

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

B E T W E E N:

DBDC SPADINA LTD., and  
THOSE CORPORATIONS LISTED  
ON SCHEDULE A HERETO

Applicants

-and-

NORMA WALTON, RONAULD WALTON,  
THE ROSE & THISTLE GROUP LTD. and  
EGLINTON CASTLE INC.

Respondents

-and-

THOSE CORPORATIONS LISTED IN SCHEDULE B,  
TO BE BOUND BY THE RESULT

Respondents

**MOTION RECORD OF TCE BETA SERVICES INC.  
(Returnable December 18, 2013)**

December 17, 2013

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Counsel for Norel Electric Ltd.



# Index

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

B E T W E E N:

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Tab 1

Court File No. CV-13-10280-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

DBDC SPADINA LTD., and  
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-and-

THOSE CORPORATIONS LISTED IN SCHEDULE B  
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**NOTICE OF MOTION**  
(Returnable December 18, 2013)

TCE Beta Services Inc. ("TCE") will make a motion before a judge of the Ontario Superior Court of Justice (Commercial List) on December 18, 2013, or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto, Ontario.

**PROPOSED METHOD OF HEARING:** The motion is to be heard orally.

**THE MOTION IS FOR:**

1. An order varying and/or amending the receivership order granted by the Honourable Justice Newbould on November 5, 2013 (the "**Receivership Order**") to:
  - (a) fully subordinate the Manager's Charge and Manager's Borrowing Charge (each as defined in the Receivership Order) (collectively, the "**Manager Charges**") to the secured mortgage and related security over the mortgaged property held by TCE, as the First Mortgagee (the "**First Mortgage**") and all loan indebtedness secured thereby (the "**First Mortgage Loan**") in respect of the real property municipally described as 30-32 Atlantic Avenue, Toronto, Ontario (the "**Mortgaged Property**");
  - (b) to restrain the Receiver from registering the shareholder loans provided by the Applicants and/or Dr. Bernstein to the Schedule "B" Companies on title to the Mortgaged Property, ranking in second priority to existing charges, which such charge constitutes an Event of Default under the First Mortgage; and
  - (c) to provide for an automatic and immediate lift of the stay of proceedings in respect of the Borrower and the Mortgaged Property upon the occurrence of any default under the First Mortgage (other than events of default directly resulting from the mortgagor's misrepresentations and the appointment of the manager) and allowing the First Mortgagee to proceed with enforcement of all of its rights and remedies under the First Mortgage without any further notice or leave of the Court.

2. An order, if necessary, abridging the time for service and filing of this notice of motion; and
3. Such further and other relief as this Honourable Court deems just.

**THE GROUNDS FOR THE MOTION ARE:**

1. The First Mortgagee holds registered and documentary title to the First Mortgage and all related security over the Mortgaged Property owned by Liberty Village Properties Ltd. (the "**Borrower**").
2. The First Mortgagee also holds a first ranking assignment of rents with respect to rents arising from the Mortgaged Property (the "**General Assignment of Rents**") and a first ranking security interest in all of the Borrower's personal property pursuant to a general security agreement.
3. The Receivership Order was obtained without notice to, or the consent of, TCE on November 5, 2013.
4. TCE did not learn about the Receivership Order until December 2, 2013, several weeks after it was granted, notwithstanding that its security interest is registered on title to the Mortgaged Property.
5. The Receivership Order adversely affects TCE and is prejudicial to its rights in that it purports to have the effect of, among other things:
  - (a) Staying the exercise of all of TCE's rights and remedies with respect to the Property and the Borrower pursuant to the First Mortgage;

- (b) Imposing a super-priority charge over all of the Mortgaged Property in an unlimited amount to secure any fees and disbursements of the Receiver and the fees and disbursements of its legal counsel (the "Receiver's Charge"). Specifically, it holds that the Receiver's Charge shall rank in priority to all secured interests, trusts, liens, charges and encumbrances, statutory or otherwise, including the First Mortgage, the General Assignment of Rents and other security of the First Mortgagee;
- (c) Imposing a super-priority charge over all of the Mortgaged Property in the amount not to exceed \$5 million to secure any borrowings of the Receiver (the "Receiver's Borrowings Charge"), which shall rank in priority to all secured interests, trusts, liens, charges and encumbrances, statutory or otherwise, including the First Mortgage, the General Assignment of Rents and other security of the First Mortgagee; and
- (d) Authorizing the Manager to collect all rents and any other forms of income arising from the Mortgaged Property without obligating the Receiver to continue to pay the outstanding loan indebtedness owing to the First Mortgagee under the First Mortgage when due.

6. The prejudice outlined above is imposed in the context of a dispute between shareholders. The Receivership Order appears to be directed at obtaining benefit for the shareholder at the expense of the creditors. The Receivership Order is of no benefit to TCE.

7. The registration of shareholder loans provided by the Applicants and/or Dr. Bernstein to the Schedule "B" Companies on title to the Mortgaged Property constitutes an Event of Default under the First Mortgage.
8. The provisions of the *Ontario Business Corporations Act*, R.S.O. 1990, c. B. 16;
9. The *Courts of Justice Act*, R.S.O. 1990, C. C. 43.
10. Rules 2.03, 3.02 and 37 of the *Rules of Civil Procedure*.
11. Such further and other grounds as counsel may advise and this Honourable Court may permit.

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

1. The affidavit of Scott Brasil, sworn December 17, 2013; and
2. Such further and other materials as counsel may advise and this Honourable Court may permit.

December 17, 2013

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Lawyers for TCE Beta Services Inc.

TO: THE SERVICE LIST

DBDC SPADINA LTD., ET AL.  
Applicants

- and -

NORMA WALTON, ET AL.  
Respondents  
Court File No. CV-13-00010280-00CL

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

Proceeding commenced at Toronto

**NOTICE OF MOTION**

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Lawyers for TCE Beta Services Inc.

Tab 2

Commercial List File No. CV-13-10280-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

B E T W E E N:

DBDC SPADINA LTD., and  
THOSE CORPORATIONS LISTED  
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Applicants

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-and-

THOSE CORPORATIONS LISTED IN SCHEDULE B,  
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**AFFIDAVIT OF SCOTT BRASIL  
(SWORN DECEMBER 17, 2013)**

**I, Scott Brasil**, of the City of Toronto, in the Province of Ontario, **MAKE OATH  
AND SAY:**

1. I am a student at law at the law firm of Bennett Jones LLP, counsel to TCE Beta Services Ltd. ("TCE") in this matter. As such, I have personal knowledge of the matters deposed to below. Where I do not have personal knowledge, I have stated the source of my knowledge and believe it to be true.

2. Attached as Exhibit "A" to this affidavit is a copy of the mortgage commitment entered into between TCE and Liberty Village Properties Ltd. in respect of the property

municipally described as 30-32 Atlantic Avenue, Toronto, Ontario (the "Mortgaged Property").

3. Attached as Exhibit "B" to this affidavit is a copy of the parcel registers in respect of the Mortgaged Property.

4. I am advised by Amanda McLachlan, an associate at Bennett Jones LLP, counsel to TCE in this matter, that the Receivership Order was obtained on November 5, 2013 without notice to TCE. I am likewise advised that TCE did not learn about the Receivership Order until December 2, 2013, several weeks after it was obtained.

SWORN BEFORE ME at the City )  
of Toronto, in the Province of )  
Ontario, this 17<sup>th</sup> day of December, )  
2013. )



A Commissioner for Taking Affidavits, etc.



SCOTT BRASIL

**DBDC SPADINA LTD., and those  
Corporations listed on Schedule A thereto**  
Plaintiff

- and -

**NORMA WALTON et al.**

Defendants

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

Proceeding commenced at Toronto

**AFFIDAVIT OF SCOTT BRASIL  
(Sworn December 17, 2013)**

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**TCE BETA SERVICES INC.**

c/o Pencor Capital Corp.

75 West Beaver Creek Road, Unit 11A, Richmond Hill, ON L4B 1K6

August 10, 2012

Liberty Village Properties Ltd.  
 c/o CBRE Limited Debt & Equity Finance  
 Suite 300  
 2001 Sheppard Avenue East  
 Toronto, Ontario M2J 4Z8

THIS IS EXHIBIT A ATTACHED

TO THE AFFIDAVIT OF

SWORN

Scott BrandSeptember 18, 2013[Signature]

A COMMISSIONER

Dear Sirs:

**First Mortgage Financing – 30-32 Atlantic Avenue, Toronto, Ontario**

We are pleased to advise that on the basis of financial and other information which has been provided by CBRE Limited Debt & Equity Finance and Canadian Real Estate International Inc. to PenCor Mortgage and Investment Advisors Ltd. and Pencor Capital Corp. (together, "**PenCor**") and your loan application dated June 28, 2012 (the "**Application**") in connection with the above, we have agreed to establish a loan facility (hereinafter referred to as the "**Loan**") in favour of Liberty Village Properties Ltd. (the "**Borrower**") in an aggregate principal amount of up to Thirteen Million Five Hundred Thousand Dollars (\$13,500,000.00) upon and subject to the terms and conditions set forth below.

In this letter (the "**Commitment Letter**"): 

- (a) "**we**", "**us**" and "**our**" or the "**Lender**" refer to and mean TCE Beta Services Inc. ("**TCEB**") and its successors and assigns; and
- (b) "**you**" and "**your**" refer to and mean the Borrower (as hereinafter defined) and its successors and permitted assigns.

**PART A - GENERAL****1. BORROWER AND GUARANTORS**

1.1 Borrower. The Loan will be made to the Borrower. The Borrower promises to pay the outstanding balance of the Loan, interest as herein provided and all costs, charges, expenses and the like from time to time payable to us hereunder and under the security documents (the "**Security Documents**") described in Section 8 below (collectively, the "**Loan Amount**").

1.2 Guarantors. Norma Walton ("**Norma**") and Ronauld Walton ("**Ronauld**", and together with Norma the "**Guarantors**"), will unconditionally jointly and severally guarantee to us the payment of the Loan Amount and the performance of your other obligations and liabilities under this Commitment Letter and the Security Documents to which you are a party or by which you

are bound. The joint liability of the Guarantors will be limited to fifty percent (50%) of the Maximum Principal Amount plus interest, charges and expenses.

1.3 Loan Amount and Type. The Loan will be comprised of a non-revolving first mortgage loan facility of up to Thirteen Million Five Hundred Thousand Dollars (\$13,500,000.00) (the "**Facility**"), secured by a first fixed and specific charge on the Property (as defined below) in favour of TCEB.

The outstanding amount of the Loan, together with interest calculated at the Interest Rate (as hereinafter defined) and all costs, charges, expenses and the like from time to time payable to us hereunder and under the Security Documents in respect of the Loan is hereinafter referred to as the "**Loan Amount**".

The maximum principal amount to be advanced (the "**Maximum Principal Amount**") shall not exceed the lesser of (a) Thirteen Million Five Hundred Thousand Dollars (\$13,500,000.00); (b) seventy-five percent (75%) of the appraised value of the Property; and (c) that amount which, bearing interest at the Initial Rate (as hereinafter defined) will result in a Debt Service Coverage Ratio (as hereinafter defined) of 1.25:1.

"**Debt Service Coverage Ratio**" means the ratio of:

- (a) the net operating income generated by the Property as of the Advance Date (as defined below);

to

- (b) the total of all monies then payable under the charges, liens and interests then registered against the Lands or any part thereof, including all payments due in respect of the Facility,

as determined by us.

## 2. **REPRESENTATIONS**

Each of the Borrower and the Guarantors represents and warrants to us that:

### **Ownership of the Lands**

- (a) The Borrower is the legal and beneficial owner of the lands described as Firstly, Lots 123, 148 and 149, Plan 765, part of Lots 122, 124 and 147, Plan 765, and part of the lane shown on Plan 765, all described as Part 2 on Reference Plan 63R-3439, City of Toronto (PIN 21299-0294(LT)) and Secondly, Lots 125 and 146, Plan 765, part of Lots 124, 126, 144, 145, and 147, Plan 765, and part of the lane shown on Plan 765, all described as Part 2 on Reference Plan 63R-3894, City of Toronto (PIN 21299-0116(LT)) and known municipally as 30-32 Atlantic Avenue, City of Toronto, Ontario (the "**Lands**"), with good and marketable title thereto subject only to the permitted encumbrances listed in Schedule "A" (the "**Permitted Encumbrances**").



### The Property

- (b) The Lands contain an area of thirty-six thousand eight hundred seventy-four (36,874) square feet and are improved with two (2) fully renovated single storey brick industrial/commercial buildings (the "**Buildings**") with approximately sixty-two thousand (62,000) square feet of gross floor area and fifty-three thousand eighty-eight (53,088) square feet of leasable area. The Lands are zoned for IC D3 N1.5 – Industrial.
- (c) The Buildings (the Lands and Buildings are hereinafter referred to as the "**Property**") have been fully renovated to meet all City of Toronto bylaw and Province of Ontario code requirements including gutting and replacing the electrical, elevator, HVAC, windows, washrooms, mechanical rooms, common areas and life safety systems. The aggregate cost of acquisition and the renovations was in excess of Sixteen Million Dollars (\$16,000,000.00).
- (d) The Borrower purchased the Property vacant on August 29, 2011 for Seven Million Dollars (\$7,000,000.00) from Nelvana Limited (the "**Vendor**"). A neighbouring building, 47 Jefferson Avenue, was also purchased at additional cost at the same time. The Vendor agreed to remediate ground contamination from an underground storage tank on the Property (remediation to be verified by third party environmental report) such remediation to be monitored by the Ministry of Environment (the "**MOE**") for approximately two (2) years prior to issuing a Record of Site condition ("**RSC**").
- (e) The Property is fully leased to Vision 7 Communications Inc. (for their Cossette Agency) for a ten (10) year term expiring August 14, 2022, with triple net rent payments commencing August 15, 2012 (the "**Vision Lease**"). The Vision Lease requires payment of basic minimum triple net rent at a rate of Twenty-Two Dollars (\$22.00) per square foot for years 1-5 (\$1,167,936 per annum) and Twenty-Four Dollars (\$24.00) per square foot for years 6-10 (\$1,247,112 per annum).
- (f) The Borrower has substantially completed renovations and improvements to the Property at a total cost of \$4,500,000.00 plus HST (the "**Construction Value**"). The Borrower has held back from the construction contractors performing such renovations and improvements the full amount of holdback required to be retained by an owner in compliance with the *Construction Lien Act* (Ontario) in the amount of \$450,000.00 (the "**Holdback Amount**"). The Borrower shall direct the Lender to advance an amount equal to the Holdback Amount from the first advance of the Loan (the "**Escrow Fund**") to an escrow account to be held by the Lender's counsel as collateral security for the obligations of the Borrower hereunder until the expiry of a period of 45 days from the earlier of the publication of a certificate of substantial performance in accordance with the *Construction Lien Act* (Ontario) in respect of each construction contract entered into by the Borrower in connection with the Property; and (ii) the total completion of all construction work on the Property. The Escrow Fund will be released to the

Borrower at such time provided there are no claims for lien or notices of claims for lien registered or that have been brought to the attention of the Lender at such time. The Lender may direct the Escrow Funds be paid to fund the holdback liability of the Borrower at any time.

### **Additional Representations**

- (g) If a corporation, it has the corporate power and authority to enter into and perform its obligations under each of the documents to which it is party or by which it is bound and the full power and authority to own and operate its assets and property and to carry on its businesses.
- (h) The execution and delivery by it (or on its behalf) of the Commitment Letter and the Security Documents (as hereinafter defined) to which it is party or by which it is bound and the performance of its obligations thereunder do not and will not:
  - (i) conflict with or result in a breach of any of the terms, conditions or provisions of:
    - (A) its constating documents,
    - (B) any law applicable to or binding on or affecting it or its properties, the breach of which would or could reasonably be expected to have a material adverse effect, or
    - (C) any Permit (as defined below), contract or other document or instrument with respect to the Property, the breach of which would or could reasonably be expected to have a material adverse effect, or
  - (ii) result in, or require or permit:
    - (A) the imposition of any lien on or with respect to the properties now owned by it, or
    - (B) the acceleration of the maturity of any of its debts.
- (i) The execution and delivery by it of this Commitment Letter and the Security Documents to which it is a party or by which it is bound and the performance by it (or on its behalf) of its obligations hereunder or thereunder have been or will be duly authorized by all necessary and other steps and proceedings (corporate and otherwise) under any applicable law and no registration, qualification, approval, designation, declaration or filing with any governmental authority having jurisdiction over it (the "**Official Body**") or was necessary therefor.
- (j) It possesses all permits under any applicable law which are necessary in connection with the operation of its businesses (the "**Permits**"); the Permits are in full force and effect and to the best of its knowledge:

- (i) it is not in default in any respect thereunder which default would or could reasonably be expected to have a material adverse effect on it or its properties; and
  - (ii) no action exists, is pending or threatened which has as its object the revocation, amendment or qualification of any Permit and no basis for any action exists.
- (k) It is not in default in any respect under any indenture, mortgage, deed of trust, agreement or other instrument to which it is a party or by which it or any of its property may be bound and which default would or could reasonably be expected to have a material adverse effect.
- (l) It has filed all tax returns which are required to be filed by it and each has paid or remitted when due all taxes, assessments and government charges imposed upon it which if unpaid could result in any charge or other encumbrance on its properties except any such tax, assessment or charge which is being contested in good faith, for which it has maintained adequate reserves, and in respect of which no liens have attached to its properties.
- (m) It has delivered to us true and complete copies of its most current fiscal year end financial statements and such financial statements present fairly their respective financial positions as at the date thereof and since that date, there has occurred no event which has had, or which may reasonably be expected to have, a material adverse change to their respective financial positions.

### **PART B - LOAN PARTICULARS**

#### **3. TERM**

3.1 Term. The term of the Loan will mature on the last day of the month thirty (30) months after the date of the Advance Date (the "**Maturity Date**").

#### **4. PURPOSE OF LOAN**

4.1 Purpose. To provide bridge refinancing on the Property until a RSC is obtained from the MOE to qualify for long term take-out financing with a life insurance company or similar financial institution.

#### **5. INTEREST RATE**

5.1 Interest Rate. Interest, computed on the basis of a three hundred sixty-five (365) or three hundred sixty-six (366) day year, will be calculated on the outstanding daily balance of the Loan at the rate specified below for each specified period (the "**Interest Rate**"), as well after as before maturity, default and judgment and on overdue interest. Any interest not paid when due shall be compounded monthly. The Interest Rate shall be:

- (a) Five and one-quarter percent (5.25%) per annum (the "**Initial Rate**") from the Advance Date to and including the day before the first anniversary of the Advance Date.
- (b) The Lender will on a date no less than fifteen (15) business days prior to the first anniversary of the Advance Date (the "**Notice Date**") offer to reset the rate of interest during the Reset Period to either the Reset Rate or the Interim Rate chosen by the Borrower.

The Borrower may only accept the Lender's offer by giving the Lender written notice to that effect no later than five (5) business days prior to the beginning of the Reset Period and, provided the Borrower is not in default under this Commitment Letter or the Security Documents, on the first anniversary of the Advance Date, interest will begin to be calculated and accrue during the Reset Period at the Reset Rate or the Interim Rate, as selected by the Borrower. If the Borrower fails to elect as contemplated herein, interest will begin to be calculated and accrue at the Subsequent Rate during the Reset Period.

"**Reset Period**" means the period commencing on the first anniversary of the Advance Date and ending on the day before the second anniversary of the Advance Date.

"**Reset Rate**" means the fixed annual rate of interest based on the benchmark three (3) month CDOR (as defined below) which is in effect on a date chosen by us being no more than 15 days prior to the beginning of a Reset Period plus four percent (4%) expressed as an annual interest rate.

"**Interim Rate**" means a floating rate of interest at all times equal to the Prime Rate of the Canadian Imperial Bank of Commerce at its main branch in Toronto, Ontario plus two and one quarter percent (2.25%) per annum.

"**Subsequent Rate**" means twelve percent (12%) per annum in effect from the first anniversary of the Closing Date if the Borrower does not choose a Reset Rate or Interim Rate prior to the Reset Period; and after the expiration of the Reset Period until all the Loan Amount is paid in full unless the Lender formally extends the Term of the Loan and offers to reset the rate for an additional Reset Period.

"**CDOR Rate**" means on any day the annual rate of interest which is the rate determined as being the arithmetic average of the quotations of all institutions listed in respect of the rate for Canadian Dollar denominated bankers' acceptances for the relevant period displayed and identified as such on the "Reuters Screen CDOR Page" (as defined in the International Swap Dealer Association, Inc. definitions, as modified and amended from time to time) as of 10:00 a.m. Toronto, Ontario local time on such day and, if such day is not a business day, then on the immediately preceding business day (as adjusted by us after 10:00 a.m. Toronto, Ontario local time to reflect any error in a posted rate of interest or

in the posted average annual rate of interest with notice of such adjustment in reasonable detail evidencing the basis for such determination being concurrently provided to you). If such rates are not available on the Reuters Screen CDOR Page on any particular day, then the CDOR Rate on that day shall be calculated as the arithmetic mean of the rates applicable to Canadian Dollar denominated bankers' acceptances for the relevant period publicly quoted for customers in Canada by those lenders which are banks listed in Schedule I of the *Bank Act* (Canada) as of 10:00 a.m. Toronto, Ontario local time on such day; or if such day is not a Business Day, then on the immediately preceding business day.

"**Prime Rate**" means the variable annual rate of interest established by Canadian Imperial Bank of Commerce (the "**Bank**") from time to time at its main branch in Vancouver, British Columbia, as a reference rate then in effect for determining interest rates payable on Canadian Dollar commercial loans made by it in Canada and payable on demand and which on August 1, 2012 was 3.0% per annum.

You agree that:

- (a) the Prime Rate was 3.0% per annum on August 1, 2012;
- (b) if and whenever the Prime Rate is varied the interest rate payable hereunder will also be varied, effective on the date the change in the Prime Rate comes into effect, so that at all times the variable interest rate hereunder will be 2.25% per annum in excess of the Prime Rate then in effect; and
- (c) a certificate signed by any officer of the Bank will be conclusive evidence of the Prime Rate from time to time.

The Initial Rate is subject to change until this Commitment Letter has been signed by the Lender and accepted by the Borrower.

Interest will accrue on the outstanding daily balance of the Loan and on overdue interest and will be calculated monthly, not in advance, as well after as before maturity, default and judgment.

## 6. **REPAYMENT OF THE LOAN AMOUNT**

### 6.1 As to Interest.

- (a) You will pay us the interest which accrues on the outstanding balance of the Loan at the Interest Rate, monthly, not in advance, on the first day of each month following the date on which the advance is made to you or your order (the "**Advance Date**") on account of the Loan until the Loan Amount is paid in full.
- (b) Monthly interest payments due on account of the Loan are the responsibility of you and the Guarantors. Nothing contained in this Commitment Letter or in any

Security Document will be construed so as to relieve you from your obligation to pay interest on account of the Loan.

6.2 As to the Loan Amount. The balance of the Loan Amount will become due and be paid to us in full upon the earlier of:

- (a) our accelerating the Loan and making demand for the repayment of the Loan Amount after the occurrence of an Event of Default (unless waived by us); or
- (b) the Maturity Date.

6.3 Business Day. Any payment received by us on account of the Loan Amount after 1:00 o'clock p.m., Toronto time, on any business day will be deemed to be received on the next business day. The term "business day" means any day except Saturday, Sunday and any statutory holiday in Vancouver, British Columbia or Toronto, Ontario.

6.4 Application of Payments. Payments made on account of the Loan Amount will be applied when received first in payment of outstanding interest which has accrued to the date such payment is received and secondly in payment of principal. However, if you are in default under this Commitment Letter or any of the Security Documents, we may apply payments to interest, principal and costs in such manner as we, in our sole and absolute discretion, determine.

## 7. **PREPAYMENT OF THE LOAN AMOUNT**

7.1 Prepayment. The Loan may not be prepaid in whole or in part while the Initial Rate is in effect. The Loan may not be prepaid in whole or in part while the Reset Rate is in effect. The Loan may be prepaid at any time and from time to time in whole while the Interim Rate is in effect. The Loan may be prepaid at any time and from time to time in whole while the Subsequent Rate is in effect. The Borrower will be required to provide a minimum of thirty (30) days' written notice of any prepayment.

## **PART C - SECURITY AND ADDITIONAL DOCUMENTS**

### 8. **SECURITY DOCUMENTS**

8.1 Security Documents. The following documents (the "**Security Documents**") will be executed and/or delivered by you to us in form satisfactory to the Lender to evidence or secure the repayment of the Loan Amount and your obligations and liabilities to us in connection therewith, namely:

- (a) A Thirteen Million Five Hundred Thousand Dollars (\$13,500,000.00) first mortgage or debenture (the "**Mortgage**") conveying a first fixed and floating charge against the fee simple title to the Property;
- (b) this Commitment Letter, executed;
- (c) a first general security agreement (the "**GSA**") collateral to the Mortgage to be given as, *inter alia*:

- (i) a fixed and specific mortgage, charge and security interest against all of the personal property now or hereafter held or acquired by you relating to the Property; and
  - (ii) a floating charge against all of the property, assets and undertaking now or hereafter held or acquired by you and not specifically charged in our favour relating to the Property;
- (d) an specific registered assignment of the Vision Lease (the "**Assignment of Lease**") acknowledged by the tenant;
- (e) a general assignment of rents (the "**Assignment of Rents**") collateral to the Mortgage assigning all of the rents payable under leases of the Property;
- (f) an assignment of funds of \$500,000.00 (as represented to us) held in escrow (the "**Escrowed Funds**") in connection with the purchase of the Property which stipulates, among other provisions, that if an Event of Default has occurred and the Escrowed Funds become available, then we may use the Escrowed Funds at our sole discretion including, without limitation, to purchase environmental liability insurance;
- (g) an assignment of all material agreements relating to the Property;
- (h) as assignment of insurance coverage for the Property;
- (i) a hazardous substance and environmental indemnity agreement in respect of the Property to be executed and delivered by both you and the Guarantors. The liability of you and the Guarantors under this agreement will be joint and several, in addition to your and their respective obligations to pay the Loan Amount in whole or in part as hereinbefore provided and will survive the repayment of the Loan Amount;
- (j) evidence of insurance and public liability policies for the Property in favour of us as first loss payee in accordance with Schedule "B", Minimum Insurance Requirements, together with such other insurance as we may reasonably require in the circumstances;
- (k) a joint and several guarantee (the "**Guarantee**") to be given to us by the Guarantors as a guarantee of the payment, on demand, after default, of the Loan Amount and the observance and performance of your obligations to us in connection therewith;
- (l) a subordination and postponement of all shareholder loans to the Borrower acceptable to the Lender in all respects; and
- (m) such other security as we or our solicitors may reasonably require.

## 9. **ADDITIONAL DOCUMENTS**

9.1 Additional Documents. In addition to the Security Documents, we require that the following documents (the "**Additional Documents**", and together with the Security Documents, the "**Loan Documents**") be delivered to us prior to the advance of the Loan:

- (a) an opinion acceptable to us, from your solicitors, that:
  - (i) each Security Document is a legally valid and binding obligation of and enforceable against each person executing and delivering the same; and
  - (ii) you and the Guarantors have the full right and legal authority to execute this Commitment Letter and each of the Security Documents to which each of you is a party or by which each of you is bound and to enter into the obligations and liabilities to be observed and performed by each of you under the terms thereof.
- (b) An opinion from the Borrower's counsel in form and substance satisfactory to the Lender confirming that the Borrower has good and marketable title to the Property in fee simple subject to no encumbrances other than Permitted Encumbrances and confirming that the Mortgage creates in favour of the Lender a good and valid first fixed charge on the Property subject only to Permitted Encumbrances, or a policy of title insurance in form and substance satisfactory to the Lender confirming that the Mortgage creates in favour of the Lender a good and valid first fixed charge on the Property subject to no encumbrances other than Permitted Encumbrances.
- (c) such other documents, certificates and opinions and the like containing such other assurances, information and covenants as our solicitors may reasonably require in the circumstances with regard to the Loan and the Security Documents.

## 10. **INCORPORATION OF TERMS AND CONDITIONS OF SECURITY DOCUMENTS AND ADDITIONAL DOCUMENTS AND CONFLICT**

10.1 Incorporation. All terms and conditions contained in the Loan Documents will be deemed to be incorporated in and form part of this Commitment Letter.

10.2 Conflict. This Commitment Letter is to be read in conjunction with the Security Documents and in all cases where there is any conflict between a term or provision contained in the Commitment Letter and a term or provision contained in any one or more of the Security Documents, the term or provision contained in this Commitment Letter will prevail.



**PART D - ADVANCE OF THE LOAN**

**11. CONDITIONS PRECEDENT TO ADVANCES**

11.1 Conditions Precedent to any Advance of the Loan. Each of the following conditions (unless satisfied, or waived by us in writing, either in whole or in part) must have been fully met to our satisfaction at the time we advance the Loan:

- (a) *Good Security.* Those items referred to as the Loan Documents must have been created and issued or executed and/or delivered to us, and where required by us or our solicitors, must be registered, recorded or filed in all appropriate places of public record with the priority contemplated hereby.
- (b) *Valuation.* We must have received satisfactory evidence from an appraiser approved by us in our sole discretion confirming to our satisfaction that the current market value of the Property is not less than Eighteen Million Dollars (\$18,000,000.00). The appraisal must be provided at the expense of the Borrower and must be addressed to us or be accompanied by a transmittal letter confirming that we may rely on the appraisal for mortgage purposes.
- (c) *NOI.* The projected first year Net Operating Income ("NOI") for the Property must be at least One Million Dollars (\$1,000,000.00).
- (d) *Environmental Reviews.* We must have received and approved a current Phase I and Phase II environmental assessment reports for the Property, prepared by an environmental consultant approved by us at our sole discretion and at your sole cost and expense. The assessment reports must be addressed to us or be accompanied by a transmittal letter confirming that we may rely on the assessment reports for mortgage purposes. The assessment reports must also confirm that the Property has been remediated to comply with required standards of the Ministry of the Environment – Ontario necessary to obtain a Record of Site Condition for the Property and that there has been no migration of contaminants to any lands adjoining the Property.
- (e) *Geotechnical Reviews.* We must have received and approved a current geotechnical/soil report for the Property, prepared by a geotechnical consultant approved by us at our sole discretion and at your sole cost and expense. The geotechnical/soil report must be addressed to us or be accompanied by a transmittal letter confirming that we may rely on the geotechnical/soil report for mortgage purposes.
- (f) *Financial Statements/Credit Reports.* We must have received and approved the most current annual and interim and historical corporate financial statements from the Borrower and current signed and dated net worth statements from each of the Guarantors (including any support information required to verify financial status) and a satisfactory current bank/credit report for each of the Borrower and the Guarantors.

- (g) *Survey.* We must have received and approved a survey certificate for the Property, in each instance each prepared by an Ontario land surveyor approved by us, at your cost and expense.

The certificate must be satisfactory to us in all respects and must certify:

- (i) the boundaries and dimensions of the Property;
  - (ii) the location of all improvements forming part of the Property;
  - (iii) the location of all registered easements; and
  - (iv) that the improvements forming part of any lands which are contiguous to the Property to which it relates are located within their boundaries and do not encroach in, on, over or under the boundaries of that property.
- (h) *Property Taxes.* We must have received written confirmation from the applicable taxation authorities that all property and related taxes levied or assessed in respect of the Property are current.
- (i) *Title.* We and our solicitors must be satisfied with the title to the Property.
- (j) *Off Title Searches.* We and our solicitors must be satisfied with the responses received to off-title searches and enquires, including enquires regarding work orders, building permits, zoning, utility accounts and other matters of public record.
- (k) *Compliance with Law.* The Lender must be satisfied that the Property is in compliance with all applicable law and building requirements.
- (l) *Leases and Rental Agreements.* We must have received true copies of the Vision Lease dated August 2, 2012 and all other lease agreements and rental agreements relating to the Property including any addendums or amendments thereto. The Lender will require an estoppel certificate from the tenant under the Vision Lease in the form attached hereto as Schedule "D" confirming that the tenant is in possession paying rent in accordance with the Vision Lease and confirming that the Borrower is not in default.
- (m) *Purchase Agreement.* We must have received true copies of the agreement of purchase and sale for the purchase of the Property by the borrower and the Vendor's statement of adjustments relating thereto including any addendums or amendments thereto and any agreements regarding funds held back or held in escrow.
- (n) *Event of Default.* There must be no outstanding event of default under this Commitment Letter or any Security Documents and no outstanding event, which with the passing of time, the giving of notice or otherwise would constitute such an event of default.

- (o) *Inspections.* We or our representatives must have conducted satisfactory inspections of the Property.
- (p) *Management.* The Property must be professionally managed. The Lender must receive a complete copy of the management agreement between the Borrower and the property manager.

## 12. **DISBURSEMENT OF LOAN**

12.1 Loan Advances. Subject to your complying with all of the terms and conditions referenced in section 11.1 of this Commitment Letter, the Loan will be provided in a single advance on August 21, 2012, or as soon thereafter as all conditions have been satisfied.

12.2 Mechanics for Loan Advance. The Borrower shall submit a request not less than three (3) business days before the anticipated Advance Date. The request for advance shall be accompanied by a certificate of a senior officer of the Borrower confirming that all of the terms and conditions of this letter and the Security Documents have been complied with and such other matters as we may request.

12.3 Manner of Making Advances. We may make advances directly, or through our respective legal counsel or any third party. We may also make advances to ourselves, to you or, on notice to you, in payment of any charge having priority over any of the Security Documents.

12.4 Draw Fee. PenCor shall be paid a fee of One Thousand Dollars (\$1,000.00) for the review and approval of the funding request made to the Lender by the Borrower.

12.5 Subsearch. Before making any advance we shall require our legal counsel to confirm that there are no claims for lien registered against the Property. The Borrower shall pay legal counsel fees for each advance.

## **PART E - COVENANTS**

### 13. **COVENANTS**

The following covenants will apply so long as the Loan Amount remains outstanding.

13.1 No Other Charges. You will not permit the registration of any mortgage or financial charge against the Property without our prior written consent. Furthermore, if required by us, you will remove (or cause to be removed) any encumbrance, lien, or charge created or registered against your interest in the Property as expeditiously as possible.

13.2 No Additional Borrowings. The Borrower shall not make any additional borrowings while the Loan remains outstanding without the written consent of the Lender.

13.3 Financial Statements. You and the Guarantors will deliver the following financial information to us:

- (a) your unaudited annual financial statements, within one hundred twenty (120) days of your fiscal year end; and
- (b) updated current personal financial statements for each other person who is liable to us for the payment of any of the Loan Amount, as often the same may be requested by us and in any case, no less than annually.

13.4 Reporting Requirements. You will deliver the following documents to PenCor:

- (a) copies of the annual reconciliation of operating expenses and taxes as provided to the tenant under the Vision Lease; and
- (b) such other financial statements and information in respect of the Property as we or PenCor may reasonably require within fifteen (15) days of request.

13.5 Ongoing Information. You will upon request provide us with any information that we may reasonably require with respect to you, the Guarantors or the Property.

13.6 Use of Loan. You will utilize the Loan solely for the purposes permitted hereby.

13.7 Permit Inspection. You will permit us and our inspector to inspect the Property from time to time during normal business hours as we deem necessary.

13.8 Additional Covenants. You make the additional covenants in respect of the Property as set forth in Schedule "C".

## **PART F - EVENTS OF DEFAULT AND REMEDIES**

### **14. EVENTS OF DEFAULT**

14.1 Events of Default. Without limiting the events of default respectively set out in each of the Security Documents, each of the following will constitute an event of default ("**Event of Default**"):

- (a) if you fail to pay the Loan Amount, or any portion thereof, when due;
- (b) if you fail to perform any other obligations in connection with the Loan, whether hereunder or under any of the Security Documents and such failure continues for a period of five (5) days after you receive notice thereof (or such longer period of time as is reasonably necessary in the circumstances provided that you have taken all reasonable steps to commence to rectify the failure within such period and are continuing diligently to complete such rectification);
- (c) if you, other than as expressly contemplated hereby, sell, assign or otherwise dispose of the Property without our prior written consent;
- (d) if you or a Guarantor creates (or allows to be created) any charges, liens, interests or security interests ranking or purporting to rank ahead of or *pari passu* with the

charge(s) and security interests to be registered by us against or in respect of the Property (other than as specifically contemplated hereby);

- (e) if you or a Guarantor fails to remove any subsequent charge, lien, interest or security interest registered against or in respect of your or its interest in the Property, or any part thereof, which we have not previously approved, if requested to do so by us;
- (f) if we discover that there is or has been any change, discrepancy or inaccuracy in any written information, statement or representation previously, now, or at any time hereafter made or furnished to us by you or on your behalf concerning:
  - (i) the Property or any part thereof; or
  - (ii) you, or any Guarantor;

and in our sole opinion, acting reasonably, such change, discrepancy, or inaccuracy is materially adverse and cannot be rectified or nullified within ten (10) days of written notification thereof (or such longer period of time as is reasonably necessary provided that you immediately commence and thereafter continue to diligently rectify the same);

- (g) if we, in our sole opinion, acting reasonably, determine that there has been a material adverse change in your financial condition or the financial position of a Guarantor, or in the value of the Property.

## 15. **REMEDIES ON DEFAULT**

15.1 Remedies. Upon the occurrence of an Event of Default, we may (or may not) do any one or more of the following, at our sole option and in our sole discretion:

- (a) accelerate the Loan Amount;
- (b) exercise the power of sale contained in the Mortgage in accordance with its terms;
- (c) commence foreclosure proceedings;
- (d) commence realization proceedings under the *Personal Property Security Act* (Ontario);
- (e) appoint a Receiver or a Receiver/Manager, to take possession of any or all of the assets charged in our favour;
- (f) commence proceedings against a Guarantor; and
- (g) without limiting the generality of the foregoing, pursue any and all other rights or remedies available to us.

**PART G – MISCELLANEOUS****16. OTHER INFORMATION**

In addition to the Borrower's obligations set out under Section 13.4, the Borrower will promptly provide to us such other information, approvals, opinions or documentation as we may from time to time request.

**17. ENVIRONMENTAL MATTERS**

The Borrower will conduct its business and maintain all the property of the Borrower in compliance with all federal, provincial and municipal environmental statutes, regulations and by-laws. The Borrower will indemnify and hold harmless TCEB and their directors, officers, employees and agents in respect of any costs, losses, damages, expenses, judgments, suits, claims, awards, fines, sanctions and liabilities whatsoever (including any costs or expenses of defending or denying the same and including the costs or expenses of preparing any necessary environmental assessment report or other such reports) arising out of, or in respect of (i) any release, deposit, discharge or disposal of any hazardous or toxic materials, pollutants, contaminants, waste or other substances in connection with the Borrower's property or business; and (ii) the remedial action (if any) taken by TCEB in respect of any such release, deposit, discharge or disposal. This indemnity will survive the repayment or cancellation of the Loan or any termination of this Commitment Letter.

**18. STATEMENTS**

The Borrower agrees it will be conclusively settled that (i) the amount of the balance shown in any statement of account provided to the Borrower is correct; and (ii) each amount shown in that statement as a charge to that account is properly chargeable to the Borrower, unless the Borrower has notified us of errors, irregularities or omissions in or from that statement within thirty (30) days of the date of mailing (as shown by records of TCEB) or delivery of such statement to the Borrower.

**19. CONSENT TO RELEASE INFORMATION**

The Borrower consents to the receipt and exchange of credit or other information from time to time by us including such receipt from and exchange with any financial institution, credit bureau or credit reporting agency or any person, firm or corporation with which the Borrower has or proposes to have financial relations. The Borrower understands that this information may be used for the purposes of establishing and maintaining the Borrower's relationship with us and of offering and providing products and services as permitted by law.

**20. PROPERTY VISITS**

We or our representatives may attend at and view the Property at any time and from time to time while the Loan Amount remains outstanding.

## 21. COSTS

All expenses incurred by us in carrying out or attempting to carry out the transaction(s) contemplated hereby to completion including, but not limited to:

- (a) all legal fees incurred by us and our legal counsel for the preparation, completion, and registration of any Commitment Letter, Security Documents and other documentation required by us in connection herewith, including any interlender agreement or agreements with participants or assignees;
- (b) all expenses associated with the processing of the Application and modifying any terms of the Commitment Letter for the benefit of the Borrower;
- (c) all costs of appraisals and insurance, consulting, travel, inspection, HST, due diligence costs, and similar fees and expenses; and
- (d) all costs of enforcement of Security Documents and recovery of the Loan Amount.

are to be borne by you.

## 22. CURRENCY

All amounts referred to herein are expressed in Canadian Dollars, unless otherwise indicated.

## 23. AMENDMENTS

No term or requirement of this Commitment Letter or of any Security Document may be waived or varied orally by any course of any conduct or any of our officers, employees or agents. Any amendment must be in writing and signed by one of our duly authorized officers.

## 24. ASSIGNMENT

Unless you obtain our prior written consent and except as otherwise expressly contemplated hereby:

- (a) you may not assign this Commitment Letter, any of the Security Documents or the whole or any portion of the Loan Amount to any person whomsoever; and
- (b) you may not permit any change in your controlling share ownership, either beneficial or registered.

The Loan Amount, the Commitment Letter and the Security Documents may be assigned or syndicated by us at any time, in whole or in part.

## 25. WAIVER

Failure by us to insist upon a strict performance of any obligation or covenant contained in this Commitment Letter, or in any of the Security Documents, or to exercise any option or right

herein or therein will not be a waiver or relinquishment for the future of such obligation or covenant, option or right, but the same will remain in full force and effect and we will have the right to insist upon the strict performance by you of any and all of the terms and provisions of this Commitment Letter and the Security Documents.

26. **CONFIDENTIALITY AND INDEMNIFICATION**

This Commitment Letter is delivered to you with the understanding that neither it nor its substance will be disclosed publicly or privately except to your counsel, accountants, employees and agents who are specifically involved in the proposed transaction. Without limiting the generality of the foregoing, none of those persons will use or refer to our name in any disclosure made in connection with any of the transactions described above without our prior written consent.

By accepting this Commitment Letter, you agree to indemnify and hold us harmless against all claims, damages, liabilities and expenses which may be incurred by or asserted by any other party against us in connection with the transactions contemplated by this Commitment Letter.

27. **WHOLE AGREEMENT**

This Commitment Letter, including the schedules attached hereto, the Security Documents and the certificates and supporting documents to be delivered pursuant hereto or thereto:

- (a) constitute the entire agreement between us and you pertaining to the transactions contemplated hereby;
- (b) supersede all prior agreements understandings, negotiations and discussions whether oral or written relating thereto; and
- (c) and there are no warranties, representations or other agreements between us and you in connection with the transactions contemplated hereby except as specifically set forth therein and herein.

28. **NON-MERGER**

All representations, warranties, covenants and agreements contained herein or in any Security Document or in any certificate or document delivered by you (or any other person) to us, pursuant to or in connection with the transactions contemplated by this Commitment Letter, will survive the execution, delivery and the registration of the Security Documents and any advance made on account of the Loan.

29. **RELATIONSHIP BETWEEN PARTIES**

You acknowledge and agree that our relationship with you is that of creditor and debtor and mortgagor and mortgagee and is not a partnership, joint venture, co-venture or the like.



### 30. ADVERTISING

We will have the right to erect a sign at the Property and place advertisements, at our expense, indicating the source of this financing.

### 31. REGISTRATION

It is a condition of this Commitment Letter that all Security Documents be executed and registered where required by our solicitors for the Loan, by August 31, 2012 or any later date chosen at the sole discretion of the Lender.

### 32. COMMITMENT EXPIRY

We reserve the right to terminate this Commitment Letter and close out the Loan in the event that the advance on account of the Loan is not made by August 31, 2012 (the "**Commitment Expiry Date**").

### 33. COMMITMENT/PROCESSING FEE

You agree to pay to us and PenCor the sum of Two Hundred Seventy Thousand Dollars (\$270,000.00) as a commitment/processing fee (the "**Commitment Fee**") and you acknowledge and agree that:

- (a) the Commitment Fee is payable to us as consideration for the time, effort and expenses of us and our employees and agents to review and/or study documents pertaining to the transaction(s) contemplated hereby, (including but not limited to any appraisal and credit reports and financial statements); to underwrite the Loan; to physically inspect the Property; to reserve funds in contemplation of the Loan and to forego any opportunities to use the funds elsewhere;
- (b) the actual determination of the costs and expenses so incurred by us is not feasible and the Commitment Fee represents a reasonable estimate thereof and is payable to us in the manner set out below without set-off, abatement or deduction; and
- (c) the Commitment Fee is non-refundable and will be earned by and payable to us and PenCor on your acceptance under the terms of this Commitment Letter.

You further acknowledge and agree that if you accept this Commitment Letter, then, if due to the occurrence of an event of default we terminate this Commitment Letter and refuse to advance the Loan, then, the Commitment Fee and any processing fee shall be absolutely forfeited to us and PenCor as liquidated damages, and not as a penalty, in compensation for:

- (d) the direct or indirect expense, disbursements and costs incurred by us and PenCor;
- (e) the time, effort and expense by the employees, officers and agents of us and PenCor incurred in the review and study of the documents pertaining to the Loan, review of appraisal, credit reports and financial statements, physical inspections and reservation of funds; and

- (f) all loss and damage of us and PenCor, including loss of alternate investment opportunities and loss of profits, but not including legal fees and disbursements incurred by us or PenCor in connection with this Loan.

Without limiting the foregoing, it is understood and agreed that we and PenCor will have the right to enforce payment of any unpaid the balance of the Commitment Fee and nothing contained in this Commitment Letter shall release you or any other person who may be liable for the payment of the Commitment Fee from liability to pay the unpaid balance of same.

You will also continue to be responsible for the payment of and agree to pay all of the legal fees and disbursements incurred by us and PenCor and as well, any brokerage or other fees and commissions payable by us in connection with this Loan which you may have agreed to pay in addition to the Commitment Fee.

You further acknowledge and agree that the Commitment Fee and any processing fee paid in connection with this Commitment Letter represents a genuine pre-estimate of damages and not a penalty and that the consequences of a breach of the provisions of this Commitment Letter are such as to make precise pre-estimation very difficult.

We acknowledge that prior to the issuance of this Commitment Letter you paid the sum of Twenty-Five Thousand Dollars (\$25,000.00) to Bennett Jones LLP, in trust, together with the Application and that sum will be considered as part of, and applied to, the Commitment Fee.

34. **OUR SOLICITORS**

All legal work on our behalf is to be performed and all documentation in regard to our Loan is to be prepared by our solicitors, Bennett Jones LLP, Attention: Paul D. Blundy.

35. **REFERENCE DATE**

This Commitment Letter will be dated for reference purposes only August 10, 2012.

36. **TIME**

Time is of the essence of this Commitment Letter and each of the Security Documents.

37. **CREDIT REPORTING**

You and the Guarantor consent to us obtaining, from any credit reporting agency or from any person, such information as we may require at any time. You and the Guarantor also consent to the disclosure at any time of that information to any credit grantor with whom you or they may have financial relations, or to any credit reporting agency.

38. **MAXIMUM "INTEREST"**

Notwithstanding anything contained in:

- (a) this Commitment Letter;

- (b) any agreement or arrangement arising out of or related to this Commitment Letter (including any Security Document);

you and we intend and agree that no "**Interest**" shall be paid or payable to us in connection with the "credit advanced" in respect of the Loan at an annual rate of interest greater than that rate which is one percent (1%) per annum less than the "criminal rate" of interest (the "**Maximum Rate**").

In that regard, you agree not to pay to us and we agree not to demand from you, "interest" on the "credit advanced" in respect of the Loan which is in excess of the Maximum Rate (any excess being called "**Excess Interest**").

You and we further agree that any "interest" received by us on the "credit advanced" in respect of the Loan which could, but for this clause, be construed as Excess Interest, will be automatically applied to the Loan Amount as a repayment on account of the principal balance of the Loan then outstanding which, in turn, shall be automatically reduced by the amount of the Excess Interest received.

If it is at any time determined that, at the time any Excess Interest was received by us, there were no, or insufficient, principal monies owing to us to allow for an automatic reduction of the principal balance of the Loan as contemplated above, we and you agree to reduce the "interest" paid by you on the "credit advanced" in respect of the Loan to the Maximum Rate by either one or a combination of the following:

- (a) if the Loan Amount has not then been repaid in full, by reducing the "interest" payable thereafter on the "credit advanced" in respect of the Loan:
- (i) firstly, by reducing the monies payable thereafter on account of the Commitment Fee; and
  - (ii) secondly, if necessary, by reducing the monies payable thereafter on account interest;

until the Excess Interest is repaid to you in full; or

- (b) if the Loan Amount has been repaid in full, or there are insufficient monies due and owing on account of the Loan Amount to allow for a repayment of the Excess Interest in accordance with subparagraph (a) above, by repaying to you, on demand, that amount which would repay the outstanding Excess Interest in its entirety.

In this section, words or phrases in quotations and which are defined in Section 347 of the *Criminal Code* of Canada have the meaning set out in that section.

39. **NOTICES**

Any notice, demand or other document to be given, or any delivery to be made hereunder or under any of the Security Documents will be effective if in writing and delivered in person and left with, or if telecopied and confirmed by prepaid registered letter addressed to the attention of:

- (a) in our case addressed as follows:

TCE Beta Services Inc.  
c/o Pencor Capital Corp.  
Unit 11A  
75 West Beaver Creek Road  
Richmond Hill, Ontario L4B 1K6

Attention: Bob Lee  
Fax No: (905) 762-9338

and with a copy to:

PenCor Mortgage and Investment Advisors Ltd.  
518 - 1177 West Hastings Street  
Vancouver, British Columbia V6E 2K3

Attention: Mr. Bob Lee, President  
Fax No: (604) 669-0216

and with a copy to:

Bennett Jones LLP  
3400 One First Canadian Place  
P.O. Box 130  
Toronto, Ontario M5X 1A4

Attention: Paul D. Blundy  
Fax No: (416) 863-1716

- (b) in the case of you or the Guarantor, addressed to the person(s) in question:

Norma Walton  
30 Hazelton Avenue  
Toronto, Ontario M5R 2E2

Fax No: (416) 489-9973

with a copy to:

Ronauld Walton  
30 Hazelton Avenue  
Toronto, Ontario M5R 2E2

Fax No: (416) 489-9973

Any notice, demand or other document or delivery so given or made will be deemed to have been given or made and received at the time of delivery in person or on the business day next following the date of telecopying of the same. Any party hereto may from time to time by notice in writing change his or its address (or in the case of a corporate party, the designated recipient) for the purposes of this section.

40. **RECORDS AS TO PAYMENT**

Unless proved otherwise and except for obvious error, our respective records concerning principal, interest, fees and other amounts outstanding, accrued or otherwise payable under this Commitment Letter are conclusive evidence of your debt and liability under this Commitment Letter and the Security Documents.

We may debit any one or more of your accounts with interest and other charges payable to either or both of us.

You will make all payments to us in immediately available funds in the applicable currency on the due date and in the manner that we may direct from time to time.

41. **SCHEDULES**

The Schedules which form part of this Commitment Letter are as follows:

- Schedule "A" - Permitted Encumbrances
- Schedule "B" - Minimum Insurance Requirements
- Schedule "C" - Additional Covenants and Agreements
- Schedule "D" - Form of Estoppel Certificate

42. **ACCEPTANCE**

This Commitment Letter will be open for acceptance until 5:00 o'clock p.m. Toronto time, August 21, 2012, after which the offer constituted hereby will be null and void.

This Commitment Letter may be accepted by signing the same below where indicated and returning at least one (1) fully executed copy of the Commitment Letter to PenCor at its address above.

- 24 -

This Commitment Letter may be executed by the parties hereto in one or more counterparts and such counterparts when taken together will form one original Commitment Letter on the terms and conditions set forth herein.

We appreciate the opportunity of providing the above financing to you and would be pleased to discuss any aspects of the above at your convenience.

Yours very truly,

**TCE BETA SERVICES INC.**

Per:

Director

Per:

Director

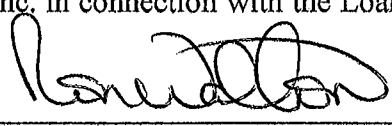
**ACCEPTANCE**

The Borrower hereby accepts the offer of TCE Beta Services Inc. to provide financing and agree(s) to borrow the monies representing the Loan upon and subject to the terms of this Commitment Letter.

For good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the undersigned jointly and severally promise to pay the Loan Amount including the Commitment Fee all other costs, charges and expenses required to be paid thereunder and under the Security Documents in accordance with the provisions hereof and thereof and to perform all of its obligations in connection therewith in accordance herewith and therewith.

**LIBERTY VILLAGE PROPERTIES LTD.**Per: *NORMA WALTON - President***GUARANTORS' ACKNOWLEDGEMENT**

For good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), Norma Walton and Ronauld Walton hereby unconditionally jointly and severally guarantee the payment, observance and performance, on demand, of the Borrower's debts, obligations and liabilities to TCE Beta Services Inc. in connection with the Loan Amount as provided for above.

  
Norma Walton  
Ronauld Walton

SCHEDULE "A"  
PERMITTED ENCUMBRANCES





**SCHEDULE "B"**  
**MINIMUM INSURANCE REQUIREMENTS**

ALL POLICIES MUST BE REVIEWED AND APPROVED, BEFORE THE FIRST LOAN ADVANCE, BY THE LENDER'S INSURANCE CONSULTANT:

INTECH RISK MANAGEMENT INC.  
 3 Church Street, Suite 400  
 Toronto, Ontario M5E 1M2

Attention: Todd McCleave

Telephone: (416) 348 1366  
 Facsimile: (416) 348 9121  
 E-mail: [tmccleave@intechrisk.com](mailto:tmccleave@intechrisk.com)

So that there is no delay in funding because of changes needed to insurance policies, please give a copy of this Schedule to your insurance broker and ask that the coverages described below be issued immediately and proof forwarded to Intech Risk Management Inc. for review purposes.

**GENERAL**

1. These Insurance Requirements outline only the protection required for our interests. Your interests will be different than ours and you must obtain its own advice as to appropriate coverages and details.
2. The forms, insurers, coverages, amounts, exclusions and deductibles are always subject to our discretion, having regard to the nature, location, value and risks of the Property. Without restricting that discretion, we may require coverages not specifically mentioned or required, such as, but not limited to, terrorism and pollution insurance.
3. Original policies and signatures on behalf of the insurer are required. The insurer(s), policy number(s) and policy term(s) must be shown on all insurance documentation. If actual policies are not available for the initial loan advance, signed Binders or Certificates of Insurance will be accepted, provided the form and contents are satisfactory. **N.B.: CSIO form, Acord Form 25s or their equivalents are not acceptable.**
4. All policies must show every Borrower as a named insured.
5. All policies covering physical loss or damage (that is, property, builders risk and boiler and machinery insurance) must be on a full replacement cost basis and:
  - (a) provide coverage for all risks of physical loss or damage, including earthquake, flood, sewer back-up and collapse;

- (b) include insurance on the foundation and all parts below ground level;
  - (c) provide in case of destruction:
    - (i) that reconstruction will not be limited to "on the same or an adjacent site";
    - (ii) coverage for increased costs of reconstruction through by-law and code changes and demolition and debris removal for damaged and undamaged property and resultant loss of income;
  - (d) either contain a stated amount co-insurance clause or not be subject to co-insurance.
6. We are to be shown both as a mortgagee and loss payee under all policies covering physical loss or damage. Loss is to be payable using this wording:
- "TCE Beta Services Inc. as to first loss payee"
- and a standard IAO mortgage clause must be part of the policy.
7. The insurer may reserve the right to cancel the policy as permitted by statute but must agree that it will not terminate, make any adverse material change or otherwise alter the policy to our prejudice except by registered letter giving 30 days notification to us.
8. The legal description of the property insured must be specified. Municipal addresses alone are not acceptable.
9. Commercial General Liability Insurance for bodily injury and/or death and damage to property of others in an amount acceptable to the Lender but in any case not less than \$5,000,000 for any one occurrence shall be in place for all loans. We are to be shown as an Additional Insured under all Liability Insurance policies. At our option, the policy shall include limited pollution liability (IBC 2313 or equivalent wording) to cover sudden and accidental pollutants and smoke from a hostile fire.
10. All risk coverage equivalent to the IAO Commercial Building Form (CBF).
11. Broad form boiler insurance for explosion, electrical and mechanical breakdown covering pressure vessels, air-conditioning equipment, miscellaneous electrical apparatus (and production machinery where applicable) and providing comprehensive coverage for repair or replacement and use and occupancy. A joint loss agreement must be provided if the insurer is different than the all risks insurer.

- 3 -

12. Rental insurance coverage sufficient to cover 100% of the projected gross annual rents and, if on a net basis, the equivalent gross rentals, for a minimum period of one year.

**Please also note that we require you to deliver a certified copy of the insurance policies to us.**

**SCHEDULE "C"**  
**ADDITIONAL COVENANTS AND AGREEMENTS**

**A POSITIVE COVENANTS:**

Each of the Borrower and the Guarantors covenant and agree with us, that notwithstanding any other provision of this Commitment Letter or any of the Security Documents to which it is a party or by which it is bound, it will:

1. promptly upon obtaining knowledge thereof, deliver to us written notice of any default under any material contract to which it is a party, or any litigation, arbitration, or proceedings before any Official Body;
2. deliver to us such other information respecting its businesses, operations or financial condition as we may from time to time reasonably request;
3. if a corporation, preserve and maintain in full force and effect its corporate existence and qualifications to carry on business' including without limitation, all Permits relating thereto, and not cease to conduct its businesses as conducted at the date of this Commitment Letter;
4. comply with all applicable laws and duly observe in all material respects [i] all Permits and valid requirements of any Official Body having jurisdiction applicable to it, and [ii] all material contractual obligations with respect to the Property;
5. pay and discharge before the same become delinquent; [i] all taxes, assessments, charges or levies imposed upon or in respect of its business or properties; and [ii] all lawful claims, including without limitation, claims for labour, materials, supplies, services, wages, salaries, vacation pay and workers' compensation assessments which, if unpaid, might become a lien upon or in respect of its businesses or assets or properties; except in each case any such tax, assessment, charge, levy or claim which is being contested in good faith and by proper proceedings, for which it has maintained adequate reserves therefor, and in respect of which no liens have attached to its properties;
6. keep proper books and accounts in respect of its businesses in which full and correct entries shall be made of all financial transactions and the assets and operations in respect of their businesses in accordance with generally accepted accounting principles;
7. permit us to examine its books and to make copies and take extracts therefrom and to discuss its affairs, finances and accounts in respect of its businesses and statutory withholdings, remittances and payments with its officers at all such reasonable times during normal office hours and as often as we may reasonably request and to cooperate and to provide such information as may be reasonably requested so as to permit such expert to fulfil its obligations to us;
8. keep and cause to be kept its properties assets and undertakings in good repair, working order and condition consistent with all permits and laws and, from time to time, [i] make all needful and proper repairs, renewals, replacements, additions and improvements

thereto in accordance with prudent business management, and [ii] prevent the determination or suspension for any period of time of any of its right, title and interest in and to any permit applicable to the Property;

9. maintain and defend and take all action necessary or advisable at any time to maintain, defend, exercise, or renew its right, title and interest in and to its properties and assets;
10. make full and timely payment of all obligations owed by them hereunder, whether now existing or hereafter arising, and duly comply with all the terms and covenants contained within this Commitment Letter and all other agreements arising out of this agreement, all at the times and places and manner set forth therein;
11. notify us promptly upon obtaining knowledge of the institution or anticipated or threatened institution of any proceedings for the expropriation of any of their properties or assets if such expropriation could reasonably be expected to affect the Property and, if any such properties or assets are taken or damaged in or by any such expropriation proceedings or otherwise, the awards of compensation payable to them shall be paid, and are hereby assigned, to us;
12. to promptly notify us and provide copies upon receipt of all written claims, complaints, notices or inquiries from third parties relating to compliance with environmental laws with respect to the Property ; and
13. at your cost and expense upon our request from time to time, duly execute and deliver, or cause to be duly executed and delivered, such further instruments and do and cause to be done such other acts as may be necessary or proper in our reasonable opinion of to carry out more effectually the provisions and purposes of this Commitment Letter and the Security Documents.

## **B NEGATIVE COVENANTS**

Each of the Borrower and the Guarantor covenants and agrees with us not to:

1. create, incur, assume or suffer to exist any lien, charge or encumbrance on any of their properties assets charged by any one or more of the Security Documents, other than Permitted Encumbrances;
2. create, incur, assume or suffer to exist, contingently or otherwise, any indebtedness in connection with the Property;
3. sell, lease, exchange or otherwise dispose of any property that is subject to the Security Documents, except as contemplated hereby;
4. merge, consolidate or amalgamate with or into, or sell, convey, transfer, lease or otherwise dispose of in one transaction or a series of transactions and other than by way of Permitted Encumbrances all or substantially all of their assets to any other person; and

5. alter, amend or waive in any material respect any of your rights under, or permit any termination, surrender or material alteration of any of their rights under, any material contract other than in accordance with the terms of such contract if such alteration, amendment, waiver, termination, surrender or material alteration has or could reasonably be expected to have a material adverse effect, without our prior written consent; such consent not to be unreasonably withheld.

## SCHEDULE "D"

### FORM OF ESTOPPEL CERTIFICATE

The undersigned, the lessee in the lease agreement (the "**Lease**") dated the 2<sup>nd</sup> day of August, 2012 made between Liberty Village Properties Ltd., as lessor (the "**Lessor**") and Vision 7 Communications Inc., as lessee, (the "**Lessee**") for the lands and premises described in Schedule "A" (the "**Leased Premises**") does hereby certify and represent to TCE Beta Services Inc. that:

1. The Lease has not been altered or amended since its date of execution and is valid and subsisting and in full force and effect in accordance with its terms.
2. The Lessee has not prepaid any rent or paid any security or damage deposit except as specifically set out in the Lease.
3. Any rent free period or rent reduced period has expired and that the Lessee has no future right to rent free or rent reduced occupation of the Leased Premises.
4. The Lessee is in possession of the Leased Premises.
5. The Leased Premises have been completed in accordance with any obligations of the Lessor, and the Leased Premises are entirely satisfactory and suitable for the use thereof as contemplated by the Lease.
6. Neither the Lessor nor the Lessee is in default under any of the obligations as set forth in the Lease.
7. The Lessee has no claims, charges, defences, lien, abatement, or claim against the Lessor in respect of rent or otherwise.
8. The Lease contains the entire agreement between the parties to it.
9. The Lessee acknowledges that the within representations shall constitute an Estoppel against the Lessee with reference to any claims that may be inconsistent or contrary to the representations as set out aforesaid.

This Estoppel Certificate is given by the undersigned to TCE Beta Services Inc. on the understanding it is taking an assignment of the Lease as additional security for the obligations of the Lessor and it is relying on the truthfulness and accuracy of the foregoing facts hereby certified as correct by the undersigned.

- 2 -

Dated at Toronto, Ontario, this • day of August, 2012.

**VISION 7 COMMUNICATIONS INC.**

Per:

\_\_\_\_\_  
[Name]

[Title]

Per:

\_\_\_\_\_  
[Name]

[Title]



**SCHEDULE "A"****30-32 Atlantic Avenue, Toronto**

Firstly, Lots 123, 148 and 149, Plan 765, part of Lots 122, 124 and 147, Plan 765, and part of the lane shown on Plan 765, all described as Part 2 on Reference Plan 63R-3439, City of Toronto (PIN 21299-0294(LT)).

Secondly, Lots 125 and 146, Plan 765, part of Lots 124, 126, 144, 145, and 147, Plan 765, and part of the lane shown on Plan 765, all described as Part 2 on Reference Plan 63R-3894, City of Toronto (PIN 21299-0116(LT))



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REGISTRY

OFFICE #66

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

PAGE 1 OF 3

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ON 2013/12/02 AT 16:19:17

21299-0116 (LT)

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

PROPERTY DESCRIPTION: LT 125, 146 PL 765 TORONTO; PT LT 124, 126, 144-145, 147 PL 765 TORONTO; PT LANE PL 765 TORONTO (CLOSED BY W19786) PT 2 63R3894; CITY OF TORONTO

PROPERTY REMARKS: PLANNING ACT CONSENT AS IN CT959829.

ESTATE/QUALIFIER: RECENTLY:

FEE SIMPLE FIRST CONVERSION FROM BOOK

IT CONVERSION QUALIFIED

OWNERS' NAMES

LIBERTY VILLAGE PROPERTIES LTD.

CAPACITY SHARE

PIN CREATION DATE:

2003/03/24

Subject Property

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT	INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE: 2003/03/21 **					
**SUBJECT,	ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:					
**	SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *					
**	AND ESCHATE OR FORFEITURE TO THE CROWN.					
**	THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF					
**	IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY					
**	CONVENTION.					
**	ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.					
**DATE OF	CONVERSION TO LAND TITLES: 2003/03/24 **					
63R3259	1984/12/13	PLAN REFERENCE				
CT722042	1985/06/03	NOTICE	*** COMPLETELY DELETED ***			
63R3439	1985/10/01	PLAN REFERENCE				
63R3894	1987/05/15	PLAN REFERENCE				
CT959829	1988/06/28	TRANSFER	*** COMPLETELY DELETED ***			
CT959831	1988/06/28	AGREEMENT				
CA238694	1993/06/11	CHARGE	*** COMPLETELY DELETED ***			
CA238697	1993/06/11	NOTICE	*** DELETED AGAINST THIS PROPERTY ***			

THIS IS EXHIBIT 8 ATTACHED

TO THE AFFIDAVIT OF

Scoti Bros

SWORN December 17, 2013

Commissioner

A COMMISSIONER

ANIMATION SERVICES INC.

NORTH AMERICAN TRUST CO.

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

NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.



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21299-0116 (LT)

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHGD
CA339463	1995/04/03	AGREEMENT		*** COMPLETELY DELETED ***		
REMARKS: AMENDING CA238694						
CA582251	1999/01/19	CHARGE		*** COMPLETELY DELETED ***		
CA582252	1999/01/19	ASSIGNMENT GENERAL		*** COMPLETELY DELETED ***		
REMARKS: RENTS, CA582251						
CA617290	1999/08/03	CHARGE		*** COMPLETELY DELETED ***	ROYAL BANK OF CANADA	
CA617519	1999/08/03	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY ***	LAURENTIAN BANK OF CANADA	
REMARKS: CA582251, CA617290						
AT157558	2003/05/01	DISCH OF CHARGE		*** COMPLETELY DELETED ***		
REMARKS: RE: CA238694						
AT157561	2003/05/01	DISCH OF CHARGE		*** COMPLETELY DELETED ***		
REMARKS: RE: CA617290						
AT2786137	2011/08/17	DISCH OF CHARGE		*** COMPLETELY DELETED ***		
REMARKS: CA582251.						
AT2793393	2011/08/24	APL CH NAME OWNER		*** COMPLETELY DELETED ***		
REMARKS: ANIMATION SERVICES INC.						
AT2793394	2011/08/24	APL (GENERAL)		*** COMPLETELY DELETED ***		
REMARKS: DELETE CT722042 AND CA238697						
AT2798013	2011/08/29	TRANSFER	\$3,500,000	NELVANA LIMITED		
REMARKS: PLANNING ACT STATEMENTS						
					NELVANA LIMITED	
					LIBERTY VILLAGE PROPERTIES LTD.	C

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



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PAGE 3 OF 3  
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21299-0116 (LT)

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT2798014	2011/08/29	CHARGE		*** COMPLETELY DELETED *** LIBERTY VILLAGE PROPERTIES LTD.	368230 ONTARIO LIMITED	
AT3107773	2012/08/22 REMARKS: EXPIRY DATE 2022/08/14	NOTICE OF LEASE	\$2	LIBERTY VILLAGE PROPERTIES LTD.	VISION 7 COMMUNICATIONS INC.	C
AT3113002	2012/08/28	CHARGE	\$13,500,000	LIBERTY VILLAGE PROPERTIES LTD.	TCE BETA SERVICES INC.	C
AT3113003	2012/08/28 REMARKS: AT3113002.	NO ASSGN RENT GEN		LIBERTY VILLAGE PROPERTIES LTD.	TCE BETA SERVICES INC.	C
AT3113022	2012/08/28 REMARKS: AT310773.	NO ASSG LESSOR INT		LIBERTY VILLAGE PROPERTIES LTD.	TCE BETA SERVICES INC.	C
AT3114048	2012/08/29 REMARKS: AT2798014.	DISCH OF CHARGE		*** COMPLETELY DELETED *** 368230 ONTARIO LIMITED		

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



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21299-0294 (LT)

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

PROPERTY DESCRIPTION: LOT 123, 148-149 PLAN 765, PART OF LOT 122, 124, 147 PLAN 765, PT LANE PLAN 765 TORONTO (CLOSED BY W19788), DESIGNATED AS PART 2 ON PLAN 63R3439;  
CITY OF TORONTO

PROPERTY REMARKS:

ESTATE/QUALIFIER:

FEE SIMPLE

IT CONVERSION QUALIFIED

OWNERS' NAMES

LIBERTY VILLAGE PROPERTIES LTD.

PLANNING ACT CONSENT AS IN CT753756. PLANNING ACT CONSENT AS IN CT752635.

RECENTLY:

DIVISION FROM 21299-0117

CAPACITY SHARE

FIN CREATION DATE:

2011/09/22

Subject Property

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE: 2011/09/22 **						
**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:						
**		SUBSECTION 44 (1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *				
**		AND ESCHEREAT OR FORFEITURE TO THE CROWN.				
**		THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF				
**		IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY				
**		CONVENTION.				
**		ANY LEASE TO WHICH THE SUBSECTION 70 (2) OF THE REGISTRY ACT APPLIES.				
**DATE OF CONVERSION TO LAND TITLES: 2003/03/24 **						
63R3439	1985/10/01	PLAN REFERENCE				C
CT752637	1985/11/08	AGREEMENT				C
AT2798005	2011/08/29	TRANSFER	\$3,500,000	NELVANA LIMITED	LIBERTY VILLAGE PROPERTIES LTD.	C
REMARKS: PLANNING ACT STATEMENTS						
AT2798007	2011/08/29	CHARGE		*** DELETED AGAINST THIS PROPERTY *** LIBERTY VILLAGE PROPERTIES LTD.		
AT3078772	2012/07/19	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** TAG DESIGN BUILD INC.		
AT3096072	2012/08/08	AFL (GENERAL)		*** COMPLETELY DELETED *** TAG DESIGN BUILD INC.	368230 ONTARIO LIMITED	
REMARKS: DISCHARGE AT3078772						

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

NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.



Ontario ServiceOntario

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

LAND  
REGISTRY  
OFFICE #66

PAGE 2 OF 2

PREPARED FOR NTaylor1  
ON 2013/12/02 AT 16:15:30

21299-0294 (LT)

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT3107773	2012/08/22	NOTICE OF LEASE REMARKS: EXPIRY DATE 2022/08/14	\$2	LIBERTY VILLAGE PROPERTIES LTD.	VISION 7 COMMUNICATIONS INC.	C
AT3113002	2012/08/28	CHARGE	\$13,500,000	LIBERTY VILLAGE PROPERTIES LTD.	TCE BETA SERVICES INC.	C
AT3113003	2012/08/28	NO ASSGN RENT GEN REMARKS: AT3113002.		LIBERTY VILLAGE PROPERTIES LTD.	TCE BETA SERVICES INC.	C
AT3113022	2012/08/28	NO ASSG LESSOR INT REMARKS: AT3107773.		LIBERTY VILLAGE PROPERTIES LTD.	TCE BETA SERVICES INC.	C
AT3114049	2012/08/29	DISCH OF CHARGE REMARKS: AT2798007.		*** COMPLETELY DELETED *** 368230 ONTARIO LIMITED		

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NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

**DBDC SPADINA LTD., and those  
Corporations listed on Schedule A thereto**  
Plaintiff

- and -

**NORMA WALTON et al.**

Defendants

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

Proceeding commenced at Toronto

**MOTION RECORD  
(Returnable December 18, 2013)**

**BENNETT JONES LLP**  
Suite 3400, P.O. Box 130  
1 First Canadian Place  
Toronto, ON M5X 1A4

**Julia Schatz (LSUC No. 37412V )  
Amanda McLachlan (LSUC No. 583650)**

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