall have occurred under this Fifth and Final Amended and Restated Forbearance Agreement and no defaults shall have occurred under the

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Loan and Security Documents, except for the Existing Events of Default and the Additional Events of Default.

- (c) On the date hereof, the Loan 1 Borrower shall make or cause a payment of \$75,000 to be made as directed by the Loan 1 Lenders in writing, which payment shall (i) not be made from the Loan 1 CI Reserve, and (ii) be in full satisfaction of the Loan 1 forbearance fee.
- (d) On the date hereof, the Loan 5 Borrowers shall make or cause a payment of \$75,000 to be made as directed by the Loan 5 Lenders in writing, which payment shall (i) not be made from the Loan 5 Earnout Reserve, and (ii) be in full satisfaction of the Loan 5 forbearance fee.
- (e) On the date hereof, the Loan 5 Borrowers shall make or cause a payment of \$50,000 to be made as directed by the Loan 5 Lenders in writing, which payment shall (i) not be made from the Loan 5 Earnout Reserve, and (ii) be as partial payment of accrued and outstanding interest in respect of Loan 5.

4. **Additional Reporting Requirements**

In addition to their existing reporting obligations under the Loan and Security Documents, the Borrowers shall:

- (a) commencing on the first Tuesday following the date hereof and thereafter on a semi-monthly basis (on the first Business Day after the fifteenth (15th) day of each month and the last Business Day of each month), provide the Lenders (and the Lenders' Advisors as requested by the Lenders), in form and substance satisfactory to the Lenders:
 - (i) a report (the "**Cashflow Variance Report**"), for the immediately preceding semi-monthly period (the "**Reporting Period**") in a form consistent with the Cashflow Forecast, in respect of the actual cash flow position of the Borrowers compared to that Reporting Period's projection in the Cashflow Forecast, showing all variances (including receipts, disbursements and net cash flow) on a line-by-line basis from the amounts in the Cashflow Forecast;
 - (ii) management commentary on the Cashflow Variance Report, including, without limitation, explanatory notes discussing each line item which deviates by an amount in excess of (a) 5% from the projected amount for receipts in the Cashflow Forecast, and (b) 5% from the projected amount of disbursements in the Cashflow Forecast; and
 - (iii) an updated rolling semi-monthly cash flow forecast and budget for consideration by the Lenders, in a form consistent with the then current Cashflow Forecast. For greater certainty, such updated rolling semi-monthly cash flow forecast shall only replace the then current Cashflow

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Forecast if the Lenders provide written confirmation that it is in form and substance satisfactory to them, in their sole and absolute discretion;

- (b) provide the Lenders (and the Lenders' Advisors as requested by the Lenders) with bi-daily progress reports on the status of the Proposed Refinancing Transaction;
- (c) provide the Lenders (and the Lenders' Advisors as requested by the Lenders) with copies of any appraisal, building condition report, term sheet, funding commitment or proposal, expression of interest, non-binding letter of intent and/or other offer concerning the Proposed Refinancing Transaction, Real Property or the Indebtedness, forthwith upon request by the Lenders (or the Lenders' Advisors);
- (d) continue to provide the Lenders and the Lenders' Advisors with full access to their books, records, property, assets (including, without limitation, the Real Property), personnel and contractors (including, without limitation, any property managers and leasing agents), wherever they may be situated;
- (e) provide the Lenders with updated contact particulars and any other information requested by the Lenders in respect of the Beneficial Owners; and
- (f) such other information or documents as the Lenders may reasonably request.

5. **Proposed Refinancing Transaction**

Each of the Borrowers acknowledge and agree that:

- (a) The Lenders confirm that they consent to the Proposed Refinancing Transaction such that it is an "Acceptable Transaction", provided that (i) all of the terms and conditions set out in this Fifth and Final Amended and Restated Forbearance Agreement are satisfied in accordance with the terms hereof, (ii) a Termination Event has not occurred, and (iii) the closing of the Proposed Refinancing Transaction occurs by no later than June 17, 2021 or such other date as the Borrowers may advise and the Lenders may agree upon in writing (which may be by way of e-mail from the Lenders' counsel), in the Lenders' sole and absolute discretion (the date upon which the Proposed Refinancing Transaction closes, being the "**Closing Date**");
- (b) As of the Payout Date, the aggregate amount of the Indebtedness (in addition to and not inclusive of the amounts contemplated at Section 5(c)(i), 5(c)(ii), 5(d)(i), 5(d)(ii) and 5(e) below) that are required by the Lenders to be paid in respect of Loan 1 and Loan 5 equals CAD \$91,281,576.81 (the "**Payout Amount**"). The Payout Amount has been calculated as at approximately 4:30 p.m. (Toronto time) on January 31, 2021 and shall be increased by a *per diem* amount of CAD \$9,762.30, multiplied by the number of days that the Closing Date is later than the Payout Date (the "**Per Diem Amount**"). Payments received after 3 p.m. (Toronto time) on any Business Day (including the Payout Date) shall be deemed to have been received on the following Business Day and shall be subject to a

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corresponding *per diem* increase and Additional Amount increase in accordance with this Section 5;

- (c) One Business Day prior to the Closing Date, the entirety of the Loan 1 CI Reserve then held by the Servicer in respect of Loan 1 (if any) shall be applied by the Loan 1 Lenders as follows:
 - (i) first, to satisfy all fees (including late fees) hedge or foreign exchange breakage costs payable to the Loan 1 Lenders in connection with Loan 1, in an amount equal to CAD \$1,000;
 - (ii) second, to satisfy all accrued and unpaid fees and expenses of the Lenders' Advisors in respect of Loan 1, plus an amount equal to CAD \$25,000, being an estimate of fees and expenses of the Lenders' Advisors which will be incurred from and after the date thereof; and
 - (iii) third to the extent any funds remain outstanding following the payments set out at Section 5(c)(i) and 5(c)(ii), to partially satisfy accrued and outstanding interest owing to the Loan 1 Lenders in respect of Loan 1;
- (d) One Business Day prior to the Closing Date, the entirety of the Loan 5 Earnout Reserve then held by the Servicer in respect of Loan 5 (if any) shall be applied by the Loan 5 Lenders as follows:
 - (i) first, to satisfy all fees (including late fees) hedge or foreign exchange breakage costs payable to the Loan 5 Lenders in connection with Loan 5, in an amount equal to CAD\$1,500;
 - (ii) second, to satisfy all accrued and unpaid fees and expenses of the Lenders' Advisors in respect of Loan 5, plus an amount equal to CAD \$25,000, being an estimate of fees and expenses of the Lenders' Advisors which will be incurred from and after the date thereof; and
 - (iii) third, to partially satisfy accrued and outstanding interest owing to the Loan 5 Lenders in respect of Loan 5;
- (e) On the Closing Date, the Loan 1 Lenders and Loan 5 Lenders shall be satisfied, in their sole and absolute discretion, that the Borrowers have paid or will pay, (either from the proceeds of the Proposed Refinancing Transaction or from cash and cash equivalents held by them or on their behalf (but, for greater certainty, not from the Loan 1 CI Reserve or the Loan 5 Earnout Reserve): (i) any and all outstanding amounts owing by them in respect of HST, including in the Province of Ontario, under Part IX of the *Excise Tax Act* (Canada) (the "**HST Liabilities**"), and (ii) any and all outstanding municipal taxes owing by them in respect of the Loan 1 Real Property and the Loan 5 Real Property, in each case of foregoing clause (i) and (ii), in an amount satisfactory to the Lenders in their sole and absolute discretion;

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- (f) The Borrowers shall provide the Lenders (and the Lenders' Advisors as requested by the Lenders) with such information and supporting documentation relating to HST and municipal property taxes in respect of the Loan 1 Real Property and Loan 5 Real Property as may be requested by the Lenders and the Lenders shall be satisfied, in their sole discretion, that all such HST Liabilities and municipal property taxes owing by the Borrowers have been or will be fully satisfied in accordance with Section 5(e);
- (g) Prior to the Closing Date, the Borrowers shall irrevocably authorize and direct the Proposed Refinancing Lenders to remit to the Lenders on closing of the Proposed Refinancing Transaction, from the proceeds thereof, an amount equal to the Payout Amount, together with any applicable Per Diem Amount (less the amount of any payments received by the Lenders in accordance with Sections 5(c)(ii), 5(c)(iii), 5(d)(ii) and 5(d)(iii) above), by way of wire transfer of immediately available funds in accordance with the wire instructions set out in **Schedule "D"** hereto;
- (h) Prior to the Closing Date, each of the Borrowers and Guarantors shall provide to the Lenders, a full and final release which, effective as of the Closing Date, fully and finally releases, discharges and acquits the Lenders (including their affiliates, associates, holding bodies and subsidiaries and all of their respective officers, directors, employees, agents, successors and assigns) of and from any and all claims, demands, liabilities, causes of action, damages, suits and costs of every nature and kind, whether in law or in equity or under any statute, that any Borrower or Guarantor, at any time had or has, or that they or their respective successors or assigns thereafter have or may have against the Lenders directly or indirectly arising out of or in any way related to the Loans, the Loan and Security Documents, the Real Property, the Loan 1 CI Reserve, the Loan 5 Earnout Reserve, the Initial Forbearance Agreement, the Amended and Restated Forbearance Agreement, the Second Amended and Restated Forbearance Agreement, the Third Amended and Restated Forbearance Agreement, the Fourth Amended and Restated Forbearance Agreement and/or this Fifth and Final Amended and Restated Forbearance Agreement, as at the date of the full and final release, except for any obligations of the Lenders expressly and directly arising out of this Fifth and Final Amended and Restated Forbearance Agreement;
- (i) The Borrowers hereby irrevocably authorize and direct the Lenders to apply the Payout Amount together with any applicable Per Diem Amount, on the Closing Date as follows:
 - (i) first, to fully pay all outstanding interest owing to the Lenders in respect of Loan 1 and Loan 5, other than any interest paid pursuant to Sections 3(e), 5(c)(iii) and 5(d)(iii);
 - (ii) second, to fully pay all principal due, but unpaid, under Loan 1 and Loan 5;
 - (iii) third, to fully pay all principal owing to the Lenders in respect of Loan 1 and Loan 5, and

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- (iv) fourth, in full and final satisfaction of the Yield Maintenance Amount claimed by the Lenders and any and all other amounts owing to the Lenders under Loan 1 or Loan 5;
- (j) Provided that all terms and conditions set out herein have been satisfied in accordance with the terms thereof, the payments contemplated in Sections 3 and 5 have been made and subject to Sections 5(k) and 10, effective immediately upon receipt by the Lenders of the Payout Amount (including any applicable Per Diem Amount and Additional Amount that is payable in accordance with Section 5(b)):
 - (i) subject to Sections 5(k) and 5(l) below, Loan 1, Loan 5, the Loan and Security Documents, the Loan 1 Guarantee, the Loan 5 Guarantee and the Fifth and Final Amended and Restated Forbearance Agreement shall be terminated;
 - (ii) the Lenders accept the Payout Amount, together with any applicable Per Diem Amount and Additional Amount, in full and final satisfaction of the Existing Obligations, including the Yield Maintenance Amount;
 - (iii) all liens granted by any Borrower pursuant to the Loan and Security Documents, including the mortgages against the Loan 1 Real Property and the Loan 5 Real Property, shall be released and discharged;
 - (iv) all of the property, assets and undertaking of the Borrowers mortgaged, assigned, transferred, pledged, granted, sold, conveyed, ceded, demised or set over to or in favour of the Lenders by the Borrowers shall be released, discharged, surrendered, reconveyed and quit claimed unto the Borrowers; and
 - (v) the Lenders irrevocably authorize Blake, Cassels & Graydon LLP, counsel for the Lenders, and their respective agents to, at the expense of the Borrowers, prepare and file such financing change statements, such acknowledgment and direction and other materials as required to discharge all registrations in favour of the Lenders with respect to the Loan and Security Documents, including without limitation the registrations set out in **Schedule "E"** and **Schedule "F"**;
- (k) Upon the termination of Loan 1, Loan 5 and the Loan and Security Documents pursuant to Section 5(j)(i)), all rights and obligations arising thereunder or in connection therewith (including the Existing Obligations) shall terminate and be released, except to the extent that any such rights and obligations, by their terms, survive termination; and
- (l) Prior to the Closing Date, each of the Guarantors shall provide the Lenders with an unlimited recourse guarantee of the Borrowers' indemnification obligations to the Lenders; provided that such guarantee shall solely be in respect of any indemnity provided by the Borrowers' for HST Liabilities.

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6. **Earn Out Reserve & Capital Improvement Reserve**

The parties hereto acknowledge and confirm that notwithstanding anything contained herein, including Sections 5(c) and 5(d) above:

- (a) the entirety of the capital improvement reserve (the “**Loan 1 CI Reserve**”) currently held by the Servicer in respect of Loan or any portion thereof shall be applied by the Loan 1 Lenders at any time as may be directed by them in their sole and absolute discretion; and
- (b) the entirety of the earnout reserve (the “**Loan 5 Earnout Reserve**”) currently held by the Servicer in respect of Loan 5 or any portion thereof shall be applied by the Loan 5 Lenders at any time as may be directed by them in their sole and absolute discretion.

7. **Additional Covenants of the Borrowers**

In consideration of the forbearance from the Lenders provided for herein, each Borrower and the Guarantor hereby covenants and agrees to do or cause to be done the following:

- (a) All receipts and disbursements of the Borrowers shall be reviewed by the Consultant to confirm compliance with the Cashflow Forecast, provided that the particulars of any disbursements relating to the Borrowers’ legal counsel may be redacted for privilege.
- (b) At no time over any consecutive thirty (30) calendar day period, commencing on January 1, 2021, shall any of the following occur:
 - (i) receipts in respect of (A) the Loan 1 Real Property (as a whole), or (B) the Loan 5 Real Property (as a whole), deviate adversely by an amount in excess of 15% from the projected amount of such receipts in the Cashflow Forecast and such adverse variance continue for three (3) Business Days;
 - (ii) receipts in respect of any single Real Property deviate adversely by an amount in excess of 25% from the projected cumulative amount of such receipts in the Cashflow Forecast and such adverse variance continue for three (3) Business Days; or
 - (iii) receipts and disbursements, taken together, in respect of (i) the Loan 1 Real Property (as a whole), or (ii) the Loan 5 Real Property (as a whole), deviate by a total that is in excess of 20% of the total projected amount of such receipts and disbursements in the Cashflow Forecast,

provided, however, that in each case of foregoing clauses 7(b)(i) to (iii), any Permitted Rent Deferral Variance shall not be counted towards the applicable variance thresholds.

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- (c) At no time during the Forbearance Period shall disbursements in respect of (i) the Loan 1 Real Property (as a whole), or (ii) Loan 5 Real Property (as a whole), deviate by an amount in excess of 7.5% from the projected amount of such disbursements in the Cashflow Forecast.
- (d) The Borrowers shall pay when due all Priority Payables.
- (e) The Borrowers shall not make any payments in respect of any mortgages or other charges or liens registered against the Real Property which are subordinate in priority to the claims of the applicable Lenders.
- (f) The Borrowers and Guarantors shall cooperate with the Lenders and the Lenders' Advisors in preparing, reviewing and updating of the Cashflow Forecast, Cashflow Variance Report and any other documents, steps or actions associated with valuating or assessing their business, assets (including, without limitation, the Real Property) and liabilities.
- (g) Other than in respect of the Existing Events of Default and the Additional Events of Default, the Borrowers and Guarantors shall continue to comply with all of the terms and conditions of the Loan and Security Documents and no defaults shall occur thereunder (other than the Existing Events of Default and Additional Events of Default).
- (h) Other than in respect of an Acceptable Transaction, the Borrowers shall not enter into any binding agreement providing for a sale, refinancing or investment transaction in respect of any of their respective property, assets (including the Real Property) or undertakings.
- (i) Other than in respect of an Acceptable Transaction, the Borrowers shall not (i) sell, transfer, assign or otherwise dispose of any of their respective property, assets (including the Real Property) or undertakings, or (ii) grant a charge, pledge, mortgage, lien or other security interest respect of any of their respective property, assets (including the Real Property) or undertakings.
- (j) The Borrowers shall not amend or modify the terms of an Acceptable Transaction (including agreeing to the extension of any timelines contemplated thereby) without the advance written consent of the Lenders.
- (k) The Borrowers shall not consent to or otherwise cause any person to charge, encumber or take possession of any portion of the Borrowers' property (including the Real Property), assets or undertakings.
- (l) If any person charges, encumbers or takes possession of any portion of the Borrowers' property (including the Real Property), assets or undertakings, the Borrowers shall, by no later than 10 Business Days from the date thereof, cause such charge or encumbrance to be discharged and retake possession of such property, assets or undertakings (as applicable).

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- (m) The Borrowers and Guarantors shall not contest or deny in any manner the legality, validity, binding nature or enforceability of this Fifth and Final Amended and Restated Forbearance Agreement, the Loan and Security Documents or any liabilities and obligations to the Lenders or Guarantors thereunder or relating thereto.
- (n) The Borrowers and the Guarantors shall not commence any proceedings under any Insolvency Statute without the advance written consent of the Lenders.
- (o) Promptly after any Borrower learns of the occurrence of any event, development or condition which may reasonably be expected to have a material adverse effect on the property, assets (including Real Property), Proposed Refinancing Transaction (including any delays to the Closing Date), undertakings, liabilities, affairs, business, prospects, operations or conditions, financial or otherwise, of any of the Borrowers, such Borrower shall provide notice of same to the Lenders.
- (p) As soon as reasonably practicable and in any event no later than one (1) Business Day following written request (which may be by way of e-mail from the Lenders' Advisors), the Loan 5 Borrowers shall pay all accrued and outstanding fees and expenses of the Lenders' Advisors in connection with Loan 5 for the period of January 1, 2021 through May 31, 2021, which payment (i) is estimated to be approximately \$315,000, (ii) shall be made as directed by the Lenders' Advisors in writing (which may be by way of e-mail), and (iii) shall not be made from the Loan 5 Earnout Reserve.

8. **Representations and Warranties**

Each Borrower and Guarantor represents and warrants to the Lenders that:

- (a) Such Borrower is a corporation duly organized or formed, as applicable, validly existing and, to the extent such concept applies, in good standing under the laws of its jurisdiction of incorporation or formation, as applicable.
- (b) Such Borrower has all requisite corporate or other organizational power and authority to own and operate its properties, to carry on its business as now conducted and as proposed to be conducted, and to enter into this Fifth and Final Amended and Restated Forbearance Agreement.
- (c) The execution, delivery and performance of this Fifth and Final Amended and Restated Forbearance Agreement have been duly authorized by all necessary corporate action on the part of such Borrower. The execution, delivery and performance by such Borrower or Guarantor of this Fifth and Final Amended and Restated Forbearance Agreement does not and will not (i) violate any provision of any law or any governmental rule or regulation applicable to such Borrower or Guarantor, the constating documents of such Borrower or any order, judgment or decree of any court or other agency of government binding on such Borrower or Guarantor, (ii) conflict with, result in a breach of or constitute (with due notice or

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lapse of time or both) a default under any contractual obligation of such Borrower or Guarantor, or (iii) require any approval of stockholders or any approval or consent of any person, except for such approvals or consents which will be obtained on or before the Effective Time and disclosed in writing to the Lenders.

- (d) This Fifth and Final Amended and Restated Forbearance Agreement has been duly executed and delivered by such Borrower and Guarantor and is the legally valid and binding obligation of each such party, enforceable against each such party in accordance with its respective terms.
- (e) The Lenders' Security continue to be valid, binding, and enforceable first-priority security interests which secure the Indebtedness and all other obligations secured thereunder.
- (f) As at the date hereof:
 - (i) the beneficial owners of the Loan 1 Real Property are the individuals, trusts, corporations and partnerships listed on **Schedule "C"** hereto (collectively, the "**Loan 1 Beneficial Owners**") and to the best of the knowledge of the Borrowers, the most recent contact information for the Loan 1 Beneficial Owners are set out on **Schedule "C"** hereto; and
 - (ii) the beneficial owners of the Loan 5 Real Property are 180 Vine Purchaser Inc., 2413667 Ontario Inc. and Gross Properties (collectively, the "**Loan 5 Beneficial Owners**").

9. **Confirmations, Acknowledgements and Consents**

- (a) Each Borrower and Guarantor confirms, acknowledges and agrees that:
 - (i) the Recitals set out above are true, correct and are hereby incorporated into this Fifth and Final Amended and Restated Forbearance Agreement;
 - (ii) the Indebtedness owing by the Borrowers to the Lenders under the Loan and Security Documents is set out on **Schedule "A"** hereto and none of the Borrowers or the Guarantors have any rights of compensation, set-off, defenses, claims or counterclaims with respect to any of the Indebtedness and each of the Guarantees remain valid and enforceable, free from any rights of compensation, set-off, defenses, claims or counterclaims of any kind whatsoever;
 - (iii) the Security remains in full force and effect, continues to secure all Indebtedness and is enforceable in accordance with its terms;
 - (iv) the Existing Events of Default and the Additional Events of Default have occurred and are continuing;

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- (v) notwithstanding anything in this Fifth and Final Amended and Restated Forbearance Agreement or the Lenders' willingness to forbear in accordance with the terms of this Fifth and Final Amended and Restated Forbearance Agreement, the Lenders have not waived and do not, in any way, waive any of the Existing Events of Default or Additional Events of Default nor do they renounce any of their respective rights pursuant to the Loan and Security Documents or release any Security and expressly reserve their respective rights in respect thereof such that nothing herein shall be interpreted as constituting such a waiver, renunciation or release;
- (vi) except as expressly provided for under this Fifth and Final Amended and Restated Forbearance Agreement, none of the Lenders have made any representation to any Borrower or any Guarantor with respect to any other accommodation in connection with the Loan and Security Documents;
- (vii) none of the Lenders are under any obligation whatsoever to (A) provide any further accommodations to the Borrowers, (B) consent to any other transaction related to the Real Property or the Indebtedness, (C) continue to consent to the Proposed Refinancing Transaction should any of the terms or conditions set out herein not be satisfied, or (D) advance any additional funds to the Borrowers or in respect of the Real Property; and
- (viii) such Borrower or Guarantor (as applicable) has: (A) carefully read and fully understood all of the terms and conditions of this Fifth and Final Amended and Restated Forbearance Agreement, (B) consulted with, or had a full and fair opportunity to consult with, and has been advised by, fully competent counsel (independent counsel in respect of the Guarantors) in the negotiation, execution and delivery of this Fifth and Final Amended and Restated Forbearance Agreement, (C) had a full and fair opportunity to participate in the drafting of this Fifth and Final Amended and Restated Forbearance Agreement and agrees that no provision of this Fifth and Final Amended and Restated Forbearance Agreement shall be construed against or interpreted to the disadvantage of any party hereto by any court or other governmental or judicial authority by reason of any party hereto having or being deemed to have structured, dictated or drafted such provision, and (D) freely, voluntarily, knowingly and intelligently entered into this Fifth and Final Amended and Restated Forbearance Agreement.

10. **Termination Event**

The Lenders reserve their rights at their sole and absolute option to terminate the forbearance contained in Section 2 hereof, and to immediately, without any further notice of any kind to the Borrowers, any of the Guarantors, or any other person, to (i) deliver demand letters and notices of intention to enforce security in respect of Loan 1, and (ii) enforce the Security against the Borrowers and pursue the Guarantees, upon the occurrence of any one or more of the following events (individually, a "**Termination Event**"):

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- (a) any Borrower or Guarantor breaches any of its covenants or conditions as set out in this Fifth and Final Amended and Restated Forbearance Agreement;
- (b) any representation, warranty or other statement made under this Fifth and Final Amended and Restated Forbearance Agreement proves untrue in any material respect;
- (c) the conditions or covenants to the Proposed Refinancing Transaction are not satisfied in accordance with the timelines contemplated thereby;
- (d) the Proposed Refinancing Transaction has not closed by the Closing Date;
- (e) the Forbearance Period expires;
- (f) any new or additional defaults under the Loan and Security Documents occur;
- (g) any party that has any mortgages or other charges or liens registered against the Real Property which are subordinate in priority to the claims of the applicable Lenders takes any steps to enforce its security or otherwise commence any proceedings against any of the Borrowers or in respect of the Borrowers' assets or property (including, without limitation, the Real Property); or
- (h) any material adverse change in the business, financial condition or affairs or assets of the Borrowers or any of the Guarantors occurs following the date hereof.

11. **Remedies upon Termination Event**

The Borrowers and Guarantors acknowledge and agree that upon the occurrence of a Termination Event:

- (a) the Lenders may declare the Forbearance Period to be terminated (provided that in the case of a Termination Event in respect of the matters contemplated by Sections 7(k), 7(m), 7(n) and 10(e) above, the Forbearance Period shall automatically terminate without any further action or step by the Lenders);
- (b) section 5 of this Fifth and Final Amended and Restated Forbearance Agreement shall be void and of no further force and effect but, for greater certainty, the remaining provisions of this Fifth and Final Amended and Restated Forbearance Agreement shall not be affected and shall continue in full force and effect;
- (c) all of the Indebtedness shall be immediately due and payable (to the extent not already due and payable) without further notice, presentment, demand or request and Lenders may proceed to enforce the Security;
- (d) any or all of the rights and remedies available to the Lenders under the Security or otherwise at law or in equity may be immediately exercised; and

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- (e) the Lenders may enforce the Security against the Borrowers and pursue the Guarantees and each Borrower hereby irrevocably consents to and waives any notice period (including, for greater certainty, any common law notice period) in respect of and will otherwise not contest any enforcement by the Lenders of their Security including, without limitation, the appointment of any receiver, interim receiver or receiver and manager selected by the Lenders over the assets (including the Real Property), businesses and/or undertakings of the Borrowers (including to complete any transaction contemplated by an Acceptable Transaction), whether pursuant to any Insolvency Statute or otherwise under applicable law.

All of such rights and remedies may be exercised by the Lenders notwithstanding any proceedings that may be pending under any Insolvency Statute.

12. **Expenses**

Notwithstanding and in addition to any like provision in the Loan and Security Documents, the Borrowers shall pay all of the Lenders' costs, charges and expenses (including, without limitation, the fees and expenses of the Lenders' Advisors) in connection with the negotiation or preparation of this Fifth and Final Amended and Restated Forbearance Agreement and any of the matters contemplated hereby.

13. **Forbearance Fee**

A forbearance fee in the amount of \$75,000 per Loan shall be immediately earned by the Lenders in consideration for their execution of this Fifth and Final Amended and Restated Forbearance Agreement and the Lenders' forbearance hereunder in accordance with the terms hereof and payable in accordance with Sections 3(c) and 3(d) herein.

14. **First Amended and Restated Forbearance Agreement and Loan and Security Documents**

This Fifth and Final Amended and Restated Forbearance Agreement shall amend and restate the First Amended and Restated Forbearance Agreement. Except as specifically stated herein, this Fifth and Final Amended and Restated Forbearance Agreement shall not constitute (i) a modification or alteration of the terms, conditions or covenants of the Loan and Security Documents, or (ii) a waiver, release or limitation upon the exercise by the Lenders of any of the rights or remedies (whether legal or equitable). For greater certainty, the Loan and Security Documents shall continue in full force and effect in accordance with the provisions thereof and all documents issued or granted in connection therewith are hereby ratified and confirmed and shall continue in full force and effect. Subject to the terms and conditions hereof, the Lenders reserve any and all rights and remedies which they have had, have or may have had under the Loan and Security Documents and this Fifth and Final Amended and Restated Forbearance Agreement shall not operate any novation of any Indebtedness or any obligations thereunder.

15. **Release**

In consideration of the agreement of the Lenders to forbear and other covenants under this Fifth and Final Amended and Restated Forbearance Agreement and for other good and valuable

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consideration (the receipt and adequacy of which are hereby acknowledged), each Borrower and the Guarantor, on behalf of itself, its subsidiaries and all of their respective officers, directors, employees, agents, successors and assigns and anyone claiming through or under them (collectively, the “**Releasors**”) hereby releases, remises and forever discharges the Lenders and the Lenders’ Advisors (including their affiliates, associates, holding bodies and subsidiaries and all officers, directors, employees, agents, successors and assigns and anyone claiming through or under them) of and from any and all claims and demands of every nature and kind at law or in equity or under any statute, actions, causes of action, suits, debts, dues, sums of money, damages, liabilities, losses, indemnities and costs, which the Releasors or any one or more of them now have or ever had, can, shall or may have in respect of or in any way arising out of or related to the dealings or transactions in respect of the Loans, the Loan and Security Documents, the Real Property, the Loan 1 CI Reserve, the Loan 5 Earnout Reserve, the Initial Forbearance Agreement, the First Amended and Restated Forbearance Agreement, the Second Amended and Restated Forbearance Agreement, the Third Amended and Restated Forbearance Agreement, the Fourth Amended and Restated Forbearance Agreement and/or this Fifth and Final Amended and Restated Forbearance Agreement, prior to the date hereof except for any obligations expressly arising out of this Fifth and Final Amended and Restated Forbearance Agreement (collectively, the “**Released Claims**”), provided that such Released Claims shall not include any claims and demands to the extent they are determined by a court of competent jurisdiction by final and nonappealable judgement to have resulted from the gross negligence or wilful misconduct of any Lender. The releases granted under this Section shall survive the termination of this Fifth and Final Amended and Restated Forbearance Agreement.

16. **Notice**

Any notice, demand or other communication required or permitted to be given to any party hereunder shall be given in writing and shall be effectively given and made if sent by e-mail to the applicable address set out below (and shall be deemed to have been received by the other party on the same day on which it was sent by e-mail):

- (a) In the case of the Lenders, to:

c/o Blake, Cassels & Graydon LLP

Attention: Pamela L.J. Huff and Aryo Shalviri

Email: pam.huff@blakes.com and aryo.shalviri@blakes.com

- (b) In the case of the Borrowers and/or Guarantors, to:

c/o Fogler, Rubinoff LLP

Attention: Avi Sugar and David Levangie

Email: asugar@foglers.com and dlevangie@foglers.com

17. **Further Assurances**

Each of the Borrowers and Guarantors undertake and agree to execute and deliver such other documents, papers, matters and assurances as the Lenders may reasonably require or request in connection with the matters contemplated by this Fifth and Final Amended and Restated

Forbearance Agreement for the purpose of giving effect to this Fifth and Final Amended and Restated Forbearance Agreement.

18. **Waiver**

A waiver by the Lenders of any default, breach or non-compliance under this Fifth and Final Amended and Restated Forbearance Agreement is not effective unless in writing (which, for greater certainty, includes e-mail). No waiver will be inferred from or implied by any failure to act or delay in acting by the Lenders in respect of any default, breach or non-observance or by anything done or omitted to be done by the Borrowers. The waiver by the Lenders of any default, breach or non-compliance under this Fifth and Final Amended and Restated Forbearance Agreement will not operate as a waiver of the Lenders' rights under this Fifth and Final Amended and Restated Forbearance Agreement in respect of any continuing or subsequent default, breach or non-observance (whether of the same or any other nature).

19. **Entire Agreement**

This Fifth and Final Amended and Restated Forbearance Agreement, together with the Loan and Security Documents, constitute the entire agreement between the Lenders, the Borrowers and the Guarantors with respect to the Lenders' forbearance and replaces all prior agreements. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, expressed, implied or statutory, by the Lenders other than as expressly set forth herein. No modification or amendment of any provision of this Fifth and Final Amended and Restated Forbearance Agreement shall in any event be effective unless the same shall be in writing and then such modification or amendment shall be effective only in the specific instance and for the purpose for which it was given.

20. **Severability**

If any provision hereof is held to be illegal, invalid or unenforceable in any jurisdiction, such provision shall be deemed to be severed from the remainder of this Fifth and Final Amended and Restated Forbearance Agreement with respect only to such jurisdiction and the remaining provisions of this Fifth and Final Amended and Restated Forbearance Agreement shall not be affected thereby and shall continue in full force and effect.

21. **Applicable Law**

This Fifth and Final Amended and Restated Forbearance Agreement shall be construed in accordance with and governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein.

22. **Time**

Time will in all respects be of the essence of this Fifth and Final Amended and Restated Forbearance Agreement, and no extension or variation of this Fifth and Final Amended and Restated Forbearance Agreement or any obligation hereunder will operate as a waiver or implied waiver of this provision.

23. **Counterparts**

This Fifth and Final Amended and Restated Forbearance Agreement may be executed in any number of counterparts, each of which shall be an original but all of which, when taken together, shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Fifth and Final Amended and Restated Forbearance Agreement by electronic copy shall be as effective as delivery of a manually executed counterpart of this Fifth and Final Amended and Restated Forbearance Agreement.

[THE BALANCE OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

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IN WITNESS WHEREOF, the parties hereto have caused this Fifth and Final Amended and Restated Forbearance Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

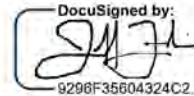
AMERICAN GENERAL LIFE INSURANCE COMPANY by its investment advisor, AIG Asset Management (U.S.), LLC, a Delaware limited liability company

DocuSigned by:

9296F35604324C2...

Per: _____
Name: Jeff Flinn
Title: Managing Director

THE VARIABLE ANNUITY LIFE INSURANCE COMPANY by its investment advisor, AIG Asset Management (U.S.), LLC, a Delaware limited liability company

DocuSigned by:

9296F35604324C2...

Per: _____
Name: Jeff Flinn
Title: Managing Director

LEXINGTON INSURANCE COMPANY by its investment advisor, AIG Asset Management (U.S.), LLC a Delaware limited liability company

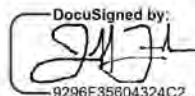
DocuSigned by:

9296F35604324C2...

Per: _____
Name: Jeff Flinn
Title: Managing Director

S-2

**NATIONAL UNION FIRE INSURANCE
COMPANY OF PITTSBURGH, PA by its
investment advisor, AIG Asset Management
(U.S.), LLC a Delaware limited liability
company**

DocuSigned by:


Per: _____

9296F35804324C2

Name: Jeff Flinn

Title: Managing Director

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ACKNOWLEDGED AND AGREED as of the day and year first above written.


**VICTORIA AVENUE NORTH HOLDINGS
INC.**

By: 
Name: _____
Title:


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ACKNOWLEDGED AND AGREED as of the day and year first above written.

**SOUTHMOUNT HEALTHCARE CENTRE
INC. (FORMERLY CARRIAGE GATE GROUP
INC.)**

By: 
Name: _____
Title: _____


180 VINE INC.

By: 
Name: _____
Title: _____


2478658 ONTARIO LTD.

By: 
Name: _____
Title: _____

2009 LONG LAKE HOLDINGS INC.

By: 
Name: _____
Title: _____

65 LARCH HOLDINGS INC.

By: 
Name: _____
Title: _____

100 COLBORNE HOLDINGS INC

By: 
Name: _____
Title: _____

240 OLD PENETANGUIH HOLDINGS INC.

By: 
Name: _____
Title: _____

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ACKNOWLEDGED AND AGREED as of the day and year first above written.



MARK GROSS



SHELDON GROSS

SCHEDULE "A"**Indebtedness
(as at close of business on January 31, 2021)***

Loan	Amount
Loan 1	CAD \$22,541,658.39
Loan 5	CAD \$67,242,418.43

* In each case, together with all interest, costs, fees, expenses, charges and other amounts whatsoever (including without limitation, all fees and expenses of the Lenders) that are payable by the Borrowers under the Loan and Security Documents (as defined below), which are not included in these amounts. For greater certainty, yield maintenance amounts, accrued fees and expenses of the Lenders' Advisors, the forbearance fees paid by the Borrowers on February 9, 2021, March 3, 2021, April 21, 2021 and May 12, 2021 and the forbearance fees payable pursuant to Sections 3 and 13 of this Fifth and Final Amended and Restated Forbearance Agreement are also not included in these amounts.

** Not inclusive of Loan 1 CI Reserve.

*** Not inclusive of the Loan 5 Earnout Reserve.

SCHEDULE "B"

Cash Flow Forecast

(attached)

Consolidated (Loan 1 and 5 only) Cash Flow Forecast (SCAD)						
Month		Cumulative			Cumulative	
Period Ended	Notes	4/1/2020 5/14/2021	May 31st	June 14th	June 30th	4/1/2020 6/30/2021
Receipts						
Rent receipts	1	9,368,729	197,152	500,475	201,698	10,268,055
Deferred rent	2	-	-	-	-	-
HST collected	3	1,217,935	25,630	65,062	26,221	1,334,847
Total Receipts		10,586,664	222,782	565,537	227,918	11,602,902
Disbursements						
<u>Operating</u>						
Property operating expenses	4	(3,815,502)	-	(276,610)	-	(4,092,112)
Critical supplier arrears	5	(109,650)	-	-	-	(109,650)
Withholding Tax	6	(246,122)	(17,509)	-	(17,509)	(281,140)
HST paid on operating disbursements	7	(510,270)	-	(35,959)	-	(546,229)
HST remittance to CRA (current)	8	(576,248)	(43,765)	(2,612)	(44,356)	(666,983)
HST remittance to CRA (arrears)	9	(55,309)	-	-	-	(55,309)
Municipal realty taxes	10	(2,065,049)	-	(148,505)	-	(2,213,555)
HST (scheduled arrears repayment)	11	(388,060)	-	(24,861)	-	(412,921)
Total Operating Disbursements		(7,766,211)	(61,274)	(488,548)	(61,865)	(8,377,899)
Net Operating Cash Flow		2,820,453	161,508	76,989	166,053	3,225,003
<u>Professional Fees</u>						
Professional fees - lender	12	(1,113,681)	(40,850)	(40,850)	(40,850)	(1,236,230)
Professional fees - borrower	13	(280,385)	(10,385)	(10,385)	(10,385)	(311,538)
HST paid on professional fees	14	(123,460)	(4,423)	(4,423)	(4,423)	(136,729)
Total Professional Fees		(1,517,526)	(55,657)	(55,657)	(55,657)	(1,684,497)
Net Cash Flow		1,302,927	105,850	21,332	110,396	1,540,506

Consolidated						
Opening Cash Balance	15	175,012	1,477,939	1,583,789	1,605,121	175,012
Net Cash Flow		1,302,927	105,850	21,332	110,396	1,540,506
Closing Cash Balance		1,477,939	1,583,789	1,605,121	1,715,517	1,715,517

Loan 1						
Opening Cash Balance		3,553	542,244	542,933	581,064	3,553
Net Cash Flow		538,691	689	38,132	689	578,200
Closing Cash Balance		542,244	542,933	581,064	581,753	581,753

Loan 5						
Opening Cash Balance		171,458	935,695	1,040,856	1,024,057	171,458
Net Cash Flow		764,237	105,162	(16,799)	109,707	962,306
Closing Cash Balance		935,695	1,040,856	1,024,057	1,133,764	1,133,764

Notes:

- Projected using March 2020 actual receipts as a baseline, and adjusted as required.
- Assumes zero rent deferrals throughout the forbearance period. Rent deferral agreements will be entered into on a tenant by tenant basis, as required.
- 13% of projected rent receipts.
- Projected using 2020 operating budgets (include utilities, repairs & maintenance etc.), and adjusted as required.
- Supplier arrears payments to critical suppliers, as required.
- Monthly withholding taxes based on net income projection for 2021.
- 13% of projected operating disbursements.
- Assumes that HST filings are completed and amounts owing are paid/received on a monthly basis. Includes ITCs on professional fees.
- HST remittances made on April 30th related to the period January 1 to March 31, 2020.
- Projected using 2020 operating budgets, and adjusted as required. Assumes the Company pays on a "run-rate" basis which does not coincide with scheduled remittances. Tax escrow balance of \$14k that was previously held by Largo has been applied to the April 14th, 2021 municipal realty tax payments for the 304 and 414 Victoria properties.
- HST arrears repayment schedule is based on agreement between the Company and CRA.
- Professional fees for the lenders' advisors include fees for KPMG and Blakes.
- Professional fees for the borrower include fees for the borrower's counsel Fogler, Rubinoff LLP.
- HST is calculated as 13% of KPMG's and Fogler's professional fees. HST is not applicable to Blake's fees.
- Opening cash balance is based on the Company's bank statements as at March 31, 2020.

Consolidated (Loan 1 and 5 only) Cash Flow Actuals (SCAD)			
Month		Cumulative	
Period Ended	Notes	4/1/2020 5/14/2021	
Receipts			
Rent receipts	1	7,524,474	
Other receipts	2	357,910	
HST collected	1	971,441	
Total Receipts		8,853,826	
Disbursements			
<u>Operating</u>			
Property operating expenses	3	(3,364,785)	
Critical supplier arrears		(262,767)	
Withholding Tax		(167,151)	
HST paid on operating disbursements		(456,155)	
HST remittance to CRA (current)		(552,599)	
HST remittance to CRA (arrears)		(297,169)	
Municipal realty taxes		(2,013,702)	
HST (scheduled arrears repayment)		(163,039)	
Total Operating Disbursements		(7,277,367)	
Net Operating Cash Flow		1,576,459	
<u>Professional Fees</u>			
Professional fees - lender	4	(504,803)	
Professional fees - borrower		(78,101)	
HST paid on professional fees		(69,928)	
Total Professional Fees		(652,832)	
Forbearance fee	5	(180,000)	
Withholding tax		(60,000)	
Net Cash Flow		683,628	
Opening Cash Balance	6	175,012	
Add: Intercompany Transfers		717	
Add: Outstanding Cheques		5,785	
Add: Net Cash Flow		683,628	
Closing Cash Balance	7	865,141	

Notes:

- Actual rent receipts based on Company's bank statements and allocated based on Prime's rent rolls.
- Miscellaneous non-rent related receipts (i.e. GC deposits).
- Actual disbursements based on bank statement and as categorized by the Company.
- Actual lender professional fees paid out of the cash flows of the Company (note that certain lender professional fees have been paid out of the Loan 1 Capital Improvement Reserve and the Loan 5 Earn Out Reserve as the Company's cash flows have been unable to fund professional fees to date). Total professional fee paid out of the Loan 1 and 5 reserve as of October 2020 is \$809,806.81.
- Forbearance fee paid on Feb 9, 2021, April 20, and May 12, 2021 net of withholding tax (25%). The initial \$25,000 of forbearance fee including WHT have been paid out of the reserves as part of the Loan 7 transaction proceeds.
- Opening cash balance is based on the Company's bank statement as at March 31, 2020.
- Closing cash balance is based on Company's bank statement as at May 14, 2021.

Loan 1 Cash Flow Forecast (\$CAD)						
Month Period Ended	Notes	Cumulative 4/1/2020 5/14/2021	May 31st	June 14th	June 30th	Cumulative 4/1/2020 6/30/2021
Receipts						
Rent receipts	1	2,299,144	39,711	128,491	39,711	2,507,056
Deferred rent	2	-	-	-	-	-
HST collected	3	298,889	5,162	16,704	5,162	325,917
Total Receipts		2,598,032	44,873	145,195	44,873	2,832,973
Disbursements						
<u>Operating</u>						
Property operating expenses	4	(755,455)	-	(54,638)	-	(810,092)
Critical supplier arrears	5	(41,543)	-	-	-	(41,543)
Withholding Tax	6	(210,782)	(16,214)	-	(16,214)	(243,210)
HST paid on operating disbursements	7	(103,610)	-	(7,103)	-	(110,713)
HST remittance to CRA (current)	8	(181,176)	(10,677)	(2,612)	(10,677)	(205,142)
HST remittance to CRA (arrears)	9	-	-	-	-	-
Municipal realty taxes	10	(341,808)	-	(25,417)	-	(367,225)
HST (scheduled arrears repayment)	11	-	-	-	-	-
Total Operating Disbursements		(1,634,374)	(26,891)	(89,770)	(26,891)	(1,777,925)
Net Operating Cash Flow		963,658	17,982	55,425	17,982	1,055,048
<u>Professional Fees</u>						
Professional fees - lender	12	(335,490)	(14,003)	(14,003)	(14,003)	(377,499)
Professional fees - borrower	13	(62,308)	(2,308)	(2,308)	(2,308)	(69,231)
HST paid on professional fees	14	(27,170)	(983)	(983)	(983)	(30,119)
Total Professional Fees		(424,968)	(17,293)	(17,293)	(17,293)	(476,848)
Net Cash Flow		538,691	689	38,132	689	578,200
Opening Cash Balance	15	3,553	542,244	542,933	581,064	3,553
Net Cash Flow		538,691	689	38,132	689	578,200
Closing Cash Balance		542,244	542,933	581,064	581,753	581,753

Loan 1 Cash Flow Actuals (\$CAD)		
Month Period Ended	Notes	Cumulative 4/1/2020 5/14/2021
Receipts		
Rent receipts	1	1,702,378
Other receipts	2	173,805
HST collected	1	221,309
Total Receipts		2,097,492
Disbursements		
<u>Operating</u>		
Property operating expenses		(695,714)
Critical supplier arrears		(34,290)
Withholding Tax		(127,314)
HST paid on operating disbursements		(94,742)
HST remittance to CRA (current)		(178,787)
HST remittance to CRA (arrears)		(155,379)
Municipal realty taxes		(283,552)
HST (scheduled arrears repayment)		-
Total Operating Disbursements		(1,569,779)
Net Operating Cash Flow		527,712
<u>Professional Fees</u>		
Professional fees - lender	4	(355,389)
Professional fees - borrower		(15,487)
HST paid on professional fees		(45,289)
Total Professional Fees		(416,165)
Forbearance fee	5	(90,000)
Withholding tax		(30,000)
Net Cash Flow		(8,453)
Opening Cash Balance	6	3,553
Add: Intercompany Transfers		150,000
Add: Outstanding Cheques		-
Add: Net Cash Flow		(8,453)
Closing Cash Balance	7	145,101

Notes:

1. Projected using March 2020 actual receipts as a baseline, and adjusted as required.
2. Assumes zero rent deferrals throughout the forbearance period. Rent deferral agreements will be entered into on a tenant by tenant basis, as required.
3. 13% of projected rent receipts.
4. Projected using 2020 operating budgets (include utilities, repairs & maintenance etc.), and adjusted as required.
5. Supplier arrears payments to critical suppliers, as required.
6. Monthly withholding taxes based on net income projection for 2021.
7. 13% of projected operating disbursements.
8. Assumes that HST filings are completed and amounts owing are paid/received on a monthly basis. Includes ITCs on professional fees.
9. HST remittances made on April 30th related to the period January 1 to March 31, 2020.
10. Projected using 2020 operating budgets, and adjusted as required. Assumes the Company pays on a "run-rate" basis which does not coincide with scheduled remittances. Tax escrow balance of \$14k that was previously held by Largo has been applied to the April 14th, 2021 municipal realty tax payments for the 304 and 414 Victoria properties.
11. HST arrears repayment schedule is based on agreement between the Company and CRA.
12. Professional fees for the lenders' advisors include fees for KPMG and Blakes.
13. Professional fees for the borrower include fees for the borrower's counsel Fogler, Rubinoff LLP.
14. HST is calculated as 13% of KPMG's and Fogler's professional fees. HST is not applicable to Blake's fees.
15. Opening cash balance is based on the Company's bank statements as at March 31, 2020.

Notes:

1. Actual rent receipts based on Company's bank statements and allocated based on Prime's rent rolls.
2. Miscellaneous non-rent related receipts (i.e. GC deposits).
3. Actual disbursements based on bank statement and as categorized by the Company.
4. Actual lender professional fees paid out of the cash flows of the Company (note that certain lender professional fees have been paid out of the Loan 1 Capital Improvement Reserve and the Loan 5 Earn Out Reserve as the Company's cash flows have been unable to fund professional fees to date). Total professional fee paid out of the Loan 1 reserve as of October 2020 is \$340,637.71
5. Forbearance fee paid on Feb 9, 2021, April 20, and May 12, 2021 net of withholding tax (25%). The initial \$25,000 of forbearance fee including WHT have been paid out of the reserves as part of the Loan 7 transaction proceeds.
6. Opening cash balance is based on the Company's bank statement as at March 31, 2020.
7. Closing cash balance is based on Company's bank statement as at May 14, 2021.

Loan 5 Cash Flow Forecast (\$CAD)						
Month Period Ended	Notes	Cumulative 4/1/2020 5/14/2021	May 31st	June 14th	June 30th	Cumulative 4/1/2020 6/30/2021
Receipts						
Rent receipts	1	7,069,586	157,442	371,984	161,987	7,760,999
Deferred rent	2	-	-	-	-	-
HST collected	3	919,046	20,467	48,358	21,058	1,008,930
Total Receipts		7,988,632	177,909	420,342	183,045	8,769,929
Disbursements						
<u>Operating</u>						
Property operating expenses	4	(3,060,048)	-	(221,972)	-	(3,282,019)
Critical supplier arrears	5	(68,107)	-	-	-	(68,107)
Withholding Tax	6	(35,340)	(1,295)	-	(1,295)	(37,930)
HST paid on operating disbursements	7	(406,660)	-	(28,856)	-	(435,516)
HST remittance to CRA (current)	8	(395,072)	(33,089)	-	(33,680)	(461,841)
HST remittance to CRA (arrears)	9	(55,309)	-	-	-	(55,309)
Municipal realty taxes	10	(1,723,241)	-	(123,089)	-	(1,846,330)
HST (scheduled arrears repayment)	11	(388,060)	-	(24,861)	-	(412,921)
Total Operating Disbursements		(6,131,837)	(34,384)	(398,778)	(34,975)	(6,599,974)
Net Operating Cash Flow		1,856,795	143,525	21,564	148,071	2,169,955
<u>Professional Fees</u>						
Professional fees - lender	12	(778,191)	(26,847)	(26,847)	(26,847)	(858,731)
Professional fees - borrower	13	(218,077)	(8,077)	(8,077)	(8,077)	(242,308)
HST paid on professional fees	14	(96,290)	(3,440)	(3,440)	(3,440)	(106,610)
Total Professional Fees		(1,092,558)	(38,364)	(38,364)	(38,364)	(1,207,649)
Net Cash Flow		764,237	105,162	(16,799)	109,707	962,306
Opening Cash Balance	15	171,458	935,695	1,040,856	1,024,057	171,458
Net Cash Flow		764,237	105,162	(16,799)	109,707	962,306
Closing Cash Balance		935,695	1,040,856	1,024,057	1,133,764	1,133,764

Loan 5 Cash Flow Actuals (\$CAD)		
Month Period Ended	Notes	Cumulative 4/1/2020 5/14/2021
Receipts		
Rent receipts	1	5,822,097
Other receipts	2	184,105
HST collected	1	750,132
Total Receipts		6,756,334
Disbursements		
<u>Operating</u>		
Property operating expenses		(2,669,071)
Critical supplier arrears		(228,476)
Withholding Tax		(39,837)
HST paid on operating disbursements		(361,412)
HST remittance to CRA (current)		(373,812)
HST remittance to CRA (arrears)		(141,791)
Municipal realty taxes		(1,730,149)
HST (scheduled arrears repayment)		(163,039)
Total Operating Disbursements		(5,707,587)
Net Operating Cash Flow		1,048,747
<u>Professional Fees</u>		
Professional fees - lender	4	(149,414)
Professional fees - borrower		(62,614)
HST paid on professional fees		(24,639)
Total Professional Fees		(236,667)
Forbearance fee	5	(90,000)
Withholding tax		(30,000)
Net Cash Flow		692,080
Opening Cash Balance	6	171,458
Add: Intercompany Transfers		(149,282)
Add: Outstanding Cheques		5,785
Add: Net Cash Flow		692,080
Closing Cash Balance	7	720,041

Notes:

1. Projected using March 2020 actual receipts as a baseline, and adjusted as required.
2. Assumes zero rent deferrals throughout the forbearance period. Rent deferral agreements will be entered into on a tenant by tenant basis, as required.
3. 13% of projected rent receipts.
4. Projected using 2020 operating budgets (include utilities, repairs & maintenance etc.), and adjusted as required.
5. Supplier arrears payments to critical suppliers, as required.
6. Monthly withholding taxes based on net income projection for 2021.
7. 13% of projected operating disbursements.
8. Assumes that HST filings are completed and amounts owing are paid/received on a monthly basis. Includes ITCs on professional fees.
9. HST remittances made on April 30th related to the period January 1 to March 31, 2020.
10. Projected using 2020 operating budgets, and adjusted as required. Assumes the Company pays on a "run-rate" basis which does not coincide with scheduled remittances.
11. HST arrears repayment schedule is based on agreement between the Company and CRA.
12. Professional fees for the lenders' advisors include fees for KPMG and Blakes.
13. Professional fees for the borrower include fees for the borrower's counsel Fogler, Rubinoff LLP.
14. HST is calculated as 13% of KPMG's and Fogler's professional fees. HST is not applicable to Blake's fees.
15. Opening cash balance is based on the Company's bank statements as at March 31, 2020.

Notes:

1. Actual rent receipts based on Company's bank statements and allocated based on Prime's rent rolls.
2. Miscellaneous non-rent related receipts (i.e. GC deposits).
3. Actual disbursements based on bank statement and as categorized by the Company.
4. Actual lender professional fees paid out of the cash flows of the Company (note that certain lender professional fees have been paid out of the Loan 1 Capital Improvement Reserve and the Loan 5 Earn Out Reserve as the Company's cash flows have been unable to fund professional fees to date). Total professional fee paid out of the Loan 1 reserve as of October 2020 is \$469,169.20
5. Forbearance fee paid on Feb 9, 2021, April 20, and May 12, 2021 net of withholding tax (25%). The initial \$25,000 of forbearance fee including WHT have been paid out of the reserves as part of the Loan 7 transaction proceeds.
6. Opening cash balance is based on the Company's bank statement as at March 31, 2020.
7. Closing cash balance is based on Company's bank statement as at May 14, 2021.

304 Victoria Avenue North Cash Flow Forecast (\$CAD)		Cumulative 4/1/2020	May	June	June	Cumulative 4/1/2020
Month	Notes	5/14/2021	31st	14th	30th	6/30/2021
Period Ended						
Receipts						
Rent receipts	1	662,816	-	48,489	-	711,305
Deferred rent	2	-	-	-	-	-
HST collected	3	86,166	-	6,304	-	92,470
Total Receipts		748,982	-	54,792	-	803,774
Disbursements						
<u>Operating</u>						
Property operating expenses	4	(331,080)	-	(24,613)	-	(355,692)
Critical supplier arrears	5	(20,772)	-	-	-	(20,772)
Withholding Tax	6	(105,391)	(8,107)	-	(8,107)	(121,605)
HST paid on operating disbursements	7	(45,741)	-	(3,200)	-	(48,940)
HST remittance to CRA (current)	8	(39,084)	-	(2,612)	-	(41,697)
HST remittance to CRA (arrears)	9	-	-	-	-	-
Municipal realty taxes	10	(168,102)	-	(12,500)	-	(180,602)
HST (scheduled arrears repayment)	11	-	-	-	-	-
Total Operating Disbursements		(710,169)	(8,107)	(42,925)	(8,107)	(769,308)
Net Operating Cash Flow		38,813	(8,107)	11,867	(8,107)	34,466
<u>Professional Fees</u>						
Professional fees - lender	12	(164,244)	(7,001)	(7,001)	(7,001)	(185,249)
Professional fees - borrower	13	(31,154)	(1,154)	(1,154)	(1,154)	(34,615)
HST paid on professional fees	14	(13,414)	(491)	(491)	(491)	(14,889)
Total Professional Fees		(208,812)	(8,647)	(8,647)	(8,647)	(234,753)
Net Cash Flow		(170,000)	(16,754)	3,221	(16,754)	(200,287)
Opening Cash Balance	15					
Net Cash Flow						
Closing Cash Balance						

Notes:

1. Projected using March 2020 actual receipts as a baseline, and adjusted as required.
2. Assumes zero rent deferrals throughout the forbearance period. Rent deferral agreements will be entered into on a tenant by tenant basis, as required.
3. 13% of projected rent receipts.
4. Projected using 2020 operating budgets (include utilities, repairs & maintenance etc.), and adjusted as required.
5. Supplier arrears payments to critical suppliers, as required.
6. Monthly withholding taxes based on net income projection for 2021.
7. 13% of projected operating disbursements.
8. Assumes that HST filings are completed and amounts owing are paid/received on a monthly basis. Includes ITCs on professional fees.
9. HST remittances made on April 30th related to the period January 1 to March 31, 2020.
10. Projected using 2020 operating budgets, and adjusted as required. Assumes the Company pays on a "run-rate" basis which does not coincide with scheduled remittances. Tax escrow balance of \$14k that was previously held by Largo has been applied to the April 14th, 2021 municipal realty tax payments for the 304 and 414 Victoria properties.
11. HST arrears repayment schedule is based on agreement between the Company and CRA.
12. Professional fees for the lenders' advisors include fees for KPMG and Blakes.
13. Professional fees for the borrower include fees for the borrower's counsel Fogler, Rubinoff LLP.
14. HST is calculated as 13% of KPMG's and Fogler's professional fees. HST is not applicable to Blake's fees.
15. Opening cash balance is based on the Company's bank statements as at March 31, 2020.

414 Victoria Avenue North Cash Flow Forecast (\$CAD)		Cumulative 4/1/2020	May	June	June	Cumulative
Month	Notes	5/14/2021	31st	14th	30th	6/30/2021
Period Ended						
Receipts						
Rent receipts	1	1,636,328	39,711	80,002	39,711	1,795,751
Deferred rent	2	-	-	-	-	-
HST collected	3	212,723	5,162	10,400	5,162	233,448
Total Receipts		1,849,050	44,873	90,403	44,873	2,029,199
Disbursements						
<u>Operating</u>						
Property operating expenses	4	(424,375)	-	(30,025)	-	(454,400)
Critical supplier arrears	5	(20,772)	-	-	-	(20,772)
Withholding Tax	6	(105,391)	(8,107)	-	(8,107)	(121,605)
HST paid on operating disbursements	7	(57,869)	-	(3,903)	-	(61,772)
HST remittance to CRA (current)	8	(142,092)	(10,677)	-	(10,677)	(163,445)
HST remittance to CRA (arrears)	9	-	-	-	-	-
Municipal realty taxes	10	(173,706)	-	(12,917)	-	(186,622)
HST (scheduled arrears repayment)	11	-	-	-	-	-
Total Operating Disbursements		(924,205)	(18,784)	(46,845)	(18,784)	(1,008,617)
Net Operating Cash Flow		924,846	26,089	43,558	26,089	1,020,582
<u>Professional Fees</u>						
Professional fees - lender	12	(171,246)	(7,001)	(7,001)	(7,001)	(192,250)
Professional fees - borrower	13	(31,154)	(1,154)	(1,154)	(1,154)	(34,615)
HST paid on professional fees	14	(13,756)	(491)	(491)	(491)	(15,230)
Total Professional Fees		(216,155)	(8,647)	(8,647)	(8,647)	(242,095)
Net Cash Flow		708,690	17,443	34,911	17,443	778,487
Opening Cash Balance	15					
Net Cash Flow						
Closing Cash Balance						

Notes:

1. Projected using March 2020 actual receipts as a baseline, and adjusted as required.
2. Assumes zero rent deferrals throughout the forbearance period. Rent deferral agreements will be entered into on a tenant by tenant basis, as required.
3. 13% of projected rent receipts.
4. Projected using 2020 operating budgets (include utilities, repairs & maintenance etc.), and adjusted as required.
5. Supplier arrears payments to critical suppliers, as required.
6. Monthly withholding taxes based on net income projection for 2020.
7. 13% of projected operating disbursements.
8. Assumes that HST filings are completed and amounts owing are paid/received on a monthly basis. Includes ITCs on professional fees.
9. HST remittances made on April 30th related to the period January 1 to March 31, 2020.
10. Projected using 2020 operating budgets, and adjusted as required. Assumes the Company pays on a "run-rate" basis which does not coincide with scheduled remittances. Tax escrow balance of \$14k that is currently held by Largo has been applied to the April 14th municipal realty tax payments for the 304 and 414 Victoria properties.
11. HST arrears repayment schedule is based on agreement between the Company and CRA.
12. Professional fees for the lenders' advisors include fees for KPMG and Blakes.
13. Professional fees for the borrower include fees for the borrower's counsel Fogler, Rubinoff LLP.
14. HST is calculated as 13% of KPMG's and Fogler's professional fees. HST is not applicable to Blake's fees.
15. Opening cash balance is based on the Company's bank statements as at March 31, 2020.

35 Upper Centennial Cash Flow Forecast (\$CAD)		Cumulative 4/1/2020	May 31st	June 14th	June 30th	Cumulative 6/30/2021
Month Period Ended	Notes	5/14/2021				
Receipts						
Rent receipts	1	2,021,286	99,790	54,163	104,336	2,279,575
Deferred rent	2	-	-	-	-	-
HST collected	3	262,767	12,973	7,041	13,564	296,345
Total Receipts		2,284,053	112,763	61,204	117,900	2,575,920
Disbursements						
<u>Operating</u>						
Property operating expenses	4	(567,054)	-	(40,504)	-	(607,558)
Critical supplier arrears	5	(15,035)	-	-	-	(15,035)
Withholding Tax	6	(20,758)	(1,116)	-	(1,116)	(22,990)
HST paid on operating disbursements	7	(75,672)	-	(5,266)	-	(80,937)
HST remittance to CRA (current)	8	(172,056)	(13,766)	-	(14,356)	(200,178)
HST remittance to CRA (arrears)	9	-	-	-	-	-
Municipal realty taxes	10	(381,425)	-	(27,245)	-	(408,670)
HST (scheduled arrears repayment)	11	-	-	-	-	-
Total Operating Disbursements		(1,231,999)	(14,882)	(73,014)	(15,472)	(1,335,367)
Net Operating Cash Flow		1,052,054	97,882	(11,810)	102,427	1,240,553
<u>Professional Fees</u>						
Professional fees - lender	12	(106,967)	(3,588)	(3,588)	(3,588)	(117,731)
Professional fees - borrower	13	(31,154)	(1,154)	(1,154)	(1,154)	(34,615)
HST paid on professional fees	14	(13,756)	(491)	(491)	(491)	(15,230)
Total Professional Fees		(151,876)	(5,233)	(5,233)	(5,233)	(167,576)
Net Cash Flow		900,178	92,648	(17,043)	97,194	1,072,977
Opening Cash Balance	15	35,444	935,622	1,028,270	1,011,227	35,444
Net Cash Flow		900,178	92,648	(17,043)	97,194	1,072,977
Closing Cash Balance		935,622	1,028,270	1,011,227	1,108,421	1,108,421

Notes:

1. Projected using March 2020 actual receipts as a baseline, and adjusted as required.
2. Assumes zero rent deferrals throughout the forbearance period. Rent deferral agreements will be entered into on a tenant by tenant basis, as required.
3. 13% of projected rent receipts.
4. Projected using 2020 operating budgets (include utilities, repairs & maintenance etc.), and adjusted as required.
5. Supplier arrears payments to critical suppliers, as required.
6. Monthly withholding taxes based on net income projection for 2021.
7. 13% of projected operating disbursements.
8. Assumes that HST filings are completed and amounts owing are paid/received on a monthly basis. Includes ITCs on professional fees.
9. HST remittances made on April 30th related to the period January 1 to March 31, 2020.
10. Projected using 2020 operating budgets, and adjusted as required. Assumes the Company pays on a "run-rate" basis which does not coincide with scheduled remittances.
11. HST arrears repayment schedule is based on agreement between the Company and CRA.
12. Professional fees for the lenders' advisors include fees for KPMG and Blakes.
13. Professional fees for the borrower include fees for the borrower's counsel Fogler, Rubinoff LLP.
14. HST is calculated as 13% of KPMG's and Fogler's professional fees. HST is not applicable to Blake's fees.
15. Opening cash balance is based on the Company's bank statements as at March 31, 2020.

35 Upper Centennial Cash Flow Actuals (\$CAD)		Cumulative 4/1/2020
Month Period Ended	Notes	5/14/2021
Receipts		
Rent receipts	1	933,627
Other receipts	2	11,462
HST collected	1	115,660
Total Receipts		1,060,749
Disbursements		
<u>Operating</u>		
Property operating expenses		(491,286)
Critical supplier arrears		-
Withholding Tax		(34,113)
HST paid on operating disbursements		(63,522)
HST remittance to CRA (current)		-
HST remittance to CRA (arrears)		-
Municipal realty taxes		(344,311)
HST (scheduled arrears repayment)		-
Total Operating Disbursements		(933,232)
Net Operating Cash Flow		127,517
<u>Professional Fees</u>		
Professional fees - lender	4	(366)
Professional fees - borrower		(17,121)
HST paid on professional fees		(2,273)
Total Professional Fees		(19,760)
Net Cash Flow		107,757
Opening Cash Balance	5	35,444
Add: Intercompany Transfers		(105,000)
Add: Outstanding Cheques		799
Add: Net Cash Flow		107,757
Closing Cash Balance	6	39,000

Notes:

1. Actual rent receipts based on Company's bank statements and allocated based on Prime's rent rolls.
2. Miscellaneous non-rent related receipts (i.e. GC deposits).
3. Actual disbursements based on bank statement and as categorized by the Company.
4. Actual lender professional fees paid out of the cash flows of the Company (note that certain lender professional fees have been paid out of the Loan 1 Capital Improvement Reserve and the Loan 5 Earn Out Reserve as the Company's cash flows have been unable to fund professional fees to date).
5. Opening cash balance is based on the Company's bank statement as at March 31, 2020.
6. Closing cash balance is based on Company's bank statement as at May 14, 2021.

180 Vine Street South Cash Flow Forecast (\$CAD)						
Month Period Ended	Notes	Cumulative 4/1/2020 5/14/2021	May 31st	June 14th	June 30th	Cumulative 4/1/2020 6/30/2021
Receipts						
Rent receipts	1	769,248	17,888	40,229	17,888	845,254
Deferred rent	2	-	-	-	-	-
HST collected	3	100,002	2,325	5,230	2,325	109,883
Total Receipts		869,250	20,214	45,459	20,214	955,137
Disbursements						
<u>Operating</u>						
Property operating expenses	4	(447,979)	-	(32,491)	-	(480,470)
Critical supplier arrears	5	(10,412)	-	-	-	(10,412)
Withholding Tax	6	(1,846)	-	-	-	(1,846)
HST paid on operating disbursements	7	(59,591)	-	(4,224)	-	(63,815)
HST remittance to CRA (current)	8	(27,461)	(2,349)	-	(2,349)	(32,158)
HST remittance to CRA (arrears)	9	(11,767)	-	-	-	(11,767)
Municipal realty taxes	10	(140,000)	-	(10,000)	-	(150,000)
HST (scheduled arrears repayment)	11	(140,000)	-	(10,000)	-	(150,000)
Total Operating Disbursements		(839,055)	(2,349)	(56,715)	(2,349)	(900,467)
Net Operating Cash Flow		30,195	17,865	(11,256)	17,865	54,670
<u>Professional Fees</u>						
Professional fees - lender	12	(111,871)	(3,876)	(3,876)	(3,876)	(123,500)
Professional fees - borrower	13	(31,154)	(1,154)	(1,154)	(1,154)	(34,615)
HST paid on professional fees	14	(13,756)	(491)	(491)	(491)	(15,230)
Total Professional Fees		(156,780)	(5,522)	(5,522)	(5,522)	(173,345)
Net Cash Flow		(126,585)	12,344	(16,778)	12,344	(118,676)
Opening Cash Balance	15	(5,176)	(131,761)	(119,417)	(136,195)	(5,176)
Net Cash Flow		(126,585)	12,344	(16,778)	12,344	(118,676)
Closing Cash Balance		(131,761)	(119,417)	(136,195)	(123,852)	(123,852)

Notes:

1. Projected using March 2020 actual receipts as a baseline, and adjusted as required.
2. Assumes zero rent deferrals throughout the forbearance period. Rent deferral agreements will be entered into on a tenant by tenant basis, as required.
3. 13% of projected rent receipts.
4. Projected using 2020 operating budgets (include utilities, repairs & maintenance etc.), and adjusted as required.
5. Supplier arrears payments to critical suppliers, as required.
6. Monthly withholding taxes based on net income projection for 2021.
7. 13% of projected operating disbursements.
8. Assumes that HST filings are completed and amounts owing are paid/received on a monthly basis. Includes ITCs on professional fees.
9. HST remittances made on April 30th related to the period January 1 to March 31, 2020.
10. Projected using 2020 operating budgets, and adjusted as required. Assumes the Company pays on a "run-rate" basis which does not coincide with scheduled remittances.
11. HST arrears repayment schedule is based on agreement between the Company and CRA.
12. Professional fees for the lenders' advisors include fees for KPMG and Blakes.
13. Professional fees for the borrower include fees for the borrower's counsel Fogler, Rubinoff LLP.
14. HST is calculated as 13% of KPMG's and Fogler's professional fees. HST is not applicable to Blake's fees.
15. Opening cash balance is based on the Company's bank statements as at March 31, 2020.

180 Vine Street South Cash Flow Actuals (\$CAD)		
Month Period Ended	Notes	Cumulative 4/1/2020 5/14/2021
Receipts		
Rent receipts	1	633,407
Other receipts	2	42,429
HST collected	1	81,628
Total Receipts		757,464
Disbursements		
<u>Operating</u>		
Property operating expenses		(343,914)
Critical supplier arrears		(9,175)
Withholding Tax		(5,911)
HST paid on operating disbursements		(45,826)
HST remittance to CRA (current)		(92,754)
HST remittance to CRA (arrears)		(61,767)
Municipal realty taxes		(122,309)
HST (scheduled arrears repayment)		(57,000)
Total Operating Disbursements		(738,656)
Net Operating Cash Flow		18,808
<u>Professional Fees</u>		
Professional fees - lender	4	(101)
Professional fees - borrower		(5,833)
HST paid on professional fees		(771)
Total Professional Fees		(6,706)
Net Cash Flow		12,102
Opening Cash Balance	5	(5,176)
Add: Intercompany Transfers		100,000
Add: Outstanding Cheques		-
Add: Net Cash Flow		12,102
Closing Cash Balance	6	106,926

Notes:

1. Actual rent receipts based on Company's bank statements and allocated based on Prime's rent rolls.
2. Miscellaneous non-rent related receipts (i.e. GC deposits).
3. Actual disbursements based on bank statement and as categorized by the Company.
4. Actual lender professional fees paid out of the cash flows of the Company (note that certain lender professional fees have been paid out of the Loan 1 Capital Improvement Reserve and the Loan 5 Earn Out Reserve as the Company's cash flows have been unable to fund professional fees to date).
5. Opening cash balance is based on the Company's bank statement as at March 31, 2020.
6. Closing cash balance is based on Company's bank statement as at May 14, 2021.

849 Alexander Court Cash Flow Forecast (\$CAD)		Cumulative				
Month	Notes	4/1/2020 5/14/2021	May 31st	June 14th	June 30th	Cumulative 4/1/2020 6/30/2021
Receipts						
Rent receipts	1	778,957	9,644	56,086	9,644	854,332
Deferred rent	2	-	-	-	-	-
HST collected	3	101,264	1,254	7,291	1,254	111,063
Total Receipts		880,222	10,898	63,377	10,898	965,395
Disbursements						
<u>Operating</u>						
Property operating expenses	4	(302,023)	-	(21,573)	-	(323,596)
Critical supplier arrears	5	(5,000)	-	-	-	(5,000)
Withholding Tax	6	(1,993)	-	-	-	(1,993)
HST paid on operating disbursements	7	(39,913)	-	(2,805)	-	(42,718)
HST remittance to CRA (current)	8	(39,652)	(4,758)	-	(4,758)	(49,167)
HST remittance to CRA (arrears)	9	-	-	-	-	-
Municipal realty taxes	10	(285,633)	-	(20,402)	-	(306,035)
HST (scheduled arrears repayment)	11	-	-	-	-	-
Total Operating Disbursements		(674,215)	(4,758)	(44,780)	(4,758)	(728,510)
Net Operating Cash Flow		206,007	6,141	18,597	6,141	236,885
<u>Professional Fees</u>						
Professional fees - lender	12	(111,871)	(3,876)	(3,876)	(3,876)	(123,500)
Professional fees - borrower	13	(31,154)	(1,154)	(1,154)	(1,154)	(34,615)
HST paid on professional fees	14	(13,756)	(491)	(491)	(491)	(15,230)
Total Professional Fees		(156,780)	(5,522)	(5,522)	(5,522)	(173,345)
Net Cash Flow		49,227	619	13,075	619	63,540
Opening Cash Balance	15	16,720	65,947	66,566	79,641	16,720
Net Cash Flow		49,227	619	13,075	619	63,540
Closing Cash Balance		65,947	66,566	79,641	80,260	80,260

Notes:

1. Projected using March 2020 actual receipts as a baseline, and adjusted as required.
2. Assumes zero rent deferrals throughout the forbearance period. Rent deferral agreements will be entered into on a tenant by tenant basis, as required.
3. 13% of projected rent receipts.
4. Projected using 2020 operating budgets (include utilities, repairs & maintenance etc.), and adjusted as required.
5. Supplier arrears payments to critical suppliers, as required.
6. Monthly withholding taxes based on net income projection for 2021.
7. 13% of projected operating disbursements.
8. Assumes that HST filings are completed and amounts owing are paid/received on a monthly basis. Includes ITCs on professional fees.
9. HST remittances made on April 30th related to the period January 1 to March 31, 2020.
10. Projected using 2020 operating budgets, and adjusted as required. Assumes the Company pays on a "run-rate" basis which does not coincide with scheduled remittances.
11. HST arrears repayment schedule is based on agreement between the Company and CRA.
12. Professional fees for the lenders' advisors include fees for KPMG and Blakes.
13. Professional fees for the borrower include fees for the borrower's counsel Fogler, Rubinoff LLP.
14. HST is calculated as 13% of KPMG's and Fogler's professional fees. HST is not applicable to Blake's fees.
15. Opening cash balance is based on the Company's bank statements as at March 31, 2020.

849 Alexander Court Cash Flow Actuals (\$CAD)		Cumulative	
Month	Notes	4/1/2020 5/14/2021	4/1/2020 6/30/2021
Receipts			
Rent receipts	1	771,657	854,332
Other receipts	2	26,500	111,063
HST collected	1	100,315	111,063
Total Receipts		898,473	965,395
Disbursements			
<u>Operating</u>			
Property operating expenses		(360,690)	(323,596)
Critical supplier arrears		(125,521)	(5,000)
Withholding Tax		(5,891)	(1,993)
HST paid on operating disbursements		(60,331)	(42,718)
HST remittance to CRA (current)		(51,074)	(49,167)
HST remittance to CRA (arrears)		-	-
Municipal realty taxes		(134,605)	(306,035)
HST (scheduled arrears repayment)		-	-
Total Operating Disbursements		(738,110)	(728,510)
Net Operating Cash Flow		160,362	236,885
<u>Professional Fees</u>			
Professional fees - lender	4	(16,765)	(123,500)
Professional fees - borrower		(6,291)	(34,615)
HST paid on professional fees		(1,315)	(15,230)
Total Professional Fees		(24,372)	(173,345)
Net Cash Flow		135,990	63,540
Opening Cash Balance	5	16,720	16,720
Add: Intercompany Transfers		(14,282)	(14,282)
Add: Outstanding Cheques		4,985	4,985
Add: Net Cash Flow		135,990	135,990
Closing Cash Balance	6	143,414	143,414

Notes:

1. Actual rent receipts based on Company's bank statements and allocated based on Prime's rent rolls.
2. Miscellaneous non-rent related receipts (i.e. GC deposits).
3. Actual disbursements based on bank statement and as categorized by the Company.
4. Actual lender professional fees paid out of the cash flows of the Company (note that certain lender professional fees have been paid out of the Loan 1 Capital Improvement Reserve and the Loan 5 Earn Out Reserve as the Company's cash flows have been unable to fund professional fees to date).
5. Opening cash balance is based on the Company's bank statement as at March 31, 2020.
6. Closing cash balance is based on Company's bank statement as at May 14, 2021.

2009 Long Lake Road Cash Flow Forecast (\$CAD)		Cumulative 4/1/2020				
Month Period Ended	Notes	May 31st	June 14th	June 30th	Cumulative 4/1/2020 6/30/2021	
Receipts						
Rent receipts	1	1,262,902	4,254	86,138	4,254	1,357,548
Deferred rent	2	-	-	-	-	-
HST collected	3	164,177	553	11,198	553	176,481
Total Receipts		1,427,079	4,807	97,337	4,807	1,534,030
Disbursements						
<u>Operating</u>						
Property operating expenses	4	(501,943)	-	(35,853)	-	(537,796)
Critical supplier arrears	5	(6,829)	-	-	-	(6,829)
Withholding Tax	6	(3,559)	(179)	-	(179)	(3,917)
HST paid on operating disbursements	7	(66,140)	-	(4,661)	-	(70,801)
HST remittance to CRA (current)	8	(78,235)	(6,107)	-	(6,107)	(90,450)
HST remittance to CRA (arrears)	9	(23,180)	-	-	-	(23,180)
Municipal realty taxes	10	(262,500)	-	(18,750)	-	(281,250)
HST (scheduled arrears repayment)	11	(70,000)	-	(5,000)	-	(75,000)
Total Operating Disbursements		(1,012,387)	(6,286)	(64,264)	(6,286)	(1,089,224)
Net Operating Cash Flow		414,692	(1,479)	33,072	(1,479)	444,806
<u>Professional Fees</u>						
Professional fees - lender	12	(111,871)	(3,876)	(3,876)	(3,876)	(123,500)
Professional fees - borrower	13	(31,154)	(1,154)	(1,154)	(1,154)	(34,615)
HST paid on professional fees	14	(13,756)	(491)	(491)	(491)	(15,230)
Total Professional Fees		(156,780)	(5,522)	(5,522)	(5,522)	(173,345)
Net Cash Flow		257,912	(7,001)	27,551	(7,001)	271,461
Opening Cash Balance	15	49,394	307,305	300,304	327,855	49,394
Net Cash Flow		257,912	(7,001)	27,551	(7,001)	271,461
Closing Cash Balance		307,305	300,304	327,855	320,854	320,854

Notes:

1. Projected using March 2020 actual receipts as a baseline, and adjusted as required.
2. Assumes zero rent deferrals throughout the forbearance period. Rent deferral agreements will be entered into on a tenant by tenant basis, as required.
3. 13% of projected rent receipts.
4. Projected using 2020 operating budgets (include utilities, repairs & maintenance etc.), and adjusted as required.
5. Supplier arrears payments to critical suppliers, as required.
6. Monthly withholding taxes based on net income projection for 2021.
7. 13% of projected operating disbursements.
8. Assumes that HST filings are completed and amounts owing are paid/received on a monthly basis. Includes ITCs on professional fees.
9. HST remittances made on April 30th related to the period January 1 to March 31, 2020.
10. Projected using 2020 operating budgets, and adjusted as required. Assumes the Company pays on a "run-rate" basis which does not coincide with scheduled remittances.
11. HST arrears repayment schedule is based on agreement between the Company and CRA.
12. Professional fees for the lenders' advisors include fees for KPMG and Blakes.
13. Professional fees for the borrower include fees for the borrower's counsel Fogler, Rubinoff LLP.
14. HST is calculated as 13% of KPMG's and Fogler's professional fees. HST is not applicable to Blake's fees.
15. Opening cash balance is based on the Company's bank statements as at March 31, 2020.

2009 Long Lake Road Cash Flow Actuals (\$CAD)		Cumulative 4/1/2020	
Month Period Ended	Notes	May 31st	June 14th
Receipts			
Rent receipts	1	1,242,883	39,388
Other receipts	2	-	161,575
HST collected	1	-	-
Total Receipts		1,242,883	161,575
Disbursements			
<u>Operating</u>			
Property operating expenses	3	(395,869)	(4,744)
Critical supplier arrears		(7,431)	(46,155)
Withholding Tax		(115,524)	(65,252)
HST paid on operating disbursements		(408,581)	(40,000)
HST remittance to CRA (current)		(40,000)	(1,083,556)
HST remittance to CRA (arrears)			
Municipal realty taxes			
HST (scheduled arrears repayment)			
Total Operating Disbursements		(1,083,556)	(1,083,556)
Net Operating Cash Flow		360,289	360,289
<u>Professional Fees</u>			
Professional fees - lender	4	(133,607)	(10,681)
Professional fees - borrower		(16,344)	(16,344)
HST paid on professional fees		(16,344)	(16,344)
Total Professional Fees		(160,632)	(160,632)
Net Cash Flow		199,657	199,657
Opening Cash Balance	5	49,394	49,394
Add: Intercompany Transfers		(140,000)	(140,000)
Add: Outstanding Cheques		-	-
Add: Net Cash Flow		199,657	199,657
Closing Cash Balance	6	109,051	109,051

Notes:

1. Actual rent receipts based on Company's bank statements and allocated based on Prime's rent rolls.
2. Miscellaneous non-rent related receipts (i.e. GC deposits).
3. Actual disbursements based on bank statement and as categorized by the Company.
4. Actual lender professional fees paid out of the cash flows of the Company (note that certain lender professional fees have been paid out of the Loan 1 Capital Improvement Reserve and the Loan 5 Earn Out Reserve as the Company's cash flows have been unable to fund professional fees to date).
5. Opening cash balance is based on the Company's bank statement as at March 31, 2020.
6. Closing cash balance is based on Company's bank statement as at May 14, 2021.

65 Larch Street Cash Flow Forecast (\$CAD)		Cumulative 4/1/2020				
Month Period Ended	Notes	May 31st	June 14th	June 30th	Cumulative 4/1/2020 6/30/2021	
Receipts						
Rent receipts	1	1,300,668	3,000	88,604	3,000	1,395,272
Deferred rent	2	-	-	-	-	-
HST collected	3	169,087	390	11,518	390	181,385
Total Receipts		1,469,755	3,390	100,122	3,390	1,576,657
Disbursements						
<u>Operating</u>						
Property operating expenses	4	(697,737)	-	(51,910)	-	(749,647)
Critical supplier arrears	5	(13,386)	-	-	-	(13,386)
Withholding Tax	6	(3,958)	-	-	-	(3,958)
HST paid on operating disbursements	7	(92,446)	-	(6,748)	-	(99,194)
HST remittance to CRA (current)	8	(54,226)	(4,177)	-	(4,177)	(62,581)
HST remittance to CRA (arrears)	9	(5,085)	-	-	-	(5,085)
Municipal realty taxes	10	(294,000)	-	(21,000)	-	(315,000)
HST (scheduled arrears repayment)	11	(138,060)	-	(9,861)	-	(147,921)
Total Operating Disbursements		(1,298,897)	(4,177)	(89,519)	(4,177)	(1,396,771)
Net Operating Cash Flow		170,858	(787)	10,603	(787)	179,886
<u>Professional Fees</u>						
Professional fees - lender	12	(111,871)	(3,876)	(3,876)	(3,876)	(123,500)
Professional fees - borrower	13	(31,154)	(1,154)	(1,154)	(1,154)	(34,615)
HST paid on professional fees	14	(13,756)	(491)	(491)	(491)	(15,230)
Total Professional Fees		(156,780)	(5,522)	(5,522)	(5,522)	(173,345)
Net Cash Flow		14,078	(6,309)	5,081	(6,309)	6,541
Opening Cash Balance	15	29,154	43,232	36,923	42,004	29,154
Net Cash Flow		14,078	(6,309)	5,081	(6,309)	6,541
Closing Cash Balance		43,232	36,923	42,004	35,695	35,695

Notes:

1. Projected using March 2020 actual receipts as a baseline, and adjusted as required.
2. Assumes zero rent deferrals throughout the forbearance period. Rent deferral agreements will be entered into on a tenant by tenant basis, as required.
3. 13% of projected rent receipts.
4. Projected using 2020 operating budgets (include utilities, repairs & maintenance etc.), and adjusted as required.
5. Supplier arrears payments to critical suppliers, as required.
6. Monthly withholding taxes based on net income projection for 2021.
7. 13% of projected operating disbursements.
8. Assumes that HST filings are completed and amounts owing are paid/received on a monthly basis. Includes ITCs on professional fees.
9. HST remittances made on April 30th related to the period January 1 to March 31, 2020.
10. Projected using 2020 operating budgets, and adjusted as required. Assumes the Company pays on a "run-rate" basis which does not coincide with scheduled remittances.
11. HST arrears repayment schedule is based on agreement between the Company and CRA.
12. Professional fees for the lenders' advisors include fees for KPMG and Blakes.
13. Professional fees for the borrower include fees for the borrower's counsel Fogler, Rubinoff LLP.
14. HST is calculated as 13% of KPMG's and Fogler's professional fees. HST is not applicable to Blake's fees.
15. Opening cash balance is based on the Company's bank statements as at March 31, 2020.

65 Larch Street Cash Flow Actuals (\$CAD)		Cumulative 4/1/2020	
Month Period Ended	Notes	May 31st	June 14th
Receipts			
Rent receipts	1	1,316,187	26,036
Other receipts	2	170,790	-
HST collected	1	-	-
Total Receipts		1,513,013	26,036
Disbursements			
<u>Operating</u>			
Property operating expenses	3	(600,599)	(65,287)
Critical supplier arrears		(8,358)	(80,635)
Withholding Tax		(65,934)	(30,776)
HST paid on operating disbursements		(381,351)	(20,761)
HST remittance to CRA (current)		(20,761)	-
HST remittance to CRA (arrears)		-	-
Municipal realty taxes		-	-
HST (scheduled arrears repayment)		-	-
Total Operating Disbursements		(1,253,700)	(1,253,700)
Net Operating Cash Flow		259,313	259,313
<u>Professional Fees</u>			
Professional fees - lender	4	(50,709)	(12,498)
Professional fees - borrower		(2,586)	(65,793)
HST paid on professional fees		-	-
Total Professional Fees		(53,295)	(78,291)
Net Cash Flow		193,520	193,520
Opening Cash Balance	5	29,154	29,154
Add: Intercompany Transfers		(85,000)	-
Add: Outstanding Cheques		-	-
Add: Net Cash Flow		193,520	193,520
Closing Cash Balance	6	137,674	137,674

Notes:

1. Actual rent receipts based on Company's bank statements and allocated based on Prime's rent rolls.
2. Miscellaneous non-rent related receipts (i.e. GC deposits).
3. Actual disbursements based on bank statement and as categorized by the Company.
4. Actual lender professional fees paid out of the cash flows of the Company (note that certain lender professional fees have been paid out of the Loan 1 Capital Improvement Reserve and the Loan 5 Earn Out Reserve as the Company's cash flows have been unable to fund professional fees to date).
5. Opening cash balance is based on the Company's bank statement as at March 31, 2020.
6. Closing cash balance is based on Company's bank statement as at May 14, 2021.

100 Colborne Street Cash Flow Forecast (\$CAD)							100 Colborne Street Cash Flow Actuals (\$CAD)		
Month Period Ended	Notes	Cumulative 4/1/2020 5/14/2021	May 31st	June 14th	June 30th	Cumulative 4/1/2020 6/30/2021	Notes	Cumulative 4/1/2020 5/14/2021	
Receipts							Receipts		
Rent receipts	1	216,099	6,667	9,406	6,667	238,840	Rent receipts	1 225,934	
Deferred rent	2	-	-	-	-	-	Other receipts	2 33,304	
HST collected	3	28,093	867	1,223	867	31,049	HST collected	1 29,371	
Total Receipts		244,192	7,534	10,629	7,534	269,889	Total Receipts	288,610	
Disbursements							Disbursements		
<u>Operating</u>							<u>Operating</u>		
Property operating expenses	4	(208,253)	-	(15,250)	-	(223,503)	Property operating expenses	(176,129)	
Critical supplier arrears	5	(8,126)	-	-	-	(8,126)	Critical supplier arrears	(6,513)	
Withholding Tax	6	(1,445)	-	-	-	(1,445)	Withholding Tax	(4,274)	
HST paid on operating disbursements	7	(28,129)	-	(1,983)	-	(30,112)	HST paid on operating disbursements	(23,689)	
HST remittance to CRA (current)	8	10,915	876	-	876	12,666	HST remittance to CRA (current)	(26,063)	
HST remittance to CRA (arrears)	9	-	-	-	-	-	HST remittance to CRA (arrears)	16,004	
Municipal realty taxes	10	(191,683)	-	(13,692)	-	(205,375)	Municipal realty taxes	(155,669)	
HST (scheduled arrears repayment)	11	-	-	-	-	-	HST (scheduled arrears repayment)	-	
Total Operating Disbursements		(426,722)	876	(30,925)	876	(455,894)	Total Operating Disbursements	(376,332)	
Net Operating Cash Flow		(182,530)	8,410	(20,295)	8,410	(186,006)	Net Operating Cash Flow	(87,722)	
<u>Professional Fees</u>							<u>Professional Fees</u>		
Professional fees - lender	12	(111,871)	(3,876)	(3,876)	(3,876)	(123,500)	Professional fees - lender	(79)	
Professional fees - borrower	13	(31,154)	(1,154)	(1,154)	(1,154)	(34,615)	Professional fees - borrower	(4,561)	
HST paid on professional fees	14	(13,756)	(491)	(491)	(491)	(15,230)	HST paid on professional fees	(603)	
Total Professional Fees		(156,780)	(5,522)	(5,522)	(5,522)	(173,345)	Total Professional Fees	(5,244)	
Net Cash Flow		(339,310)	2,888	(25,817)	2,888	(359,351)	Net Cash Flow	(92,966)	
Opening Cash Balance	15	5,663	(333,647)	(330,759)	(356,576)	5,663	Opening Cash Balance	5 5,663	
Net Cash Flow		(339,310)	2,888	(25,817)	2,888	(359,351)	Add: Intercompany Transfers	140,000	
Closing Cash Balance		(333,647)	(330,759)	(356,576)	(353,689)	(353,689)	Add: Outstanding Cheques	-	
							Add: Net Cash Flow	(92,966)	
							Closing Cash Balance	6 52,697	

Notes:

1. Projected using March 2020 actual receipts as a baseline, and adjusted as required.
2. Assumes zero rent deferrals throughout the forbearance period. Rent deferral agreements will be entered into on a tenant by tenant basis, as required.
3. 13% of projected rent receipts.
4. Projected using 2020 operating budgets (include utilities, repairs & maintenance etc.), and adjusted as required.
5. Supplier arrears payments to critical suppliers, as required.
6. Monthly withholding taxes based on net income projection for 2021.
7. 13% of projected operating disbursements.
8. Assumes that HST filings are completed and amounts owing are paid/received on a monthly basis. Includes ITCs on professional fees.
9. HST remittances made on April 30th related to the period January 1 to March 31, 2020.
10. Projected using 2020 operating budgets, and adjusted as required. Assumes the Company pays on a "run-rate" basis which does not coincide with scheduled remittances.
11. HST arrears repayment schedule is based on agreement between the Company and CRA.
12. Professional fees for the lenders' advisors include fees for KPMG and Blakes.
13. Professional fees for the borrower include fees for the borrower's counsel Fogler, Rubinoff LLP.
14. HST is calculated as 13% of KPMG's and Fogler's professional fees. HST is not applicable to Blake's fees.
15. Opening cash balance is based on the Company's bank statements as at March 31, 2020.

Notes:

1. Actual rent receipts based on Company's bank statements and allocated based on Prime's rent rolls.
2. Miscellaneous non-rent related receipts (i.e. GC deposits).
3. Actual disbursements based on bank statement and as categorized by the Company.
4. Actual lender professional fees paid out of the cash flows of the Company (note that certain lender professional fees have been paid out of the Loan 1 Capital Improvement Reserve and the Loan 5 Earn Out Reserve as the Company's cash flows have been unable to fund professional fees to date).
5. Opening cash balance is based on the Company's bank statement as at March 31, 2020.
6. Closing cash balance is based on Company's bank statement as at May 14, 2021.

240 Old Penetanguish Cash Flow Forecast (\$CAD)		Cumulative 4/1/2020	May 31st	June 14th	June 30th	Cumulative 4/1/2020 6/30/2021
Month Period Ended	Notes	5/14/2021				
Receipts						
Rent receipts	1	720,425	16,198	37,358	16,198	790,178
Deferred rent	2	-	-	-	-	-
HST collected	3	93,655	2,106	4,857	2,106	102,723
Total Receipts		814,080	18,303	42,215	18,303	892,902
Disbursements						
<u>Operating</u>						
Property operating expenses	4	(335,059)	-	(24,390)	-	(359,449)
Critical supplier arrears	5	(9,319)	-	-	-	(9,319)
Withholding Tax	6	(1,782)	-	-	-	(1,782)
HST paid on operating disbursements	7	(44,769)	-	(3,171)	-	(47,940)
HST remittance to CRA (current)	8	(34,356)	(2,809)	-	(2,809)	(39,973)
HST remittance to CRA (arrears)	9	(15,279)	-	-	-	(15,279)
Municipal realty taxes	10	(168,000)	-	(12,000)	-	(180,000)
HST (scheduled arrears repayment)	11	(40,000)	-	-	-	(40,000)
Total Operating Disbursements		(648,563)	(2,809)	(39,561)	(2,809)	(693,741)
Net Operating Cash Flow		165,518	15,495	2,654	15,495	199,161
<u>Professional Fees</u>						
Professional fees - lender	12	(111,871)	(3,876)	(3,876)	(3,876)	(123,500)
Professional fees - borrower	13	(31,154)	(1,154)	(1,154)	(1,154)	(34,615)
HST paid on professional fees	14	(13,756)	(491)	(491)	(491)	(15,230)
Total Professional Fees		(156,780)	(5,522)	(5,522)	(5,522)	(173,345)
Net Cash Flow		8,737	9,973	(2,868)	9,973	25,815
Opening Cash Balance	15	40,259	48,997	58,970	56,102	40,259
Net Cash Flow		8,737	9,973	(2,868)	9,973	25,815
Closing Cash Balance		48,997	58,970	56,102	66,075	66,075

Notes:

1. Projected using March 2020 actual receipts as a baseline, and adjusted as required.
2. Assumes zero rent deferrals throughout the forbearance period. Rent deferral agreements will be entered into on a tenant by tenant basis, as required.
3. 13% of projected rent receipts.
4. Projected using 2020 operating budgets (include utilities, repairs & maintenance etc.), and adjusted as required.
5. Supplier arrears payments to critical suppliers, as required.
6. Monthly withholding taxes based on net income projection for 2021.
7. 13% of projected operating disbursements.
8. Assumes that HST filings are completed and amounts owing are paid/received on a monthly basis. Includes ITCs on professional fees.
9. HST remittances made on April 30th related to the period January 1 to March 31, 2020.
10. Projected using 2020 operating budgets, and adjusted as required. Assumes the Company pays on a "run-rate" basis which does not coincide with scheduled remittances.
11. HST arrears repayment schedule is based on agreement between the Company and CRA.
12. Professional fees for the lenders' advisors include fees for KPMG and Blakes.
13. Professional fees for the borrower include fees for the borrower's counsel Fogler, Rubinoff LLP.
14. HST is calculated as 13% of KPMG's and Fogler's professional fees. HST is not applicable to Blake's fees.
15. Opening cash balance is based on the Company's bank statements as at March 31, 2020.

240 Old Penetanguish Cash Flow Actuals (\$CAD)		Cumulative 4/1/2020
Month Period Ended	Notes	5/14/2021
Receipts		
Rent receipts	1	698,401
Other receipts	2	4,987
HST collected	1	90,792
Total Receipts		794,180
Disbursements		
<u>Operating</u>		
Property operating expenses	3	(300,583)
Critical supplier arrears		(17,237)
Withholding Tax		(3,860)
HST paid on operating disbursements		(41,254)
HST remittance to CRA (current)		(22,463)
HST remittance to CRA (arrears)		-
Municipal realty taxes		(183,324)
HST (scheduled arrears repayment)		(45,279)
Total Operating Disbursements		(614,000)
Net Operating Cash Flow		180,180
<u>Professional Fees</u>		
Professional fees - lender	4	(37,786)
Professional fees - borrower		(5,628)
HST paid on professional fees		(745)
Total Professional Fees		(44,160)
Net Cash Flow		136,021
Opening Cash Balance	5	40,259
Add: Intercompany Transfers		(45,000)
Add: Outstanding Cheques		-
Add: Net Cash Flow		136,021
Closing Cash Balance	6	131,280

Notes:

1. Actual rent receipts based on Company's bank statements and allocated based on Prime's rent rolls.
2. Miscellaneous non-rent related receipts (i.e. GC deposits).
3. Actual disbursements based on bank statement and as categorized by the Company.
4. Actual lender professional fees paid out of the cash flows of the Company (note that certain lender professional fees have been paid out of the Loan 1 Capital Improvement Reserve and the Loan 5 Earn Out Reserve as the Company's cash flows have been unable to fund professional fees to date).
5. Opening cash balance is based on the Company's bank statement as at March 31, 2020.
6. Closing cash balance is based on Company's bank statement as at May 14, 2021.

SCHEDULE "C"

Loan 1 Beneficial Owners







SCHEDULE “D”

WIRE INSTRUCTIONS

Beneficiary Bank:
Bank Address:
Account With Institution:
Swiftcode:
Beneficiary:
Beneficiary Address:
Account No.:
Reference:



SCHEDULE "E"**PERSONAL PROPERTY SECURITY ACT (ONTARIO) REGISTRATIONS****Loan 1**

DEBTOR NAME(S)	ONTARIO PPSA REFERENCE FILE NUMBER	SECURED PARTIES
MARK C GROSS SHELDON GROSS	704582595	AMERICAN GENERAL LIFE INSURANCE COMPANY NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, P.A.
VICTORIA AVENUE NORTH HOLDINGS INC.	704582487	AMERICAN GENERAL LIFE INSURANCE COMPANY NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, P.A.

Loan 5

DEBTOR NAME	ONTARIO PPSA REFERENCE FILE NUMBER	SECURED PARTIES
240 OLD PENETANGUISH HOLDINGS INC.	713545416	AMERICAN GENERAL LIFE INSURANCE COMPANY THE VARIABLE ANNUITY LIFE INSURANCE COMPANY LEXINGTON INSURANCE COMPANY
100 COLBORNE HOLDINGS INC.	713544723	AMERICAN GENERAL LIFE INSURANCE COMPANY THE VARIABLE ANNUITY LIFE INSURANCE COMPANY LEXINGTON INSURANCE COMPANY
65 LARCH HOLDINGS INC.	713545713	AMERICAN GENERAL LIFE INSURANCE COMPANY THE VARIABLE ANNUITY LIFE INSURANCE COMPANY LEXINGTON INSURANCE COMPANY
2009 LONG LAKE HOLDINGS INC.	713545317	AMERICAN GENERAL LIFE INSURANCE COMPANY THE VARIABLE ANNUITY LIFE INSURANCE COMPANY LEXINGTON INSURANCE COMPANY

DEBTOR NAME	ONTARIO PPSA REFERENCE FILE NUMBER	SECURED PARTIES
2478658 ONTARIO LTD.	713545524	AMERICAN GENERAL LIFE INSURANCE COMPANY THE VARIABLE ANNUITY LIFE INSURANCE COMPANY LEXINGTON INSURANCE COMPANY
180 VINE INC.	713545038	AMERICAN GENERAL LIFE INSURANCE COMPANY THE VARIABLE ANNUITY LIFE INSURANCE COMPANY LEXINGTON INSURANCE COMPANY
CARRIAGE GATE GROUP INC.	713545857	AMERICAN GENERAL LIFE INSURANCE COMPANY THE VARIABLE ANNUITY LIFE INSURANCE COMPANY LEXINGTON INSURANCE COMPANY
GROSS PROPERTIES INC. 2413667 ONTARIO INC.	713545983	AMERICAN GENERAL LIFE INSURANCE COMPANY THE VARIABLE ANNUITY LIFE INSURANCE COMPANY LEXINGTON INSURANCE COMPANY
180 VINE PURCHASER INC. 2413667 ONTARIO INC.	713545146	AMERICAN GENERAL LIFE INSURANCE COMPANY THE VARIABLE ANNUITY LIFE INSURANCE COMPANY LEXINGTON INSURANCE COMPANY
MARK C GROSS SHELDON GROSS	713546217	AMERICAN GENERAL LIFE INSURANCE COMPANY THE VARIABLE ANNUITY LIFE INSURANCE COMPANY LEXINGTON INSURANCE COMPANY

SCHEDULE "F"
MORTGAGE DISCHARGES

Loan 1

PROPERTY ADDRESS	MORTGAGE/ ASSIGNMENT OF RENTS REGISTRATION NUMBERS	SECURED PARTIES
304 Victoria Avenue North, Hamilton, Ontario and 414 Victoria Avenue North, Hamilton, Ontario	Charge/Mortgage No. WE1027848 and General Assignment of Rents No. WE1027849	AMERICAN GENERAL LIFE INSURANCE COMPANY NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

Loan 5

PROPERTY ADDRESS	MORTGAGE/ ASSIGNMENT OF RENTS REGISTRATION NUMBERS	SECURED PARTIES
35 Upper Centennial Parkway, Hamilton, Ontario	Charge/Mortgage No. WE1096059 and General Assignment of Rents No. WE1096060	AMERICAN GENERAL LIFE INSURANCE COMPANY THE VARIABLE ANNUITY LIFE INSURANCE COMPANY LEXINGTON INSURANCE COMPANY
100 Colborne Street, Orillia, Ontario and 77 Wyandotte Street, Orillia, Ontario	Charge/Mortgage No. SC1278217 and General Assignment of Rents No. SC1278218	AMERICAN GENERAL LIFE INSURANCE COMPANY THE VARIABLE ANNUITY LIFE INSURANCE COMPANY LEXINGTON INSURANCE COMPANY
849 Alexander Court, Peterborough, Ontario	Charge/Mortgage No. PE239807 and General Assignment of Rents No. PE239808	AMERICAN GENERAL LIFE INSURANCE COMPANY THE VARIABLE ANNUITY LIFE INSURANCE COMPANY LEXINGTON INSURANCE COMPANY
65 Larch Street, Sudbury, Ontario	Charge/Mortgage No. SD309725 and General Assignment of Rents No. SD309726	AMERICAN GENERAL LIFE INSURANCE COMPANY THE VARIABLE ANNUITY LIFE INSURANCE COMPANY LEXINGTON INSURANCE COMPANY

PROPERTY ADDRESS	MORTGAGE/ ASSIGNMENT OF RENTS REGISTRATION NUMBERS	SECURED PARTIES
2009 Long Lake Road, Sudbury, Ontario	Charge/Mortgage No. SD309728 and General Assignment of Rents No. SD309729	AMERICAN GENERAL LIFE INSURANCE COMPANY THE VARIABLE ANNUITY LIFE INSURANCE COMPANY LEXINGTON INSURANCE COMPANY
180 Vine Street South, St. Catharines, Ontario	Charge/Mortgage No. NR403682 and General Assignment of Rents No. NR403683	AMERICAN GENERAL LIFE INSURANCE COMPANY THE VARIABLE ANNUITY LIFE INSURANCE COMPANY LEXINGTON INSURANCE COMPANY
240 Old Penetang Road North, Midland, Ontario	Charge/Mortgage No. SC1278220 and General Assignment of Rents No. SC1278221	AMERICAN GENERAL LIFE INSURANCE COMPANY THE VARIABLE ANNUITY LIFE INSURANCE COMPANY LEXINGTON INSURANCE COMPANY

This is **Exhibit “DD”** referred to in the
Affidavit of Jacob Baron
sworn before me by video conference
this 18th day of June, 2021.



A Commissioner, etc.

Nancy Ann Thompson, a Commissioner, etc.,
Province of Ontario, for Blake, Cassels & Graydon LLP,
Barristers and Solicitors.

TERM SHEET**Dated as of JUNE 18, 2021**

WHEREAS American General Life Insurance Company, Lexington Insurance Company, and The Variable Annuity Life Insurance Company (collectively, the “**Lenders**”) have sought the appointment of KPMG Inc. (“**KPMG**”), pursuant to section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as receiver and manager (in such capacity and not in its personal or corporate capacity, the “**Receiver**”) of: (i) all of the assets, undertakings and properties, including the real property described in Schedule “A” hereto (the “**Real Property**”) of Southmount Healthcare Centre Inc., 180 Vine Inc. (“**Vine**”), 2478658 Ontario Ltd., 2009 Long Lake Holdings Inc., 65 Larch Holdings Inc., 100 Colborne Holdings Inc., and 240 Old Penetanguish Holdings Inc. (collectively, the “**Legal Owners**”) acquired for, or used in relation to the Legal Owners’ business, including any interest held by Vine to which the Crown may have rights (collectively, the “**Legal Owners’ Property**”), and (ii) 180 Vine Purchaser Inc., Gross Properties Inc. and 2413667 Ontario Inc. (collectively, the “**Beneficial Owners**”) but solely in respect of all of the Beneficial Owners’ right, title and interest in and to Legal Owners’ Property, including the Real Property and all proceeds thereof, whether held directly or indirectly by the Beneficial Owners for themselves or for others (collectively, the “**Beneficial Owners’ Property**” and together with the Legal Owners’ Property, the “**Property**”).

AND WHEREAS the Receiver is to be appointed by Order of the Ontario Superior Court of Justice (the “**Court**”) pursuant to a hearing scheduled on June 29, 2021 (as may be modified, amended or supplemented with consent of the Receiver and the Lenders, the “**Receivership Order**”) to, among other things, conduct a Court-approved sale process for all or substantially all of the Property;

AND WHEREAS the Receiver will incur certain costs and obligations in relation to its appointment as Receiver;

AND WHEREAS the Lenders have agreed to fund such costs and obligations of the Receiver in accordance with the terms set out herein (such funding facility, the “**Facility**”);

NOW THEREFORE, in consideration of the mutual agreements herein contained, the parties hereto agree as follows:

1. **PURPOSE OF FACILITY:** To fund the costs of the receivership proceedings, including, without limitation, (i) the exercise of the powers and duties conferred upon the Receiver by the Receivership Order; (ii) the cost associated with maintaining, preserving and safeguarding of the Property; (iii) the Receiver’s assessment of realization strategies for the Property, including conducting a sale process with respect to same, in consultation with the Lenders; and (iv) the fees and disbursements of the Receiver and its legal counsel in connection with the foregoing and in connection with the application for the Receivership Order; all substantially in accordance with the receivership budget appended hereto as Schedule “**B**” (as may be amended, modified or supplemented from time to time on agreement of the Lenders and the Receiver, the “**Budget**”).

Notwithstanding any provision to the contrary herein, the Lenders shall not be obligated to fund any Advances (as defined below) which, in the aggregate, exceed \$750,000 and, accordingly, the total amount advanced under the Facility shall not exceed \$750,000, unless the Lenders otherwise agree.

2. AVAILABILITY: Promptly following the granting of the Receivership Order, the Lenders will make an initial advance under the Facility to the Receiver in the amount of \$500,000 (all figures CAD) (the “**Initial Advance**”).

Thereafter, the Facility may be drawn down by the Receiver in weekly advances in amounts determined by the Receiver (each, an “**Advance**”) to cover anticipated costs and expenses of the receivership. The Receiver shall be entitled to submit a weekly written request (an “**Advance Request**”) for an Advance. Such Advances are to be made substantially in accordance with the Budget, unless otherwise agreed by the Lenders.

Upon receipt of an Advance Request, the Lenders (or their designee) will provide the requested Advance to the Receiver by wire transfer to an account stipulated by the Receiver by the end of the business day that is five (5) business days following the day on which the Advance Request is received by the Lenders. For greater certainty, the Advances (i) may be made from the earnout reserve in respect of the loans previously advanced by the Lenders to the Legal Owners, and (ii) are to be made prior to the time that liability for the anticipated costs and expenses are to be incurred by the Receiver in accordance with the Budget and the Receiver will use reasonable efforts not to incur any material obligation to any party unless and until the Receiver is in receipt of sufficient funds to satisfy such obligation in full.

3. EXPENSES The Lenders shall be entitled to reimbursement of all of their reasonable costs and expenses (including the fees and expenses of their counsel, appraisers and other advisors) incurred in connection with this Facility (collectively, the “**Expenses**”).

4. INTEREST & FEES AND EXPENSES: Interest shall accrue from the date of the Initial Advance on the outstanding balance of the Initial Advance and any Advance thereafter (collectively and together with all Expenses, the “**Obligations**”) at an annual interest rate of 8.95 %. All interest shall be computed on the basis of a year of 365 days for the actual number of days (including the first day but excluding the last day) elapsed.

5. REPAYMENT: The Obligations (including interest thereon) shall be repaid to the Lenders upon the realization of net proceeds from the sale of any Property, in accordance with the Receivership Order and the Receiver’s Borrowings Charge (as defined in the Receivership Order) or any subsequent order of the Court.

For greater certainty, KPMG in its personal or corporate capacity will not have any liability to repay the Obligations (including interest thereon).

6. TERM: The Facility will be available to the Receiver for an initial six (6) month period ending December 29, 2021 (the “**Initial Term**”). Prior to the expiry of the Initial Term, the Lenders shall determine, at their sole discretion in consultation with the Receiver, the need to provide additional availability under the Facility for the purposes of continuing to pursue a Court-approved sale process for the Property (or any portion thereof) and/or consummating any successful bid(s) for the Property (or any portion thereof). If the Lenders

so elect to provide additional funding, such additional funding is to be provided for a period of time to be agreed upon by the Lenders and the Receiver in accordance with a revised budget to be agreed upon between the Lenders and the Receiver.

Notwithstanding the foregoing, the Lenders may terminate the Facility at any time following the occurrence of an Event of Default (as defined below) at which point the Initial Term shall be deemed to have expired.

7. CONDITIONS PRECEDENT:

The Lenders will not be obligated to make any Advance (including the Initial Advance) under the Facility unless the following conditions precedent have been satisfied or waived by the Lenders in writing:

1. The Receivership Order has been issued by no later than June 29, 2021, in form and substance satisfactory to the Lenders.
2. The Receiver has executed and returned a copy of this Term Sheet.
3. Other than the Initial Advance, the Receiver has delivered an Advance Request to the Lenders by no later than 5:00 pm Toronto time on the day that is five (5) business days prior to the day on which an Advance is to be made.
4. No Event of Default has occurred.

8. EVENTS OF DEFAULT:

The occurrence of any one or more of the following constitutes an “Event of Default” under this Term Sheet:


1. Any termination of the stay of proceedings contained in the Receivership Order.
2. Any termination of the appointment of the Receiver.
3. Any order is issued by the Court:
 - (i) granting any other claim or lien in respect of the Property that is *pari passu* with or in priority to the Receiver’s Borrowings Charge (as defined in the Receivership Order);
 - (ii) modifying this Term Sheet, without the prior written consent of the Lenders;
 - (iii) approving any sale of the Property (or any portion thereof) without the prior written consent of the Lenders which does not provide for sufficient proceeds to fully repay all of the Obligations; or
 - (iv) reversing, modifying, staying or amending the Receivership Order, without the written consent of the Lenders.

- 9. REMEDIES:** Upon the occurrence of an Event of Default, and at any time thereafter while an Event of Default is continuing, the Lenders may declare, after giving notice to the Receiver, that the Facility is terminated and cancelled. For greater certainty, the Receiver shall be entitled to pay any obligations incurred by the Receiver from the Advances (including the Initial Advance), notwithstanding any Event of Default.
- 10. REIMBURSEMENT:** At the termination of the receivership, the Receiver shall, after paying all obligations incurred by it, reimburse to the Lenders any excess or residual funds in its possession from the Advances (including the Initial Advance).
- 11. GOVERNING LAW:** Ontario and the federal laws of Canada applicable therein.
- 12. SECURITY:** The Receiver's Borrowings Charge (as defined in the Receivership Order), being a court-ordered receiver's borrowings charge over all of the Property as provided for in the Receivership Order, in form and substance satisfactory to the Lenders and the Receiver, as evidenced by Receiver's Certificates (as defined in the Receivership Order). For greater certainty, following the Initial Advance, the Receivership Order shall be registered on title against the real property described on Schedule "A".
- 13. FURTHER ASSURANCES** The Receiver shall, from time to time do, execute and deliver, or cause to be done, executed and delivered, such further acts, documents and things as the Lenders may reasonably request for the purpose of giving effect to this Term Sheet.
- 14. NOTICE:** Any notice or request required or permitted to be given in connection with this Term Sheet shall be in writing and shall be sufficiently given if delivered by email:
- (a) in the case of the Receiver at:
- KPMG Inc.**, as Receiver of Southmount Healthcare Inc., *et al*
333 Bay Street, Suite 4600
Bay Adelaide Centre
Toronto ON M5H 2S5
- Attention: Nick Brearton / George Bourikas
Email: nbrearton@kpmg.ca / gbourikas@kpmg.ca
- (b) in the case of the Lenders at:
- AIG Asset Management (U.S.), LLC**
777 S. Figueroa Street, 16th Floor
Los Angeles, CA 90017
- Attention: Michelle Campion / Jacob Baron
Email: michelle.campion@aig.com / jacob.baron@aig.com


[Signature Page Follows]

If the above terms and conditions contained herein are acceptable to the proposed Receiver, please execute and return a copy of this Term Sheet.


AMERICAN GENERAL LIFE INSURANCE COMPANY by its investment advisor, AIG Asset Management (U.S.), LLC, a Delaware limited liability company

Per: 
Name: Jacob Baron
Title: Vice President

THE VARIABLE ANNUITY LIFE INSURANCE COMPANY by its investment advisor, AIG Asset Management (U.S.), LLC, a Delaware limited liability company

Per: 
Name: Jacob Baron
Title: Vice president

LEXINGTON INSURANCE COMPANY by its investment advisor, AIG Asset Management (U.S.), LLC a Delaware limited liability company

Per: 
Name: Jacob Baron
Title: vice President

Acknowledged and accepted as of the ____ day of June, 2021.

KPMG INC., solely in its capacity as proposed court-appointed receiver and manager and not in its personal or corporate capacity, and without personal or corporate liability

Per: _____
Name:
Title:

If the above terms and conditions contained herein are acceptable to the proposed Receiver, please execute and return a copy of this Term Sheet.

AMERICAN GENERAL LIFE INSURANCE COMPANY by its investment advisor, AIG Asset Management (U.S.), LLC, a Delaware limited liability company

Per: _____
Name:
Title:

THE VARIABLE ANNUITY LIFE INSURANCE COMPANY by its investment advisor, AIG Asset Management (U.S.), LLC, a Delaware limited liability company


Per: _____
Name:
Title:

LEXINGTON INSURANCE COMPANY by its investment advisor, AIG Asset Management (U.S.), LLC a Delaware limited liability company

Per: _____
Name:
Title:

Acknowledged and accepted as of the 18th day of June, 2021.

KPMG INC., solely in its capacity as proposed court-appointed receiver and manager and not in its personal or corporate capacity

Per:  _____
Name: Katherine Forbes
Title: Senior Vice President

SCHEDULE "A"**Real Property**

Municipal Address: 35 Upper Centennial Parkway, Hamilton

Legal Descriptions: PIN 17088-0748(LT): PT LT 25, CON 8 SALTFLEET, PART 7, PLAN 62R-18917; STONEY CREEK; TOGETHER WITH AN EASEMENT OVER PT LT 25, CON 8 SALTFLEET, PARTS 9, 11, 12 AND 13 ON 62R18917 AS IN WE749696; CITY OF HAMILTON; and PIN 17088-0762(LT): PT LT 25 CON 8 SALTFLEET BEING PARTS 1, 2, 3, 4, 5 AND 10 ON 62R18917; S/T AN EASEMENT OVER PART 3 ON 62R18917 IN FAVOUR OF PARTS 1-5 INCL, 12-15 INCL, 18, 21, 30, 31, 32, 36, 38, 42, 48, 53 ON 62R14684 AS IN LT562193; T/W AN EASEMENT OVER PARTS 2, 4, 14, 21, 30, 31, 32, 36, 38, 48 ON 62R14684 AS IN LT562194; SUBJECT TO AN EASEMENT OVER PART 5 ON 62R18917 IN FAVOUR OF PT LT 25 CON 8 SALTFLEET BEING PARTS 3, 5, 6 ON 62R18292 AND PARTS 9, 10, 11, 39, 40, 41, 43, 44, 45, 46, 47, 49, 50, 51, 52, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78 ON 62R14684 SAVE AND EXCEPT PARTS 1, 2, 3, 4, 5, 10 ON 62R18917 AS IN WE749696; SUBJECT TO AN EASEMENT OVER PART 10 ON 62R18917 IN FAVOUR OF PT LT 25 CON 8 SALTFLEET BEING PARTS 3, 5, 6 ON 62R18292 AND PARTS 9, 10, 11, 39, 40, 41, 43, 44, 45, 46, 47, 49, 50, 51, 52, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78 ON 62R14684 SAVE AND EXCEPT PARTS 1, 2, 3, 4, 5, 10 ON 62R18917 AS IN WE749696; SUBJECT TO AN EASEMENT OVER PART 2 ON 62R18917 IN FAVOUR OF PT LT 25 CON 8 SALTFLEET BEING PARTS 3, 5, 6 ON 62R18292 AND PARTS 9, 10, 11, 39, 40, 41, 43, 44, 45, 46, 47, 49, 50, 51, 52, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78 ON 62R14684 SAVE AND EXCEPT PARTS 1, 2, 3, 4, 5, 10 ON 62R18917 AS IN WE749696; SUBJECT TO AN EASEMENT OVER PART 3 ON 62R18917 IN FAVOUR OF PT LT 25 CON 8 SALTFLEET BEING PARTS 3, 5, 6 ON 62R18292 AND PARTS 9, 10, 11, 39, 40, 41, 43, 44, 45, 46, 47, 49, 50, 51, 52, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78 ON 62R14684 SAVE AND EXCEPT PARTS 1, 2, 3, 4, 5, 10 ON 62R18917 AS IN WE749696; STONEY CREEK; TOGETHER WITH AN EASEMENT OVER PARTS 9, 11, 12 AND 13 ON 62R18917 AS IN WE749696; CITY OF HAMILTON

Municipal Address: 240 Old Penetang Road North, Midland

Legal Description: PIN 58454-0029(LT): PT E1/2 LT 106 CON 1 WPR TINY; PT LT 107 CON 1 WPR TINY PT 3 & 4, 51R18477 & PT 4, 5, 6, 7 & 10 R1026 EXCEPT 51R3985; T/W & S/T RO1045345; MIDLAND

Municipal Address: 100 Colborne Street West, Orillia

Legal Description: PIN 58650-0115(LT): PT LT 10-15, 17 BLK C PL 228 ORILLIA PT 3, 4 & 5, 51R10372; ORILLIA

Municipal Address: 77 Wyandotte Street, Orillia

Legal Description: PIN 58644-0014(LT): LT 16 BLK G PL 228 ORILLIA; PT LT 15 BLK G PL 228 ORILLIA AS IN RO1453448; ORILLIA

Municipal Address: 849 Alexander Court, Peterborough

Legal Description: PIN 28061-0157(LT):PT LTS 3 & 4, PL 23Q, PART 1&2, 45R647, NORTH MONAGHAN; PETERBOROUGH

Municipal Address: 65 Larch Street, Sudbury

Legal Descriptions: PIN 73584-0077(LT): LT 23 BLK A PL 3SA MCKIM; GREATER SUDBURY; and

PIN 73584-0078(LT): LT 20-22 BLK A PL 3SA MCKIM; GREATER SUDBURY; and
PIN 73584-0097(LT): PT N1/2 LT 5 CON 3 MCKIM AS IN S81426 (SECONDLY & THIRDLY);
GREATER SUDBURY

Municipal Address: 2009 Long Lake Road, Sudbury

Legal Descriptions: PIN 73595-0102(LT): PCL 8259 SEC SES; PT LT 6 CON 1 MCKIM EXCEPT
LT52588, LT53059, LT109847, PT 7 53R4520 & PT 4 53R13501; S/T LT25019; GREATER
SUDBURY; and

PIN 73595-0174(LT): PCL 39445 SEC SES; PT LT 6 CON 1 MCKIM PT 3 TO 7 & 12 TO 15 53R5036;
PT LT 6 CON 1 MCKIM PT 5 53R13501; S/T PT 2 & 3 53R13501 AS IN LT717184; S/T LT25019,
LT735739; GREATER SUDBURY; and

PIN 73595-0333 (LT): PCL 39000 SEC SES; PT LT 6 CON 1 MCKIM PT 9 TO 11 53R5036; T/W A
ROW OVER PT 1 & 2 53R5036; S/T LT25019; GREATER SUDBURY

Municipal Address: 180 Vine Street South, City of St. Catharines

Legal Description: PIN 46272-0086 (LT): PT LT 7, 9-10 BLK D CY PL 46 GRANTHAM; PT BLK A
CY PL 79 GRANTHAM; PT BLK A, B CY PL 80 GRANTHAM; PT UNNAMED ST CY PL 46
GRANTHAM , CLOSED BY RO407053, PT 1 30R2209 EXCEPT PT 1 30R3734, PT 1 30R6493, & PT
1 30R7456; ST. CATHARINES

SCHEDULE "B"
(attached)

Loan 5		Cash Flow Forecast (\$CAD)												
Semi-Monthly Period Ending		14-Jul-21	31-Jul-21	14-Aug-21	31-Aug-21	14-Sep-21	30-Sep-21	14-Oct-21	31-Oct-21	14-Nov-21	30-Nov-21	14-Dec-21	31-Dec-21	Total
Receipts														
1	Rent receipts (net)	356,244	75,839	356,244	75,839	351,651	75,839	351,651	75,839	351,651	75,839	346,963	75,839	2,569,437
2	Collection of deferred rent	-	-	-	-	-	-	-	-	-	-	-	-	-
3	HST collected	46,312	9,859	46,312	9,859	45,715	9,859	45,715	9,859	45,715	9,859	45,105	9,859	334,027
4	Total Receipts	402,556	85,698	402,556	85,698	397,366	85,698	397,366	85,698	397,366	85,698	392,068	85,698	2,903,464
Disbursements														
1	Property operating expenses	(129,259)	-	(149,343)	-	(129,259)	-	(128,843)	-	(166,616)	-	(149,696)	-	(853,017)
5	Management fee	(28,881)	-	(28,881)	-	(28,881)	-	(28,881)	-	(28,881)	-	(28,881)	-	(173,288)
6	Initial possession cost	(100,000)	-	-	-	-	-	-	-	-	-	-	-	(100,000)
7	Repairs and maintenance	(37,219)	-	(35,514)	-	(51,364)	-	(35,814)	-	(37,014)	-	(49,557)	-	(246,480)
8	Environmental and building condition reports	(35,000)	-	-	-	-	-	-	-	-	-	-	-	(35,000)
9	HST paid on operating disbursements	(42,947)	-	(27,786)	-	(27,236)	-	(25,160)	-	(30,226)	-	(29,657)	-	(183,012)
10	HST refund / (remittance)	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Municipal realty taxes	-	-	-	-	-	53,025	-	5,843	-	3,029	-	(4,898)	56,999
12	Contingency	(35,000)	-	(35,000)	-	(35,000)	-	(35,000)	-	(35,000)	-	(35,000)	-	(210,000)
13	Total Operating Disbursements	(408,306)	-	(276,524)	-	(271,740)	53,025	(253,698)	5,843	(297,737)	3,029	(292,791)	(4,898)	(1,743,798)
Net Operating Cash Flow		(5,750)	85,698	126,032	85,698	125,626	138,723	143,667	91,541	99,628	86,727	99,276	80,800	1,159,666
14	Professional fees	-	(509,608)	-	(263,289)	-	(241,286)	-	(196,276)	-	(196,276)	-	(196,276)	(1,603,009)
15	HST paid on professional fees	-	(66,249)	-	(34,228)	-	(31,367)	-	(25,516)	-	(25,516)	-	(25,516)	(208,391)
Total Professional Fees		-	(575,857)	-	(297,516)	-	(272,653)	-	(221,791)	-	(221,791)	-	(221,791)	(1,811,400)
Net Cash Flow		(5,750)	(490,159)	126,032	(211,819)	125,626	(133,930)	143,667	(130,251)	99,628	(133,064)	99,276	(140,991)	(651,734)
Opening Cash Balance		29,122	523,373	33,214	159,246	47,427	173,053	39,123	182,791	52,540	152,168	19,104	118,380	29,122
Net Cash Flow		(5,750)	(490,159)	126,032	(211,819)	125,626	(133,930)	143,667	(130,251)	99,628	(133,064)	99,276	(140,991)	(651,734)
Advances under Receiver Term Sheet		500,000	-	-	100,000	-	-	-	-	-	-	-	50,000	650,000
Closing Cash Balance		523,373	33,214	159,246	47,427	173,053	39,123	182,791	52,540	152,168	19,104	118,380	27,389	27,389

Notes:

- The Cash Flow Forecast assumes that none of the Properties will be sold within the 6-month forecast period.
 - Actual cash flow may vary significantly from the Cash Flow Forecast depending on if and when some or all Properties are sold.
 - Projected using May 2021 Rent Rolls as a baseline, adjusted based on actual receipts in May 2021 and additional details provided by property management, as necessary.
 - We have assumed no receipts associated with deferred rents given the uncertainty around collections.
 - 13% of projected rent receipts (net) and collection of deferred rent.
 - Projected using 2021 operating budgets (include utilities, cleaning etc.) obtained from property management, and adjusted as required.
 - Projected using 2021 operating budgets obtained from property management.
 - One-time costs associated with the Receiver taking possession of the assets.
 - Projected using 2021 operating budgets obtained from property management. Figures do not include contingent capital expenditures of \$722k that may be required after the Receiver performs a fulsome assessment of the properties.
 - Assumes Phase I environmental assessment and building condition reports are required as part of sale process, projected cost for is \$5k per building.
 - 13% of projected operating disbursements.
 - Assumes that HST filings are completed on a monthly basis, with amounts owing paid/received one month thereafter. Includes ITCs on professional fees.
 - All outstanding municipal realty taxes to be remitted in full to municipalities on closing of asset sales from sale proceeds.
 - Contingency for unanticipated disbursements.
 - Professional fees include fees for the Receiver, counsel to the Receiver (Blake, Cassels & Graydon LLP), and independent counsel to the Receiver (Norton Rose Fulbright LLP).
- Fee estimates for the Receiver and counsel to the Receiver do not include additional costs associated with transactions related to sale of Properties.
- HST is calculated as 13% of total professional fees.
16. Opening cash balance is an estimated balance as at June 29, 2021.

Court File No.:

AMERICAN GENERAL LIFE INSURANCE COMPANY *et al.*
Applicants

- and - SOUTHMOUNT HEALTHCARE CENTRE INC. *et al.*
Respondents

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

Proceeding Commenced at Toronto

**AFFIDAVIT OF JACOB BARON
Sworn June 18, 2021**

BLAKE, CASSELS & GRAYDON LLP
Barristers and Solicitors
199 Bay Street
Suite 4000, Commerce Court West
Toronto, Ontario M5L 1A9

Pamela L.J. Huff, LSO #27344V
Tel: 416-863-2958
Email: pamela.huff@blakes.com

Aryo Shalviri, LSO #63867A
Tel: 416-863-2962
Email: aryo.shalviri@blakes.com

Jules Monteyne, LSO #72980C
Tel: 416-863-5256
Email: jules.monteyne@blakes.com

Lawyers for the Applicants

TAB 3

Court File No.

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

THE HONOURABLE MR.)	TUESDAY, THE 29 TH DAY
)	
JUSTICE HAINEY)	OF JUNE, 2021

B E T W E E N:

AMERICAN GENERAL LIFE INSURANCE COMPANY,
LEXINGTON INSURANCE COMPANY, AND
THE VARIABLE ANNUITY LIFE INSURANCE COMPANY

Applicants

- and -

SOUTHMOUNT HEALTHCARE CENTRE INC., 180 VINE INC., 2478658
ONTARIO LTD., 2009 LONG LAKE HOLDINGS INC., 65 LARCH
HOLDINGS INC., 100 COLBORNE HOLDINGS INC., 240 OLD
PENETANGUISH HOLDINGS INC., GROSS PROPERTIES INC., 180 VINE
PURCHASER INC., AND 2413667 ONTARIO INC.

Respondents

APPLICATION UNDER section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and under section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43

**ORDER
(Appointing Receiver)**

THIS APPLICATION made by American General Life Insurance Company, Lexington Insurance Company, and The Variable Annuity Life Insurance Company (collectively, the "**Applicants**") 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 KPMG Inc. ("**KPMG**") as receiver and manager (in such capacities, the "**Receiver**") without security, of (i) all of the assets, undertakings

and properties, including the real property described in Schedule “A” (the “**Real Property**”) of Southmount Healthcare Centre Inc., 180 Vine Inc. (“**Vine**”), 2478658 Ontario Ltd., 2009 Long Lake Holdings Inc., 65 Larch Holdings Inc., 100 Colborne Holdings Inc., and 240 Old Penetanguish Holdings Inc. (collectively, the “**Legal Owners**”) acquired for, or used in relation to the Legal Owners’ business, including any interest held by Vine to which the Crown may have rights (collectively, the “**Legal Owners’ Property**”), and (ii) 180 Vine Purchaser Inc., Gross Properties Inc. and 2413667 Ontario Inc. (collectively, the “**Beneficial Owners**” and together with the Legal Owners, the “**Debtors**”) but solely in respect of all of the Beneficial Owners’ right, title and interest in and to the Legal Owners’ Property, including the Real Property and all proceeds thereof, whether held directly or indirectly by the Beneficial Owners for themselves or for others (collectively, the “**Beneficial Owners’ Property**” and together with the Legal Owners’ Property, the “**Property**”), was heard this day by judicial videoconference via Zoom in Toronto, Ontario due to the COVID-19 pandemic.

ON READING the affidavit of Jacob Baron sworn June 18, 2021 (the “**Baron Affidavit**”) and the Exhibits thereto and on hearing the submissions of counsel for the Applicants and those other counsel and parties listed on the Participant Information Form, no one else appearing although duly served as appears from the affidavit of service of [NAME] sworn [DATE] and on reading the consent of KPMG to act as the Receiver,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and the method of service 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, KPMG is hereby appointed Receiver, without security, of all of 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 (provided that any disbursements made in connection therewith are made in accordance with the Receiver Term Sheet, as defined in the Baron Affidavit, unless otherwise ordered by the Court):

- (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, protect and maintain control of 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 Legal Owners, including the power to enter into any agreements (including any amendments and modifications thereto), repudiate or disclaim any agreement, 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 Legal Owners;
- (d) to engage property managers, consultants, contractors, appraisers, agents, brokers, experts, auditors, accountants, managers, assistants, counsel and such other persons from time to time (each, a "**Professional Advisor**") 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, and in this regard the Receiver is specifically authorized to retain counsel for the Applicants to advise and represent it save and except on matters upon which the Receiver in its judgment, determines it requires independent advice, in which case the Receiver shall retain independent counsel;
- (e) to consult with the Applicants and any other creditors of, or parties with an interest in, the Legal Owners and the Beneficial Owners or the Property from time to time and to provide such information to the Applicants and any such other creditors or interested

parties of the Legal Owners and the Beneficial Owners or the Property as may be reasonably requested, including pursuant to the Receiver Term Sheet;

- (f) to pay the retainer, fees and disbursements of any Professional Advisor retained by the Receiver in connection with or in relation to this application, whether incurred prior to or after the date of this Order, in each case at their standard rates and charges;
- (g) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Legal Owners or any part or parts thereof;
- (h) to receive and collect all monies and accounts now owed or hereafter owing to (i) the Legal Owners, including, but not limited to, all rents (whether deferred or otherwise) and to exercise all remedies of the Legal Owners in collecting such monies, including, without limitation, to enforce any security held by the Legal Owners, or (ii) the Beneficial Owners on account of the Beneficial Owners' Property and to exercise all remedies of the Beneficial Owners in collecting such monies, including, without limitation, to enforce any security held by the Beneficial Owners;
- (i) to settle, extend or compromise any indebtedness owing to the Legal Owners;
- (j) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order;
- (k) 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 Legal Owners, 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;
- (l) to file an assignment in bankruptcy on behalf of the Legal Owners, or to consent to the making of a bankruptcy order against the Legal Owners;
- (m) to market any or all of the Property for sale or lease, including advertising and soliciting offers in respect of the Property and any part or parts thereof, and/or soliciting

engagement proposals by brokers, listing agents or leasing agents and negotiating such terms and conditions of such sale, lease or engagement as the Receiver in its discretion may deem appropriate;

- (n) 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 \$250,000, provided that the aggregate consideration for all such transactions does not exceed \$750,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

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

- (o) 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;
- (p) 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;
- (q) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (r) 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 Legal Owners;

- (s) to apply for any relief under the Canadian Emergency Rent Assistance Program or any other governmental aid or relief program in the name of the Legal Owners, if thought desirable by the Receiver;
- (t) to enter into agreements with any trustee in bankruptcy appointed in respect of the Legal Owners, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Legal Owners;
- (u) to exercise any shareholder, partnership, joint venture or other rights which the Legal Owners may have, or which the Beneficial Owners may have in respect of the Property; and
- (v) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.
- (w) and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtors, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. **THIS COURT ORDERS** that (i) the Debtors, (ii) all of their current and former directors, officers, property managers, including, without limitation, Prime Real Estate Group Inc. and Fausto Carnicelli, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on their instructions or behalf, (iii) Gross Capital Inc. ("**Gross Capital**"), and (iv) 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, including, for greater certainty, all rents or security deposits held by third parties for (i) the Legal Owners, and/or (ii) the Beneficial Owners in respect of the Property (collectively, the "**Deposits**"), and 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, lease agreements, rent rolls, rent deferral agreements or documentation, securities, contracts, orders, corporate and accounting records, Deposits, and any other papers, records and information of any kind related to the Property, or to the business or affairs of the Legal Owners, 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. For greater certainty, the Receiver is authorized and empowered to access and make, retain and take away copies of the Records located at the offices of Gross Capital and Gross Capital shall cooperate and provide reasonable assistance to the Receiver with respect to such Records and information contained in such Records.

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 LEGAL OWNERS OR THE PROPERTY

8. **THIS COURT ORDERS** that no Proceeding against or in respect of the Legal Owners 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 Legal Owners 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 Legal Owners, 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 Legal Owners to carry on any business which the Legal Owners are not lawfully entitled to carry on, (ii) exempt the Receiver or the Legal Owners 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 Legal Owners, 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 Legal Owners 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, property maintenance or management services, utility or other services to the Legal Owners 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 Legal Owners' 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 Legal Owners 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 or rents derived from any or all 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 any employees of the Legal Owners shall be deemed to have been terminated by the Legal Owners immediately prior to the issuance of this Order. 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, 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*.

14. **THIS COURT ORDERS** that the Receiver is expressly authorized and empowered to send notices of the terminations (if any) provided for in paragraph 13 of this Order to the applicable employees of the Legal Owners (if any) in the name of and on behalf of the Legal Owners and to do or cause to be done all such further acts and things necessary or desirable in respect of the termination of such employees, including, without limitation, any applicable statutory notices or filings in the name of and on behalf of the Legal Owners.

PIPEDA

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to

report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

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

RECEIVER'S ACCOUNTS

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

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

20. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel (including any independent counsel), and such amounts shall

constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

21. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow from the Applicants pursuant to the Receiver Term Sheet, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$750,000 (or such greater amount as this Court may by further Order authorize) at any time, in accordance with the Receiver Term Sheet, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

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

SERVICE AND NOTICE

25. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List

website at <https://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/>) 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: home.kpmg/ca/SouthmountEtAl.

26. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery, facsimile or electronic transmission to the Legal Owners' creditors, the Beneficial Owners or other interested parties at their respective addresses as last shown on the records of the Legal Owners and that any such service or distribution by courier, personal delivery, facsimile or electronic 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.

27. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver are at liberty to serve or distribute this Order and any other materials and Orders as may be reasonably required in these proceedings, including any notices, court materials, or other correspondence, by forwarding true copies thereof by electronic message to the Legal Owners' creditors, the Beneficial Owners or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the Electronic Commerce Protection Regulations, Reg. 81000-2-175 (SOR/DORS).

GENERAL

28. **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.

29. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of any of the Debtors.

30. **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.

31. **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.

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

33. **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"**"Real Property"**

Municipal Address: 35 Upper Centennial Parkway, Hamilton

Legal Descriptions: PIN 17088-0748(LT): PT LT 25, CON 8 SALTFLEET, PART 7, PLAN 62R-18917; STONEY CREEK; TOGETHER WITH AN EASEMENT OVER PT LT 25, CON 8 SALTFLEET, PARTS 9, 11, 12 AND 13 ON 62R18917 AS IN WE749696; CITY OF HAMILTON; and

PIN 17088-0762(LT): PT LT 25 CON 8 SALTFLEET BEING PARTS 1, 2, 3, 4, 5 AND 10 ON 62R18917; S/T AN EASEMENT OVER PART 3 ON 62R18917 IN FAVOUR OF PARTS 1-5 INCL, 12-15 INCL, 18, 21, 30, 31, 32, 36, 38, 42, 48, 53 ON 62R14684 AS IN LT562193; T/W AN EASEMENT OVER PARTS 2, 4, 14, 21, 30, 31, 32, 36, 38, 48 ON 62R14684 AS IN LT562194; SUBJECT TO AN EASEMENT OVER PART 5 ON 62R18917 IN FAVOUR OF PT LT 25 CON 8 SALTFLEET BEING PARTS 3, 5, 6 ON 62R18292 AND PARTS 9, 10, 11, 39, 40, 41, 43, 44, 45, 46, 47, 49, 50, 51, 52, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78 ON 62R14684 SAVE AND EXCEPT PARTS 1, 2, 3, 4, 5, 10 ON 62R18917 AS IN WE749696; SUBJECT TO AN EASEMENT OVER PART 10 ON 62R18917 IN FAVOUR OF PT LT 25 CON 8 SALTFLEET BEING PARTS 3, 5, 6 ON 62R18292 AND PARTS 9, 10, 11, 39, 40, 41, 43, 44, 45, 46, 47, 49, 50, 51, 52, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78 ON 62R14684 SAVE AND EXCEPT PARTS 1, 2, 3, 4, 5, 10 ON 62R18917 AS IN WE749696; SUBJECT TO AN EASEMENT OVER PART 2 ON 62R18917 IN FAVOUR OF PT LT 25 CON 8 SALTFLEET BEING PARTS 3, 5, 6 ON 62R18292 AND PARTS 9, 10, 11, 39, 40, 41, 43, 44, 45, 46, 47, 49, 50, 51, 52, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78 ON 62R14684 SAVE AND EXCEPT PARTS 1, 2, 3, 4, 5, 10 ON 62R18917 AS IN WE749696; SUBJECT TO AN EASEMENT OVER PART 3 ON 62R18917 IN FAVOUR OF PT LT 25 CON 8 SALTFLEET BEING PARTS 3, 5, 6 ON 62R18292 AND PARTS 9, 10, 11, 39, 40, 41, 43, 44, 45, 46, 47, 49, 50, 51, 52, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78 ON 62R14684 SAVE AND EXCEPT PARTS 1, 2, 3, 4, 5, 10 ON 62R18917 AS IN WE749696; STONEY CREEK; TOGETHER WITH AN EASEMENT OVER PARTS 9, 11, 12 AND 13 ON 62R18917 AS IN WE749696; CITY OF HAMILTON

Municipal Address: 240 Old Penetang Road North, Midland

Legal Description: PIN 58454-0029(LT): PT E1/2 LT 106 CON 1 WPR TINY; PT LT 107 CON 1 WPR TINY PT 3 & 4, 51R18477 & PT 4, 5, 6, 7 & 10 R1026 EXCEPT 51R3985; T/W & S/T RO1045345; MIDLAND

Municipal Address: 100 Colborne Street West, Orillia

Legal Description: PIN 58650-0115(LT): PT LT 10-15, 17 BLK C PL 228 ORILLIA PT 3, 4 & 5, 51R10372; ORILLIA

Municipal Address: 77 Wyandotte Street, Orillia

Legal Description: PIN 58644-0014(LT): LT 16 BLK G PL 228 ORILLIA; PT LT 15 BLK G PL 228 ORILLIA AS IN RO1453448; ORILLIA

Municipal Address: 849 Alexander Court, Peterborough

Legal Description: PIN 28061-0157(LT):PT LTS 3 & 4, PL 23Q, PART 1&2, 45R647, NORTH MONAGHAN; PETERBOROUGH

Municipal Address: 65 Larch Street, Sudbury

Legal Descriptions: PIN 73584-0077(LT): LT 23 BLK A PL 3SA MCKIM; GREATER SUDBURY; and

PIN 73584-0078(LT): LT 20-22 BLK A PL 3SA MCKIM; GREATER SUDBURY; and

PIN 73584-0097(LT): PT N1/2 LT 5 CON 3 MCKIM AS IN S81426 (SECONDLY & THIRDLY); GREATER SUDBURY

Municipal Address: 2009 Long Lake Road, Sudbury

Legal Descriptions: PIN 73595-0102(LT): PCL 8259 SEC SES; PT LT 6 CON 1 MCKIM EXCEPT LT52588, LT53059, LT109847, PT 7 53R4520 & PT 4 53R13501; S/T LT25019; GREATER SUDBURY; and

PIN 73595-0174(LT): PCL 39445 SEC SES; PT LT 6 CON 1 MCKIM PT 3 TO 7 & 12 TO 15 53R5036; PT LT 6 CON 1 MCKIM PT 5 53R13501; S/T PT 2 & 3 53R13501 AS IN LT717184; S/T LT25019, LT735739; GREATER SUDBURY; and

PIN 73595-0333 (LT): PCL 39000 SEC SES; PT LT 6 CON 1 MCKIM PT 9 TO 11 53R5036; T/W A ROW OVER PT 1 & 2 53R5036; S/T LT25019; GREATER SUDBURY

Municipal Address: 180 Vine Street South, St. Catharines

Legal Description: PIN 46272-0086 (LT): PT LT 7, 9-10 BLK D CY PL 46 GRANTHAM; PT BLK A CY PL 79 GRANTHAM; PT BLK A, B CY PL 80 GRANTHAM; PT UNNAMED ST CY PL 46 GRANTHAM , CLOSED BY RO407053, PT 1 30R2209 EXCEPT PT 1 30R3734, PT 1 30R6493, & PT 1 30R7456; CITY OF ST. CATHARINES