

Court File No.: CV-22-00686253-00CL

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

B E T W E E N :

Andrew Peek and Constantine Trevor Speis

Applicants

- and -

City & Stay Hotel Group Ltd.

Respondent

**APPLICATION UNDER SECTION 243(1) OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985, C. B-3, AS AMENDED AND SECTION 101 OF
THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, C. C.43**

**AFFIDAVIT OF CONSTANTINE TREVOR SPEIS
(Affirmed August 30, 2022)**

**I, Constantine Trevor Speis, of the City of Toronto, in the Province of Ontario,
AFFIRM AND SAY:**

1. I am one of the applicants, and as such have personal knowledge of the matters set out herein. The facts set out in this affidavit are within my personal knowledge or determined from the face of the documents attached hereto as exhibits, from information and advice provided to me from others, or from information that is publicly disclosed. Where matters deposed to herein are based upon information and advice from others, I have identified the source of my information and verily believe it to be true.

2. The respondent, City & Stay Hotel Group Ltd. (“**City & Stay**”), is a hotel management company. A copy of its corporate profile report is attached as **Exhibit “A”**.
3. I was one of the early shareholders in City and Stay, along with my co-applicant, Andrew Peek (“**Peek**”), and City & Stay’s COO, Justin Fong (“**Fong**”). Fong, Peek, and I are also each limited partners in 296 Brunswick Ave LP, the partnership which owns the building that City & Stay operates out of.
4. In order for City & Stay to obtain credit from Toronto Dominion Bank (“**TD**”), Fong, Peek, and I, were all required to give unlimited guarantees.
5. A copy of City & Stay’s September 2018 loan agreement with TD is attached as **Exhibit “B”**. It was amended twice, those amendments are attached as **Exhibit “C”** (January 2019) and **Exhibit “D”** (September 2020).
6. A copy of my guaranty is attached as **Exhibit “E”**. As this was TD’s standard form, I believe that Peek and Fong’s guaranties were the same.
7. In January 2021, Peek sold his shares in City & Stay to Fong. Fong indemnified Peek for his guaranty of the TD loan. I attach a copy of that indemnity as **Exhibit “F”**.
8. In April 2021, I sold my shares in City & Stay to Fong, and Fong indemnified me for my guaranty of the TD loan. I attach a copy of that indemnity as **Exhibit “G”**.
9. City & Stay also granted TD a general security interest. A copy of the general security agreement is attached as **Exhibit “H”**.
10. In late June of 2022, I received a letter from TD’s lawyer, dated June 22, 2022, demanding payment in full of City & Stay’s debt. This was accompanied by a copy of a corresponding demand letter sent to City & Stay. I attach copies of these letters as **Exhibit “I”**.
11. These letters were accompanied by a notice under the *Bankruptcy and Insolvencies Act*, a copy of which I attach as **Exhibit “J”**.

12. Fong advised Peek and I that City & Stay did not have the money to repay TD, but that City & Stay was looking to refinance, and to raise additional capital from investors. I am advised by Peek that Fong had been promising that City & Stay would be taking steps to either discharge the debt, or have Peek and I removed as guarantors, since early 2021.

13. City & Stay entered into a forbearance agreement with TD, dated July 6, 2022, a copy of which is attached as **Exhibit “K”**. As a condition precedent to TD Bank entering into the forbearance agreement, City & Stay provided a signed consent to the appointment of a receiver, which forms Schedule “D” to the agreement.

14. Fong subsequently advised Peek and I that City & Stay was not able to raise additional capital, or refinance its loan, and could not repay TD.

15. As a result, on or about August 16, 2022, Peek and I repaid TD as guarantors, believing this was both our legal and moral obligation, and the only way to avoid being sued by TD.

16. The debt, and TD’s security interest, were assigned to Peek and me. I attach a copy of the assignment agreement as **Exhibit “L”**.

17. I attach as **Exhibit “M”** a copy of the registration statement for the assignment.

18. Since August 16, 2022, Peek and I have been advancing funds to cover City & Stay’s operating expenses.

19. Rosen Goldberg Inc. (“**RGI**”), a firm of licensed trustees, has agreed to act as a receiver in this matter. A consent to act is attached as **Exhibit “N”**.

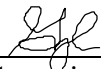
20. As noted above, City & Stay has given its consent to the appointment of a receiver over the assets of the respondents.

21. Peek and I believe that immediate action must be taken in order to protect and preserve its collateral and to prevent further losses.

I believe that the appointment of RGI as receiver is appropriate and necessary in the circumstances. The appointment of RGI as receiver will enable it to take necessary measures to take control of City & Stay’s property to preserve value and obtain the most efficient recovery of the amounts owing.

22. If RGI is appointed as receiver of the respondents, Peek and I are prepared to loan the receiver up to \$50,000 to pay RGI’s fees and expenses to perform its duties as receiver and to bridge the respondent’s current cash flow deficiency to cover ongoing operational expenses, provided, however, that the loan would be secured by the Receiver’s Borrowing Charge.

AFFIRMED by Constantine Speis of the City of Toronto in the Province of Ontario, before me by video conference at the City of Toronto, in the Province of Ontario, on August 30, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits
(or as may be)

Gabriel Latner



CONSTANTINE SPEIS

Peek et. al. City & Stay Hotel Group Ltd.
Applicants and Respondent

Court File No.: **CV-22-00686253-00CL**

ONTARIO
SUPERIOR COURT OF JUSTICE -
COMMERCIAL LIST

Proceeding commenced at **TORONTO**

AFFIDAVIT OF CONSTANTINE TREVOR
SPEIS (Affirmed August 30, 2022)

ADVOCAN LAW LLP
296 Richmond St. W. #600
Toronto, Ontario
M5V 1X2

Gabriel Latner (70036H)
Telephone: 647.745.4090
Email: gabriel@advocan.ca

Lawyers for the Applicants.



Ministry of Government and
Consumer Services

Profile Report

CITY & STAY HOTEL GROUP LIMITED as of August 30, 2022

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	CITY & STAY HOTEL GROUP LIMITED
Ontario Corporation Number (OCN)	2571555
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	April 11, 2017
Registered or Head Office Address	8 Charlotte Street, 3405, Toronto, Ontario, Canada, M5K 0K4

Certified a true copy of the record of the Ministry of Government and Consumer Services.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Active Director(s)

Minimum Number of Directors 1
Maximum Number of Directors 5

Name Justin FONG
Address for Service 8 Charlotte Street, 3405, Toronto, Ontario, Canada, M5K 0K4
Resident Canadian Yes
Date Began April 11, 2017

Name Bahir VIVEKANAND
Address for Service 2628 Mccowan Road, Unit 807, Toronto, Ontario, Canada,
M1S 5J8
Resident Canadian Yes
Date Began April 21, 2021

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Director/Registrar

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Active Officer(s)

Name

Justin FONG

Position

Chief Operating Officer

Address for Service

8 Charlotte Street, 3405, Toronto, Ontario, Canada, M5K 0K4

Date Began

June 29, 2017

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Corporate Name History

Name

CITY & STAY HOTEL GROUP LIMITED

Effective Date

April 11, 2017

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Director/Registrar

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Active Business Names

Name	THE ANNEX
Business Identification Number (BIN)	280343526
Registration Date	March 26, 2018
Expiry Date	March 25, 2023

Name	THE ANNEX - BRUNSWICK
Business Identification Number (BIN)	280664293
Registration Date	June 15, 2018
Expiry Date	June 14, 2023

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Expired or Cancelled Business Names

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

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Document List

Filing Name	Effective Date
CIA - Notice of Change PAF: JUSTIN FONG - DIRECTOR	April 27, 2021
CIA - Notice of Change PAF: CHRISTINA CARANO - OTHER	January 14, 2021
Annual Return - 2019 PAF: ANDREW PEEK - DIRECTOR	September 20, 2020
Annual Return - 2017 PAF: ANDREW PEEK - DIRECTOR	October 06, 2019
Annual Return - 2018 PAF: ANDREW PEEK - DIRECTOR	October 06, 2019
CIA - Initial Return PAF: CHRISTINA CARANO - OTHER	May 28, 2018
BCA - Articles of Amendment	February 23, 2018
BCA - Articles of Incorporation	April 11, 2017

All "PAF" (person authorizing filing) information is displayed exactly as recorded in the Ontario Business Registry. Where PAF is not shown against a document, the information has not been recorded in the Ontario Business Registry.

Certified a true copy of the record of the Ministry of Government and Consumer Services.

V. Quintanilla W.

Director/Registrar

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1020



Toronto Centre
55 King St W 3rd Floor TD Tower
Toronto, ON
M5K 1A2
Telephone No.: (905) 553 -4690
Fax No.: (416) 307 8743

September 17, 2018

CITY & STAY HOTEL GROUP LIMITED

Attention: Andrew Peek, Justin Fong, Trevor Speis

Dear Mr. Peek, Mr. Fong and Mr. Speis,

Demand Operating Facility Agreement

This Agreement between: **The Toronto-Dominion Bank** (the "Bank"), through its Toronto Centre branch, in Toronto ON.

and

Borrower's Legal Name: CITY & STAY HOTEL GROUP LIMITED (herein called the "Borrower")

Borrower's Address:

829 COLLEGE ST UNIT 3
TORONTO, ON
M6G 1C9

Whereas:

- (i) the Bank has agreed to establish a revolving demand credit facility (the "Facility");
- (ii) the Facility is uncommitted and made available at the sole discretion of the Bank. The Facility may be cancelled at any time even if the Borrower complies with all of the terms and conditions;
- (iii) the Facility will operate on the basis established in this Demand Operating Facility Agreement including without limitation the Standard Terms and Conditions attached as Schedule "A" (the "Agreement"), the terms of which may be changed by the Bank from time to time at the Bank's sole discretion.

In consideration of the Bank establishing the Facility, the Borrower hereby agrees with the Bank to the following terms and conditions:

CREDIT LIMIT

Amounts outstanding under the Facility will at all times be the lesser of :

- 1) CAD \$500,000

PURPOSE

The Borrower will use the Facility to fund working capital.

**BORROWING
OPTIONS**

The Bank will make the Facility available by way of:

- Prime Rate Based Loans in CAD\$ ("Prime Based Loans")

**AVAILABILITY
OF THE FACILITY**

The Borrower acknowledges that the Facility is uncommitted and is not automatically available upon satisfaction of the terms and conditions, including without limitation the Representations & Warranties, Positive Covenants, Negative Covenants, or Financial Covenants set out herein.

The Bank can demand repayment and/or cancel the availability of the Facility at any time in its sole discretion.

**INTEREST RATES
AND STAMPING
FEES**

For the Borrowing Options available to the Borrower, interest rates and fees are as follows:

- Prime Based Loans: Prime Rate + 1.000 % per annum

Information on Interest Rate Definitions, Interest Calculations and Payment is set out in the Schedule "A" attached hereto.

**ARRANGEMENT
FEE**

The Borrower has paid a non-refundable arrangement fee of CAD \$2,000.

**ADMINISTRATION
FEE**

The Borrower will pay an Administration Fee of CAD \$125 per month.

RENEWAL FEE

CAD\$ 750 per annum

EXCESS MONITORING FEE

The Borrower may, at the Bank's discretion, be charged an Excess Monitoring Fee of \$250.00, payable in the currency of the Facility, each time that the Credit Limit of the Facility is exceeded. Any extension of credit above the Credit Limit will be at the Bank's sole and absolute discretion.

LATE REPORTING FEE

Late provision of any reporting/information required as a condition of credit shall result in the Borrower being charged a Late Reporting Fee of \$250.00 per month. The Late Reporting Fee does not imply consent to or approval of late reporting or the non-provision of any information as required by the Agreement.

DRAWDOWN

The Borrower can use the Facility on a revolving basis.

The Borrower will follow the provisions set out in this Agreement with respect to notice periods, minimum amounts of draws, interest periods, and applicable terms.

**DISBURSEMENT
CONDITIONS**

The Borrower will not avail itself of the Facility nor will the Bank make the Facility available to the Borrower until the Borrower has fulfilled the standard Disbursement Conditions contained in Schedule "A" and the following disbursement conditions, satisfactory to the Bank:

- a) Executed Credit Agreement
- b) All security and documentation to be on hand, registered in priority position, and in a form satisfactory to the Bank.
- c) Site Visit to be completed by the Bank.
- * d) Borrower to complete Bank's standard Environmental Questionnaire.
- * e) Confirmation all required insurance in full force and effect (*fire insurance*)
- * f) Copy of Lease Agreement (*As to provide*)

**BUSINESS CREDIT
SERVICE**

The Borrower will have access to Prime Based Loans via Loan Account Number 9522076 1020 (the "Loan Account") up to the Credit Limit, by withdrawing funds from the Borrower's Current Account Number 1020-5522076 (the "Current Account"). The Borrower agrees that each advance from the Loan Account will be in an amount equal to \$5,000 (the "Transfer Amount") or a multiple thereof. If the Transfer Amount is NIL, the Borrower agrees that an advance from its Loan Account may be in an amount sufficient to cover the debits made to the Current Account. The Borrower agrees that:

- a) all other overdraft privileges which have governed the Current Account are hereby cancelled.
- b) all outstanding overdraft amounts under any such other agreements are now included as indebtedness under the Facility.

The Bank may, but is not required to, automatically advance the Transfer Amount or a multiple thereof or any other amount from the Loan Account to the Current Account in order to cover the debits made to the Current Account if the amount in the Current Account is insufficient to cover the debits. The Bank may, but is not required to, automatically and without notice apply the funds in the Current Account in amounts equal to the Transfer Amount or any multiple thereof or any other amount to repay the outstanding amount in the Loan Account.

REPAYMENT

The Borrower agrees to repay the Bank on demand. If the Bank demands repayment, the Borrower will pay to the Bank all amounts outstanding under the Facility, including without limitation, as applicable, the amount of all unmatured B/As and the amount of all drawn and undrawn L/Gs and L/Cs. All costs to the Bank and all loss suffered by the Bank in re-employing the amounts so repaid will be paid by the Borrower.

SECURITY

The following security shall be provided, shall, unless otherwise indicated, support all present and future indebtedness and liability of the Borrower and the grantor of the security to the Bank including without limitation indebtedness and liability under guarantees, foreign exchange contracts, cash management products, and derivative contracts, shall be registered in first position, and shall be on the Bank's standard form, supported by resolutions and solicitor's opinion, all acceptable to the Bank:

- a) General Security Agreement ("GSA") representing a First charge on all the Borrower's present and after acquired personal property, including without limitation the following equipment:
 - **To be obtained**
- b) Assignment of Fire Insurance
 - **To be obtained**
- c) Guarantee of Advances
 - Executed by ANDREW LARKIN PEEK (the "Guarantor")
 - **To be obtained**
- d) Guarantee of Advances
 - Unlimited
 - Executed by JUSTIN FONG (the "Guarantor")
 - **To be obtained**
- e) Guarantee of Advances
 - Executed by CONSTANTINE TREVOR SPEIS (the "Guarantor")
 - **To be obtained**

All persons and entities required to provide a guarantee shall be referred to herein individually as a "Surety" and/or "Guarantor" and collectively as the "Guarantors".

All of the above security and guarantees shall be referred to collectively in this Agreement as "Bank Security".

REPRESENTATIONS & WARRANTIES

The Borrower makes the Standard Representations and Warranties set out in Schedule "A".

All representations and warranties shall be deemed to be continually repeated so long as the Borrower has any dealings with the Bank.

POSITIVE COVENANTS

The Borrower will observe the Standard Positive Covenants set out in Schedule "A".

NEGATIVE COVENANTS

The Borrower will observe the Standard Negative Covenants set out in Schedule "A".

REPORTING COVENANTS

The Borrower will provide:

- 1) Provide Notice to Reader financial statements for City & Stay Hotel Group Limited within 120 days of fiscal year end.



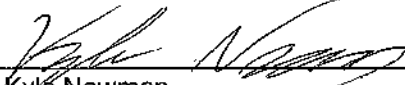
SCHEDULE "A"
TERMS AND
CONDITIONS

Schedule "A" sets out the Standard Terms and Conditions ("Standard Terms and Conditions") which are applicable to the Borrower and which apply to this Facility. The Standard Terms and Conditions, including the defined terms set out therein, form part of this Agreement, unless this letter states specifically that one or more of the Standard Terms and Conditions do not apply or are modified.]

We trust you will find these Facilities helpful in meeting your ongoing financing requirements. We ask that you acknowledge this offer of financing (which includes the Standard Terms and Conditions) by signing and returning the attached duplicate copy of this agreement to the undersigned by September 30th, 2018.

Yours truly,

THE TORONTO-DOMINION BANK



Kyle Newman
Account Manager



Art Klimkowski
Manager Commercial Services

TO THE TORONTO-DOMINION BANK:

CITY & STAY HOTEL GROUP LIMITED hereby accepts the foregoing offer this 24th day of September, 2018. The Borrower confirms that, except as may be set out above, the credit facility detailed herein shall not be used by or on behalf of any third party.



Signature

ANDREW PEEK MANAGING PARTNER
Print Name & Position

SEPTEMBER 24, 2018
Date:



cc. Guarantor(s)

The Bank is providing the guarantor(s) with a copy of this letter as a courtesy only. The delivery of a copy of this letter does not create any obligation of the Bank to provide the guarantor(s) with notice of any changes to the credit facilities, including without limitation, changes to the terms and conditions, increases or decreases in the amount of the credit facilities, the establishment of new credit facilities or otherwise. The Bank may, or may not, at its option, provide the guarantor(s) with such information, provided that the Bank will provide such information upon the written request of the guarantor.

SCHEDULE "A" - STANDARD TERMS AND CONDITIONS

1. DEFINITIONS

Capitalized Terms used in this Agreement shall have the following meanings:

"All-in Rate" means the highest of the interest rate that the Borrower pays for Floating Rate Loans.

"Business Day" means any day (other than a Saturday or Sunday) that the Branch/Centre is open for business.

"Branch / Centre" means the Bank branch or banking centre noted on the first page of the Letter, or such other branch or centre as may from time to time be designated by the Bank.

"Face Amount" means in respect of:

- (i) a B/A, the amount payable to the holder thereof on its maturity;
- (ii) a L/C or L/G, the maximum amount payable to the beneficiary specified therein or any other Person to whom payments may be required to be made pursuant to such L/C or L/G.

"Floating Rate Loans" means any loan drawn down or extended under this Agreement at an interest rate which is referenced to a variable rate of interest, such as Prime Rate.

"Inventory Value" means, at the time of determination, the total value (based on the lower of cost or market) of the Borrower's inventories that are subject to the Bank Security (other than (i) those inventories supplied by trade creditors who at that time have not been fully paid and would have a right to repossess all or part of such inventories if the Borrower were then either bankrupt or in receivership, (ii) those inventories comprising work in process and (iii) those inventories that the Bank may from time to time designate in its sole discretion) minus the total amount of any claims, liens or encumbrances on those inventories having or purporting to have priority over the Bank.

"Letter" means the letter from the Bank to the Borrower to which this Schedule "A" - Standard Terms and Conditions is attached.

"Letter of Credit" or "L/C" means a documentary letter of credit or similar instrument in form and substance satisfactory to the Bank.

"Letter of Guarantee" or "L/G" means a stand-by letter of guarantee or similar instrument in form and substance satisfactory to the Bank.

"Purchase Money Security Interest" means a security interest on an asset which is granted to a lender or to the seller of such asset in order to secure the purchase price of such asset or a loan incurred to acquire such asset, provided that the amount secured by the security interest does not exceed the cost of the asset and provided that the Borrower provides written notice to the Bank prior to the creation of the security interest, and the creditor under the security interest has, if requested by the Bank, entered into an inter-creditor agreement with the Bank, in a format acceptable to the Bank.

"Receivable Value" means, at any time of determination, the total value of those of the Borrower's trade accounts receivable that are subject to the Bank Security other than (i) those accounts then outstanding for 90 days, (ii) those accounts owing by persons, firms or corporations affiliated with the Borrower, (iii) those accounts that the Bank may from time to time designate in its sole discretion, (iv) those accounts subject to any claim, liens, or encumbrance having or purporting to have priority over the Bank, (v) those accounts which are subject to a claim of set-off by the obligor under such account, MINUS the amount of all the Borrower's unremitted source deductions and unpaid taxes.

"Receivables / Inventory Summary" means a summary of the Borrower's trade account receivables and inventories, in form as the Bank may require and certified by the Borrower's senior officer or authorized representative.

"US\$" or "USD Equivalent" means, on any date, the equivalent amount in United States Dollars after giving effect to a conversion of a specified amount of Canadian Dollars to United States Dollars at the exchange rate determined by the Bank at the time of the conversion.

2. INTEREST RATE DEFINITIONS

Prime Rate means the rate of interest per annum (based on a 365 day year) established and reported by the Bank to the Bank of Canada from time to time as the reference rate of interest for determination of interest rates that the Bank charges to customers of varying degrees of creditworthiness in Canada for Canadian dollar loans made by it in Canada.

The Stamping Fee rate per annum for CAD B/As is based on a 365 day year and the Stamping Fee is calculated on the Face Amount of each B/A presented to the Bank for acceptance. The Stamping Fee rate per annum for USD B/As is based on a 360 day year and the Stamping Fee is calculated on the Face Amount of each B/A presented to the Bank for acceptance.

CDOR means, for any day, the annual rate for B/As denominated in Canadian Dollars for a specified term that appears on the Reuters Screen CDOR Page as of 10:00 a.m. (Toronto time) on such day (or, if such day is not a Business Day, then on the immediately preceding Business Day).

LIBOR means the rate of interest per annum (based on a 360 day year) as determined by the Bank (rounded upwards, if necessary to the nearest whole multiple of 1/16th of 1%) at which the Bank may make available United States dollars which are obtained by the Bank in the Interbank Euro Currency Market, London, England at approximately 11:00 a.m. (Toronto time) on the second Business Day before the first day of, and in an amount similar to, and for the period similar to the interest period of, such advance.

USBR means the rate of interest per annum (based on a 365 day year) established by the Bank from time to time as the reference rate of interest for the determination of interest rates that the Bank charges to customers of varying degrees of creditworthiness for US dollar loans made by it in Canada.

If Prime Rate, CDOR, LIBOR, USBR or any other applicable base rate is less than zero, such base rate shall be deemed to be zero for purposes of this Agreement.

Any interest rate based on a period less than a year expressed as an annual rate for the purposes of the Interest Act (Canada) is equivalent to such determined rate multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by the number of days in the period upon which it was based.

3. INTEREST CALCULATION AND PAYMENT

Interest on Prime Based Loans and USBR Loans is calculated daily (including February 29 in a leap year) and payable monthly in arrears based on the number of days for which the subject loan is outstanding. Interest is charged on February 29 in a leap year.

The Stamping Fee is calculated based on the amount and the term of the B/A and is payable upon acceptance by the Bank of the B/A. The net proceeds received by the Borrower on a B/A advance will be equal to the Face Amount of the B/A discounted at the Bank's then prevailing B/A discount rate for CAD B/As or USD B/As as the case may be, for the specified term of the B/A less the Stamping Fee. If the B/A discount rate (or the rate used to determine the B/A discount rate) is less than zero, it shall instead be deemed to be zero for purposes of this Agreement.

Interest on LIBOR Loans and CDOR Loans is calculated and payable on the earlier of contract maturity or quarterly in arrears, for the number of days in the LIBOR or CDOR interest period, as applicable.

L/C and L/G fees are payable at the time set out in the Letter of Credit Indemnity Agreement applicable to the issued L/C or L/G.

Interest is payable both before and after maturity or demand, default and judgment.

Each payment under this Agreement shall be applied to any indebtedness or amounts owing in any order at the sole discretion of the Bank.

For loans not secured by real property, all overdue amounts of principal and interest and all amounts outstanding in excess of the Credit Limit shall bear interest from the date on which the same became due or from when the excess was incurred, as the case may be, until the date of payment or until the date the excess is repaid at the Bank's standard rate charged from time to time for overdrafts, or such lower interest rate if the Bank agrees to a lower interest rate in writing. Nothing in this clause shall be deemed to authorize the Borrower to incur loans in excess of the Credit Limit.

If any provision of this Agreement would oblige the Borrower to make any payment of interest or other amount payable to the Bank in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by the Bank of "interest" at a "criminal rate" (as such terms are construed under the Criminal Code (Canada)), then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by applicable law or so result in a receipt by the Bank of "interest" at a "criminal rate", such adjustment to be effected, to the extent necessary (but only to the extent necessary), as follows: first, by reducing the amount or rate of interest, and, thereafter, by reducing any fees, commissions, costs, expenses, premiums and other amounts required to be paid to the Bank which would constitute interest for purposes of section 347 of the Criminal Code (Canada).

4. DRAWDOWN PROVISIONS

Prime Based and USBR Loans

There is no minimum amount of drawdown by way of Prime Based Loans and USBR Loans, except as stated in this Agreement. The Borrower shall provide the Bank with 3 Business Days' notice of a requested Prime Based Loan over \$1,000,000.

B/As

The Borrower shall advise the Bank of the requested term or maturity date for B/As issued hereunder. The Bank shall have the discretion to restrict the term or maturity dates of B/As. Except as otherwise stated in this Agreement, the minimum amount of a drawdown by way of B/As is \$1,000,000 and in multiples of \$100,000 thereafter. The Borrower shall provide the Bank with 3 Business Days' notice of a requested B/A drawdown. The Borrower will pay to the Bank the Face Amount of the B/A at the maturity of the B/A.

The Borrower appoints the Bank as its attorney to and authorizes the Bank to (i) complete, sign, endorse, negotiate and deliver B/As on behalf of the Borrower in handwritten form, or by facsimile or mechanical signature or otherwise, (ii) accept such B/As, and (iii) purchase, discount, and/or negotiate B/As.

LIBOR and CDOR

The Borrower shall advise the Bank of the requested LIBOR or CDOR contract maturity or interest period. The Bank shall have the discretion to restrict the LIBOR or CDOR contract maturity. Except as otherwise stated in this Agreement, the minimum amount of a drawdown by way of a LIBOR Loan or CDOR Loan is \$1,000,000, and shall be in multiples of \$100,000 thereafter. The Borrower will provide the Bank with 3 Business Days' notice of a requested LIBOR Loan or CDOR Loan.

L/C and/or L/G

The Bank shall have the discretion to restrict the maturity date of L/Gs or L/Cs.

B/A, LIBOR and CDOR - Conversion

Any portion of any B/A, LIBOR or CDOR Loan that is not repaid, rolled over or converted in accordance with the applicable notice requirements hereunder shall be converted by the Bank to a Prime Based Loan effective as of the maturity date of the B/A or the last day in the interest period of the LIBOR or CDOR contract, as applicable. The Bank may charge interest on the amount of the Prime Based Loan at the rate of 115% of the rate applicable to Prime Based Loans for the 3 Business Day period immediately following such maturity. Thereafter, the rate shall revert to the rate applicable to Prime Based Loans.

B/A, LIBOR and CDOR – Market Disruption

If the Bank determines, in its sole discretion, that a normal market in Canada for the purchase and sale of B/As or the making of CDOR or LIBOR Loans does not exist, any right of the Borrower to request a drawdown under the applicable borrowing option shall be suspended until the Bank advises otherwise. Any drawdown request for B/As, LIBOR or CDOR Loans, as applicable, during the suspension period shall be deemed to be a drawdown notice requesting a Prime Based Loan in an equivalent amount.

Cash Management

The Bank may, and the Borrower hereby authorizes the Bank to, drawdown under the Facility to satisfy any obligations of the Borrower to the Bank in connection with any cash management service provided by the Bank to the Borrower. The Bank may drawdown under the Facility even if the drawdown results in amounts outstanding in excess of the Credit Limit.

5. STANDARD DISBURSEMENT CONDITIONS

The Bank shall have received the following documents which should be in form and substance satisfactory to the Bank:

1. a copy of a duly executed resolution of the Borrower's Board of Directors empowering the Borrower to enter into this Agreement;
2. all of the Bank Security and supporting resolutions and solicitors' letters of opinion required under this Agreement;
3. all operation of account documentation;
4. a completed Environmental Questionnaire and/or if requested by the Bank, an audit inspection report from auditors or inspectors acceptable to the Bank;
5. for drawdowns under the Facility by way of L/C or L/G, the Bank's standard form Letter of Credit Indemnity Agreement; and
6. a copy of any necessary or desirable government approvals authorizing the Borrower to enter into this Agreement.

6. STANDARD REPRESENTATIONS AND WARRANTIES

The Borrower hereby represents and warrants, which representations and warranties shall be deemed to be repeated each day hereafter, that:

1. The Borrower is a duly incorporated corporation, a limited partnership, partnership, or sole proprietorship, duly organized, validly existing and in good standing under the laws of the jurisdiction where the Branch/Centre is located and each other jurisdiction where the Borrower has property or assets or carries on business and the Borrower has adequate corporate power and authority to carry on its business, own property, borrow monies and enter into agreements therefore, execute and deliver the Agreement, the Bank Security, and documents required hereunder, and observe and perform the terms and provisions of this Agreement.
2. There are no laws, statutes or regulations applicable to or binding upon the Borrower and no provisions in its charter documents or in any by-laws, resolutions, contracts, agreements, or arrangements which would be contravened, breached, violated as a result of the execution, delivery, performance, observance, of any terms of this Agreement.
3. No event of default has occurred nor has any event occurred which, with the passage of time or the giving of notice, would constitute an event of default under any other agreement for borrowed money.
4. There are no actions, suits or proceedings, including appeals or applications for review, or any knowledge of pending actions, suits, or proceedings against the Borrower and its subsidiaries, before any court or administrative agency which would result in any material adverse change in the property, assets, financial condition, business or operations of the Borrower.
5. All material authorizations, approvals, consents, licenses, exemptions, filings, registrations and other requirements of governmental, judicial and public bodies and authorities required to carry on its business have been or will be obtained or effected and are or will be in full force and effect.
6. The financial statements and forecasts delivered to the Bank fairly present the present financial position of the Borrower, and have been prepared by the Borrower and its auditors in accordance with the International Financial Reporting Standards or GAAP for Private Enterprises.
7. All of the remittances required to be made by the Borrower to the federal government and all provincial and municipal governments have been made, are currently up to date and there are no outstanding arrears. Without limiting the foregoing, all employee source deductions (including income taxes, Employment Insurance and Canada Pension Plan), sales taxes (both provincial and federal), corporate income taxes, corporate capital taxes, payroll taxes and workers' compensation dues are currently paid and up to date.

8. If the Bank Security includes a charge on real property, the Borrower or Guarantor, as applicable, is the legal and beneficial owner of the real property with good and marketable title in fee simple thereto, free from all easements, rights-of-way, agreements, restrictions, mortgages, liens, executions and other encumbrances, save and except for those approved by the Bank in writing.
9. All information that the Borrower has provided to the Bank is accurate and complete respecting, where applicable:
 - i. the names of the Borrower's directors and the names and addresses of the Borrower's beneficial owners;
 - ii. the names and addresses of the Borrower's trustees, known beneficiaries and/or settlors; and
 - iii. the Borrower's ownership, control and structure.

7. STANDARD POSITIVE COVENANTS

In addition to all of the other obligations in this Agreement the Borrower will:

- (i) pay all amounts outstanding to the Bank when due or demanded,
- (ii) maintain its existence as a sole proprietorship, corporation, partnership or limited partnership, as the case may be, and keep all material agreements, rights, franchises, licenses, operations, contracts or other arrangements in full force and effect,
- (iii) pay all taxes,
- (iv) maintain its property, plant and equipment in good repair and working condition,
- (v) continue to carry on the business now being carried on,
- (vi) maintain adequate insurance on all of its assets, undertakings, and business risks,
- (vii) permit the Bank and its authorized representatives full access to its premises, business, financial and computer records and allow the duplication or extraction of pertinent information therefrom, and
- (viii) comply with all applicable laws.

8. STANDARD NEGATIVE COVENANTS

The Borrower will not:

- (i) create, incur, assume, or suffer to exist, any mortgage, deed of trust, pledge, lien, security interest, assignment, charge, or encumbrance (including without limitation, any conditional sale, or other title retention agreement, or finance lease) of any nature, upon or with respect to any of its property, now owned or hereafter acquired except for those Permitted Liens set out in the Letter.
- (ii) merge or amalgamate with any other entity or permit any change of ownership or change its capital structure, and
- (iii) sell, lease, assign, or otherwise dispose of all or substantially all of its assets.

Compliance by the Borrower with these Positive Covenants and Negative Covenants shall not automatically entitle the Borrower to the continued availability of the Facility and shall not restrict or limit the Bank's ability to demand repayment of all or any part of amounts outstanding under the Facility.

9. ADDITIONAL INFORMATION AND SECURITY

The Borrower will provide, or cause to be provided, whatever information the Bank may request from time to time, including, without limitation, such updated information and/or additional supporting information as the Bank may require with respect to any or all the matters in the Borrower's representation and warranty made in paragraph 9 of the above Section 6. The Borrower will provide, or cause to be provided, any security or guarantees required by the Bank from time to time.

10. INDEMNITY

The Borrower agrees to indemnify the Bank from and against any and all claims, losses and liabilities arising or resulting from this Agreement. USD loans must be repaid with USD and CAD loans must be repaid with CAD and the Borrower shall indemnify the Bank for any loss suffered by the Bank if USD loans are repaid with CAD or vice versa, whether such payment is made pursuant to an order of a court or otherwise. In no event will the Bank be liable to the Borrower for any direct, indirect or consequential damages arising in connection with this Agreement.

11. TAXATION ON PAYMENTS

All payments made by the Borrower to the Bank will be made free and clear of all present and future taxes (excluding the Bank's income taxes), withholdings or deductions of whatever nature. If these taxes, withholdings or deductions are required by applicable law and are made, the Borrower shall, as a separate and independent obligation, pay to the Bank all additional amounts as shall fully indemnify the Bank from any such taxes, withholdings or deductions.

12. FX CLOSE OUT

The Borrower hereby acknowledges and agrees that in the event any of the following occur: (i) Default by the Borrower under any forward foreign exchange contract ("FX Contract"); (ii) Default by the Borrower in payment of monies owing by it to anyone, including the Bank; (iii) Default in the performance of any other obligation of the Borrower under any agreement to which it is subject; or (iv) the Borrower is adjudged to be or voluntarily becomes bankrupt or insolvent or admits in writing to its inability to pay its debts as they come due or has a receiver appointed over its assets, the Bank shall be entitled without advance notice to the Borrower to close out and terminate all of the outstanding FX Contracts entered into hereunder, using normal commercial practices employed by the Bank, to determine the gain or loss for each terminated FX contract. The Bank shall then be entitled to calculate a net termination value for all of the terminated FX Contracts which shall be the net sum of all the losses and gains arising from the termination of the FX Contracts which net sum shall be the "Close Out Value" of the terminated FX Contracts. The Borrower acknowledges that it shall be required to forthwith pay any positive Close Out Value owing to the Bank and the Bank shall be required to pay any negative Close Out Value owing to the Borrower, subject to any rights of set-off to which the Bank is entitled or subject.

13. ENVIRONMENTAL REPRESENTATION AND UNDERTAKINGS

The Borrower represents, warrants and covenants (which representation, warranty and covenant shall continue each day hereafter) that its property and business is being operated in compliance with applicable environmental, health and safety laws and regulations and that there are no judicial or administrative proceedings in respect thereto.

The Borrower shall, when asked by the Bank, at the Borrower's expense, obtain and provide to the Bank an appraisal, environmental audit or inspection report of any of its property from appraisers, auditors or inspectors acceptable to the Bank.

The Borrower will defend, indemnify and hold harmless the Bank, its officers, directors, employees, agents and shareholders, against all loss, costs, claims, damages and expenses (including legal, audit and inspection expenses) which may be suffered or incurred in connection with the breach of this environmental representation, warranty and covenant and against environmental damage occasioned by the Borrower's activities or by contamination of or from any of the Borrower's property.

14. REPRESENTATION

No representation or warranty or other statement made by the Bank concerning the Facility shall be binding on the Bank unless made by it in writing as a specific amendment to the Agreement.

15. BANK MAY CHANGE AGREEMENT

The Bank may change the provisions of this Agreement from time to time. These changes include, without limitation, changes to the Credit Limit, interest rate, or fees payable by the Borrower. The Bank will notify the Borrower of any change in this Agreement by mail, hand delivery, electronic mail or facsimile transmission or for a change in any interest rates or interest rate definitions by posting a notice in all of the Bank's branches. The Bank is not required to notify a Guarantor of any change in the Agreement, including without limitation, any increase in the Credit Limit, Overdraft Limit or Loan Amount. If more than one Person signs this Agreement, communication with any one Person will serve as notice to all.

16. METHOD OF COMMUNICATION

The Bank may communicate with the Borrower by ordinary, uninsured mail or other means, including hand delivery, electronic mail or facsimile transmission. Mailed information is deemed to be received by the Borrower five days after mailing. Delivered information is deemed to be received when delivered or left at the Borrower's address. Electronically delivered information is deemed to be received when sent. Messages sent by facsimile are deemed to be received when the Bank receives a fax confirmation.

17. EXPENSES

The Borrower shall pay all fees and expenses (including but not limited to all legal fees) incurred by the Bank in connection with the preparation, registration and ongoing administration of this Agreement and the Bank Security and with the enforcement of the Bank's rights and remedies under this Agreement and the Bank Security whether or not any amounts are advanced under the Agreement. These fees and expenses shall include, but not be limited to, all outside counsel expenses and all in-house legal expenses, if in-house counsel are used, and all outside professional advisory expenses. The Borrower shall pay interest on unpaid amounts due pursuant to this paragraph at the All-In Rate plus 2% per annum.

Without limiting the generality of Section 24, the Bank or the Bank's agent, is authorized to debit any of the Borrower's accounts with the amount of the fees and expenses owed by the Borrower hereunder, including the registration fee in connection with the Bank Security, even if that debiting creates an overdraft in any such account. If there are insufficient funds in the Borrower's accounts to reimburse the Bank or its agent for payment of the fees and expenses owed by the Borrower hereunder, the amount debited to the Borrower's accounts shall be deemed to be a Prime Based Loan under the Facility.

The Borrower will, if requested by the Bank, sign a Pre-Authorized Payment Authorization in a format acceptable to the Bank to permit the Bank's agent to debit the Borrower's accounts as contemplated in this Section.

18. NON WAIVER

Any failure by the Bank to object to or take action with respect to a breach of this Agreement or any Bank Security shall not constitute a waiver of the Bank's right to take action at a later date on that breach. No course of conduct by the Bank will give rise to any reasonable expectation which is in any way inconsistent with the terms and conditions of this Agreement and the Bank Security or the Bank's rights thereunder.

19. EVIDENCE OF INDEBTEDNESS

The Bank shall record on its records the amount of all advances made hereunder, payments made in respect thereto, and all other amounts becoming due to the Bank under this Agreement. The Bank's records constitute, in the absence of manifest error, conclusive evidence of the Borrower's indebtedness to the Bank pursuant to this Agreement.

The Borrower will sign the Bank's standard form Letter of Credit Indemnity Agreement for all L/Cs and L/Gs issued by the Bank.

With respect to chattel mortgages taken as Bank Security, this Agreement is the Promissory Note referred to in same chattel mortgage, and the indebtedness incurred hereunder is the indebtedness secured by the chattel mortgage.

20. ENTIRE AGREEMENTS

This Agreement replaces any previous agreements dealing specifically with the Facility. Agreements relating to other credit facilities made available by the Bank continue to apply for those other credit facilities. This Agreement, and if applicable, the Letter of Credit Indemnity Agreement are the entire agreements relating to the Facility described in this Agreement.

21. NON-MERGER

Notwithstanding the execution, delivery or registration of the Bank Security and notwithstanding any advances made pursuant thereto, this Agreement shall continue to be valid, binding and enforceable and shall not merge as a result thereof. Any default under this Agreement shall constitute concurrent default under the Bank Security. Any default under the Bank Security shall constitute concurrent default under this Agreement. In the event of an inconsistency between the terms of this Agreement and the terms of the Bank Security, the terms of this Agreement shall prevail and the inclusion of any term in the Bank Security that is not dealt with in this Agreement shall not be an inconsistency.

22. ASSIGNMENT

The Bank may assign or grant participation in all or part of this Agreement or in any loan made hereunder without notice to and without the Borrower's consent.

The Borrower may not assign or transfer all or any part of its rights or obligations under this Agreement.

23. RELEASE OF INFORMATION

The Borrower hereby irrevocably authorizes and directs its accountant, (the "Accountant") to deliver all financial statements and other financial information concerning the Borrower to the Bank and agrees that the Bank and the Accountant may communicate directly with each other.

24. SET-OFF

In addition to and not in limitation of any rights now or hereafter granted under applicable law, the Bank may at any time and from time to time without notice to the Borrower or any other person, any notice being expressly waived by the Borrower, set-off and apply any and all deposits, general or special, time or demand, provisional or final, matured or unmatured, in any currency, and any other indebtedness or amount payable by the Bank (irrespective of the place of payment or booking office of the obligation), to or for the Borrower's credit or for the Borrower's account, including without limitation, any amount owed by the Bank to the Borrower under any FX Contract or other treasury or derivative product, against and on account of the indebtedness and liability under this Agreement notwithstanding that any of them are contingent or unmatured or in a different currency than the indebtedness and liability under this Agreement.

When applying a deposit or other obligation in a different currency than the indebtedness under this Agreement to the indebtedness under this Agreement, the Bank will convert the deposit or other obligation to the currency of indebtedness under this Agreement using the exchange rate determined by the Bank at the time of the conversion.

25. SEVERABILITY

In the event any one or more of the provisions of this Agreement shall for any reason, including under any applicable statute or rule of law, be held to be invalid, illegal or unenforceable, that part will be severed from this Agreement and will not affect the enforceability of the remaining provisions of this Agreement, which shall remain in full force and effect.

26. MISCELLANEOUS

- i) The Borrower has received a signed copy of this Agreement;
- ii) If more than one person, firm or corporation signs this Agreement as the Borrower, each party is jointly and severally liable hereunder, and the Bank may require payment of all amounts payable under this Agreement from any one of them, or a portion from each, but the Bank is released from any of its obligations by performing that obligation to any one of them.
- iii) Accounting terms will (to the extent not defined in this Agreement) be interpreted in accordance with accounting principles established from time to time by the Canadian Institute of Chartered Accountants (or any successor) consistently applied, and all financial statements and information provided to the Bank will be prepared in accordance with those principles;
- iv) This Agreement is governed by the law of the Province or Territory where the Branch/Centre is located.
- v) Unless stated otherwise, all amounts referred to herein are in Canadian dollars.



Toronto Commercial Banking Centre
 55 King St W 3rd Floor TD Tower
 Toronto, ON
 M5K 1A2
 Telephone No.: (416) 982-7677
 Fax No.: (416) 982-4330

January 30, 2019

CITY & STAY HOTEL GROUP LIMITED -1020

Attention: Andrew Peek, Justin Fong, Trevor Speis

Dear Mr. Peek, Mr. Fong and Mr. Speis,

Demand Operating Facility Agreement Amendment

This Amending

Agreement between: **The Toronto-Dominion Bank** (the "Bank"), through its Toronto Commercial Banking Centre branch, in Toronto ON.

and

Borrower's Legal Name: CITY & STAY HOTEL GROUP LIMITED (herein called the "Borrower")

Borrower's Address:

829 COLLEGE ST UNIT 3
 TORONTO, ON
 M6G 1C9

Whereas:

- (i) The Bank has agreed to establish a revolving demand credit facility (the "Facility") as per the Demand Operating Facility Agreement dated September 17, 2018 which together with Schedule "A" of the Demand Operating Facility Agreement comprise the "Agreement".

In accordance with the terms of the Agreement, the Bank may change the provisions of the Agreement from time to time on notice to the Borrower. The Bank hereby notifies the Borrower that this Amending Agreement amends the Agreement effective as of September 17, 2018 As follows:

**AVAILABILITY
 OF THE FACILITY**

The Borrower acknowledges that the Facility is uncommitted and is not automatically available upon satisfaction of the terms and conditions, including without limitation the Representations & Warranties, Positive Covenants, Negative Covenants, or Financial Covenants set out herein.

The Bank can demand repayment and/or cancel the availability of the Facility at any time in its sole discretion.

ANCILLARY FACILITIES

As at the date of this Agreement, the following uncommitted ancillary products are made available. These products may be subject to other agreements.

- 1) TD Visa Business card (or cards) for an aggregate amount of \$105,000.

SCHEDULE "A"
TERMS AND
CONDITIONS

Schedule "A" sets out the Standard Terms and Conditions ("Standard Terms and Conditions") which are applicable to the Borrower and which apply to this Facility. The Standard Terms and Conditions, including the defined terms set out therein, form part of this Agreement, unless this letter states specifically that one or more of the Standard Terms and Conditions do not apply or are modified.

ACCURACY OF INFORMATION

The Borrower hereby represents and warrants that all information that it has provided to the Bank is accurate and complete respecting, where applicable:

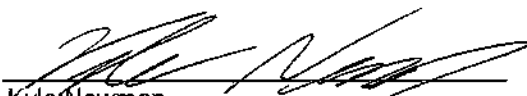
- (i) the names of the Borrower's directors and the names and addresses of the Borrower's beneficial owners;
- (ii) the names and addresses of the Borrower's trustees, known beneficiaries and/or settlors; and
- (iii) the Borrower's ownership, control and structure.

The Borrower will provide, or cause to be provided, such updated information and/or additional supporting information as the Bank may require from time to time with respect to any or all the matters in the Borrower's foregoing representation and warranty.

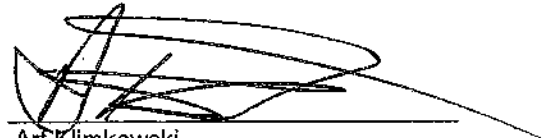
Unless otherwise stated, the amendments outlined above are in addition to the Terms and Conditions of the existing Agreement. All other terms and conditions remain unchanged.

Yours truly,

THE TORONTO-DOMINION BANK



 Kyle Newman
 Account Manager



 Art Klimkowski
 Manager Commercial Services



Toronto Commercial Banking Centre
55 King St. West., 3rd Floor,
Toronto, ON M5K 1A2
416-982-7677

September 8th, 2020

CITY & STAY HOTEL GROUP LIMITED O/A THE ANNEX-BRUNSWICK
993 QUEEN ST W UNIT 214
TORONTO
ON M6J 1H2

Attention: Justin Fong, Andrew Peek and Constantine Speis

**Important information about your
Business Credit Service on your Operating Loan**

Dear Mr. Fong, Mr. Peek and Mr. Speis,

We value your business and want to keep you updated about any changes that affect your business banking relationship with us. I am writing today to let you know that, effective August 30th, the Administration Fee for your Business Credit Service on your Operating Loan will increase to \$135 per month. This letter amends your *Demand Operating Facility Agreement* which governs your Business Operating Loan.

Rest assured that you will continue to benefit from the following convenient features offered by Business Credit Service on your Operating Loan:

- The receipt of a monthly Business Credit Service loan statement detailing the loan account activity.
- The automatic transfer of funds between your Operating Loan and your Commercial Deposit Account to cover overdraft and loan payments when in a credit position.
- The availability of detailed information via Web Business Banking.

Other Fees

In addition, at the Bank's discretion, you may be charged an Excess Monitoring Fee of \$350.00, payable in the currency of the Facility, each time that the Credit Limit of the Facility is exceeded. Any extension of credit above the Credit Limit will be at the Bank's sole and absolute discretion.

In addition to the Excess Monitoring Fee, you may be required to pay upon any occurrence of the following:

- Late Reporting ("Late Reporting Fee"): Late provision of any reporting/information required as a condition of credit shall result in a Late Reporting Fee of \$350.00 per month. The Late Reporting Fee does not imply consent to or approval of late reporting or the non-provision of any information as required by the Agreement.

I suggest you keep this letter with your other documents so that you have the information for your records.

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Member of TD Bank Group

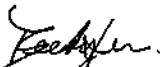
Confidential

Questions? It's easy to contact us.

You are important to us. If you have any questions, please do not hesitate to call me at 416-982-7677. If you use a TTY, please call 1-800-361-1180.

Thank you for doing business with us.

Yours sincerely,



Becky Chan
Account Manager

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Member of TD Bank Group

Confidential



This Guarantee is made as of the 22 day of October, 2018.

Whereas the undersigned (each hereinafter referred to as the "Guarantor") has agreed to provide The Toronto-Dominion Bank (hereinafter referred to as the "Bank") with a guarantee of the Obligations (as hereinafter defined) of CITY & STAY HOTEL GROUP LIMITED (the "Customer");

And whereas the Guarantor has agreed that if the guarantee herein is not enforceable, the Guarantor will indemnify the Bank or be liable as primary obligor.

NOW THEREFORE, in consideration of the Bank dealing with the Customer now or in the future and/or for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantor agrees with the Bank as follows:

1. Obligations Guaranteed

The Guarantor unconditionally and irrevocably guarantees payment of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, wheresoever and howsoever incurred of the Customer to the Bank, whether arising from dealings between the Bank and the Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatsoever a creditor of the Customer, in any currency, whether incurred by the Customer alone or jointly with another or others and whether as a indemnitor or surety, including interest thereon and all amounts owed by the Customer for fees, costs and expenses (collectively referred to as the "Obligations").

2. Extent of Guarantor's Liability

This is an unlimited Guarantee and the Guarantor's liability to the Bank under this Guarantee shall not be limited as to amount.

3. Indemnity/Primary Obligation

If (i) any Obligations are not duly paid by the Customer and are not recoverable under Section 1 for any reason, the Guarantor will, as a separate and distinct obligation, indemnify and save harmless the Bank from and against all losses resulting from the failure of the Customer to pay such Obligations, and (ii) any Obligations are not duly paid by the Customer and are not recoverable under Section 1 or the Bank is not indemnified under clause (i) above of this Section 3, for any reason, such Obligations will, as a separate and distinct obligation, be paid by and recoverable from the Guarantor as primary obligor.

The liabilities of the Guarantor under Section 1 and each of clauses (i) and (ii) of this Section 3 are separate and distinct from each other, but the provisions of this Agreement shall apply to each of such liabilities unless the context otherwise requires.

4. Nature of Guarantor's Liability

The liability of the Guarantor under this Guarantee is continuing, absolute and unconditional and will not be affected by any act, omission, event or circumstance that might constitute a legal or equitable defence (any and all such legal and equitable defences are hereby expressly waived by the Guarantor) to or a discharge, limitation or reduction of the liability of the Guarantor hereunder, other than as a result of the indefeasible payment in full of the Obligations, including:

- (a) the unenforceability of any of the Obligations for any reason, including as a result of the act of any governmental authority;

- (b) any irregularity, fraud, illegality, defect or lack of authority or formality in incurring the Obligations, notwithstanding any inquiry that may or may not have been made by the Bank;
- (c) failure of the Bank to comply with or perform any agreements relating to the Obligations;
- (d) any discontinuance, renewal, extension, increase or reduction in the amount, or any other variance of any loans or credits now or hereafter made available to the Customer by the Bank or guaranteed by the Customer to the Bank or any other change to any of the terms or conditions of any of the Obligations (including, without limitation, respecting rates of interest, fees or charges, maturity dates), or any waiver by the Bank respecting any of the Obligations;
- (e) the taking of or the failure by the Bank to take a guarantee from any other person;
- (f) any release, compromise, settlement or any other dealing with any person, including any other Guarantor;
- (g) the reorganization of the Customer or its business (whether by amalgamation, merger, transfer, sale or otherwise); and in the case of an amalgamation or merger, the liability of the Guarantor shall apply to the Obligations of the resulting or continuing entity and the term "Customer" shall include such resulting or continuing entity;
- (h) the current financial condition of the Customer and any change in the Customer's financial condition;
- (i) any change in control or ownership of the Customer, or if the Customer is a general or limited partnership, any change in the membership of that partnership or other entity;
- (j) any change in the name, articles or other constating documents of the Customer, or its objects, business or capital structure;
- (k) the bankruptcy, winding-up, dissolution, liquidation or insolvency of the Customer or any proceedings being taken by or against the Customer with respect thereto, and any stay of or moratorium on proceedings by the Bank against the Customer as a result thereof;
- (l) a breach of any duty of the Bank (whether fiduciary or in negligence or otherwise) and whether owed to the Guarantor, the Customer or any other person;
- (m) any lack or limitation of power, capacity or legal status of the Customer, or, if the Customer is an individual, the death of the Customer;
- (n) the Customer's account being closed or the Bank ceasing to deal with the Customer;
- (o) any taking or failure to take any security by the Bank, any loss of or diminution in value of any security, the invalidity, unenforceability, subordination, postponement, release, discharge or substitution, in whole or in part, of any security, or the failure to perfect or maintain perfection or enforce any security; or
- (p) any failure or delay by the Bank in exercising any right or remedy respecting the Obligations or under any security or guarantee.

5. Continuing Guarantee

The obligations of the Guarantor hereunder will constitute and be continuing obligations and will apply to and secure any ultimate balance due or remaining due to the Bank and will not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Bank. This Guarantee will continue to be effective even if at any time any payment of any of the Obligations is rendered unenforceable or is rescinded or must otherwise be returned by the Bank as a result of the occurrence of any action or event, including the insolvency, bankruptcy or reorganization of the Customer or the Guarantor, all as though such payment had not been made.

6. Demand for Payment

The Guarantor shall make payment to the Bank under this Guarantee immediately upon receipt of a written demand for payment from the Bank. If any Obligation is not paid by the Customer when due, the Bank may treat all Obligations as due and payable by the Customer and may demand immediate payment under this Guarantee of all or some of the Obligations whether such other Obligations would otherwise be due and payable by the Customer at such time or whether or not any demands, steps or proceedings have been made or taken by the Bank against the Customer or any other person respecting all or any of the Obligations. If any stay of or moratorium on proceedings by the Bank against the Customer is imposed in respect of any Obligation, the Bank may nevertheless demand immediate payment of such Obligation from the Guarantor as if such Obligation was due and payable by the Customer.

7. Interest

If the Guarantor does not make immediate payment in full of the Obligations when demand for payment has been made by the Bank, the Guarantor shall pay interest on any unpaid amount to the Bank at the highest rate of interest per annum that is charged on any Obligations for which payment has been demanded hereunder and which remain unpaid.

8. State of Account

The records of the Bank in respect of the Obligations will be prima facie evidence of the balance of the amount of the Obligations that are due and payable by the Customer to the Bank.

9. Application of Moneys Received

The Bank may, without notice and demand of any kind and at any time, apply any money received from the Guarantor, the Customer or any other person (including arising from any security that the Bank may from time to time hold) or any balance in any account of the Guarantor held at the Bank or any of the Bank's affiliates, to such part of the Obligations, whether due or to become due, as the Bank in its sole and absolute discretion considers appropriate, or may, in its sole and absolute discretion, refrain from applying any such money. The Bank may also revoke and alter any such application in whole or in part. If any amount that is to be applied is in a currency other than the currency of the Obligation to which such amount is to be applied, then the amount that is applied shall be converted from one currency to another using the rate of exchange for the conversion of such currency as determined by the Bank or its agents and the Bank or its agent may earn revenue on such conversion.

10. No Set-off or Counterclaim

The Guarantor will make all payments required to be made under this Guarantee without claiming or asserting any right of setoff or counterclaim that the Guarantor has or may have against the Customer or the Bank, all of which rights the Guarantor waives.

11. Exhausting Recourse

The Bank is not required to take any proceedings, exhaust its recourse against the Customer or any other Guarantor or person or under any security the Bank may from time to time hold, or take any other action, before being entitled to demand payment from the Guarantor under this Guarantee, and the Guarantor waives all benefits of discussion and division.

12. No Representations

There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties except as expressly set forth herein. The Bank will not be bound by any representations or promises made by Customer to the Guarantor and possession of this Guarantee by the Bank will be conclusive evidence against the Guarantor that this Guarantee was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been complied with, and this Guarantee will be binding on each Guarantor who has signed this Guarantee notwithstanding the non-execution thereof by any proposed guarantor.

13. Postponement and Assignment

The Guarantor hereby postpones payment of all present and future debts and liabilities of the Customer to the Guarantor, and as security for payment of the Obligations, the Guarantor hereby assigns such debts and liabilities to the Bank and agrees that all moneys received from the Customer by or on behalf of the Guarantor shall be held in trust for the Bank and forthwith upon receipt paid over to the Bank, all without prejudice to and without in any way limiting or lessening the liability of the Guarantor to the Bank under this Guarantee. This assignment and postponement is independent of the guarantee, indemnity and primary obligor obligations contained in this Guarantee and will remain in full force and effect until, in the case of the assignment, the liability of the Guarantor under this Guarantee has been discharged or terminated and, in the case of the postponement, until all Obligations are performed and indefeasibly paid in full.

14. Subrogation

The Guarantor will not be entitled to be subrogated to the rights of the Bank against the Customer, to be indemnified by the Customer or to claim contribution from any other Guarantor until the Guarantor makes indefeasible payment to the Bank of all amounts owing by the Guarantor to the Bank under this Guarantee and the Obligations are indefeasibly paid in full.

15. Bankruptcy of Customer

Upon the bankruptcy or winding up or other distribution of assets of the Customer or of any surety or Guarantor for the Obligations, the Bank's rights shall not be affected by the Bank's failure to prove its claim and the Bank may prove such claim if and in any manner as it deems appropriate in its sole discretion. The Bank may value as it sees fit or refrain from valuing any security held by the Bank without in any way releasing, reducing or otherwise affecting the liability of the Guarantor to the Bank, and until all the Obligations of the Customer to the Bank have been indefeasibly paid in full, the Bank shall have the right to include in its claim the amount of all sums paid by the Guarantor to the Bank under this Guarantee and to prove and rank for and receive dividends in respect of such claim, any and all right to prove and rank for such sums paid by the Guarantor and to receive the full amount of all dividends in respect thereto being hereby assigned and transferred to the Bank.

16. Costs and Expenses

The Guarantor agrees to pay all costs and expenses, including legal fees, of enforcing this Guarantee including the charges and expenses of the Bank's in-house lawyers. The Guarantor will pay all legal fees on a solicitor and own client basis.

17. Other Guarantees and Security

The liability of the Guarantor under any other guarantee or guarantees given to the Bank in connection with the Obligations shall not be affected by this Guarantee, nor shall this Guarantee affect or be affected by the endorsement by the Guarantor of any note or notes of the Customer, the intention being that the liability of the Guarantor under such other guarantee or guarantees and this Guarantee, and under such other note or notes and this Guarantee, shall be cumulative. Nor shall the Bank be required to marshal in favour of the Guarantor other guarantees granted by other persons or any security, money or other property that the Bank may be entitled to receive or may have a claim upon.

18. Amendment and Waivers

No amendment to this Guarantee will be valid or binding unless set forth in writing and duly executed by the Guarantor and the Bank. No waiver by the Bank of any breach of any provision of this Guarantee will be effective or binding unless made in writing and signed by the Bank and, unless otherwise provided in the written waiver, will be limited to the specific breach waived. No delay in the exercise of any right or remedy by the Bank shall operate as a waiver thereof. No failure to exercise a right or remedy or partial exercise of a right or remedy by the Bank shall preclude other or further exercise thereof or the exercise of any other right or remedy by the Bank.

19. Discharge

The Guarantor will not be released or discharged from its obligations hereunder except by a written release or discharge signed by the Bank.

20. General

This Guarantee shall be binding on the successors of the Guarantor or, if the Guarantor is an individual, the heirs, executors, administrators and other legal representatives of the Guarantor, and shall enure to the benefit of the successors and assigns of the Bank.

If more than one Guarantor has signed this Guarantee, each Guarantor shall be jointly and severally liable under this Guarantee.

To the extent that any limitation period applies to any claim for payment hereunder of the Obligations or remedy for the enforcement of such payment, the Guarantor agrees that any such limitation period is excluded or waived, but if such exclusion and waiver is not permitted by applicable law, then any limitation period is extended to the maximum length permitted by applicable law.

Any notice or demand which the Bank may wish to give under this Guarantee may be personally served on the Guarantor or sent by ordinary mail or electronic mail to the last known address of the Guarantor. Any notice that is sent by ordinary mail shall be conclusively deemed to have been received on the fifth day following the day on which it is mailed. Any notice that is sent by electronic mail shall be conclusively deemed to have been received on the day it is sent.

If any provision of this Guarantee is determined by any court of competent jurisdiction to be invalid or unenforceable in any respect, such invalidity or unenforceability will not affect the validity or enforceability of the remaining provisions of this Guarantee.

This Guarantee shall be governed by and construed in accordance with the laws of the Province of ONTARIO and the laws of Canada applicable therein.

Any word herein contained importing the singular number shall include the plural and any word importing a person shall include a corporation, partnership, firm and any other entity.

Subject to Section 17, this Guarantee constitutes the entire agreement between the Guarantor and the Bank with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the parties with respect thereto.

Each of the undersigned acknowledges receipt of a copy of this Guarantee.

Per: _____
(authorized signature)

Personal Guarantee
Signature of Guarantor: 
Print name: CONSTANTINE T SPEIS

Per: _____
(authorized signature)

Personal Guarantee
Signature of Guarantor: _____

Per: _____
(authorized signature)

Print name: _____

Per: _____
(authorized signature)

Personal Guarantee
Signature of Guarantor: _____

Per: _____
(authorized signature)

Print name: _____

Per: _____
(authorized signature)

Personal Guarantee
Signature of Guarantor: _____

Per: _____
(authorized signature)

Print name: _____

Per: _____
(authorized signature)

Personal Guarantee
Signature of Guarantor: _____

Per: _____
(authorized signature)

Print name: _____

Per: _____
(authorized signature)

Personal Guarantee
Signature of Guarantor: _____

Per: _____
(authorized signature)

Print name: _____

Per: _____
(authorized signature)

Personal Guarantee
Signature of Guarantor: _____

Print name: _____

Personal Guarantee
Signature of Guarantor: _____

Print name: _____



I HEREBY CERTIFY THAT:

1. _____
 the guarantor in the guarantee dated _____
 made between _____

 and The Toronto-Dominion Bank, which this certificate is attached to or noted on, appeared in person before me and acknowledged that
 he/she had executed the guarantee.

2. I satisfied myself by examination of the guarantor that he/she is aware of the contents of the guarantee and understands it.

CERTIFIED by _____
 Barrister and Solicitor at the _____
 _____ of _____
 in the Province of Alberta, this _____ day of _____, 20____.

Signature

STATEMENT OF GUARANTOR

I am the person named in this certificate.

Signature of Guarantor



ACKNOWLEDGMENT OF GUARANTEE
(Section 31)

CERTIFICATE OF LAWYER OR NOTARY PUBLIC

I HEREBY CERTIFY THAT:

- 1. _____ of _____ in the province of _____, the guarantor in the guarantee dated _____ made between The Toronto-Dominion Bank and _____, which this certificate is attached to or noted upon, appeared in person before me and acknowledged that he/she had executed the guarantee;
- 2. I satisfied myself by examination of the guarantor that he/she is aware of the contents of the guarantee and understands it;
- 3. I have not prepared any documents on behalf of the creditor, The Toronto-Dominion Bank, relating to the transaction and I am not otherwise interested in the transaction;
- 4. I acknowledge that the guarantor signed the following "Statement of Guarantor" in my presence.

Given at _____ this _____ day of _____, 20____, under my hand and seal of office.

(SEAL REQUIRED WHERE NOTARY PUBLIC SIGNS CERTIFICATE)

A LAWYER OR A NOTARY PUBLIC IN
AND FOR _____

STATEMENT OF GUARANTOR

I am the person named in this certificate.

Signature of Guarantor

Andrew Peek
214-993 Queen Street West
Toronto, ON M6J 1H2

January 1, 2021

Re: Indemnity and Pledge as to Credit Facility with Toronto Dominion Bank

Whereas City & Stay Hotel Group Limited (the "Corporation") entered into a Demand Operating Facility Agreement with Toronto Dominion Bank (the "Lender") dated September 17, 2018 for a credit limit of CAD\$500,000 (the "Line of Credit"), and collaterally secured by way of a personal guarantee supplied by Andrew Peek ("Peek") executed on September 24, 2018 (the "Guarantee").

And Whereas, Peek is desirous and has agreed to sell and transfer all of his shares and interest in the Corporation to Justin Fong ("Fong") pursuant to a Share Purchase Agreement (the "SPA") between Peek and Fong dated December 3, 2020 on terms and conditions as further set out therein.

And Whereas, it is a condition of the closing of the transaction contemplated by the SPA that Fong provide this Letter of Indemnity.

INDEMNITY

In connection with and in consideration of the SPA, Fong hereby irrevocably agrees that he shall indemnify and hold harmless Peek from and against any and all losses, liabilities, penalties, fines, expenses, damages, judgments, settlements and other costs (including all legal fees and costs of investigation) incurred by Peek, and defend Peek against all third party claims, suits, proceedings and actions, which arise out of or relate to (i) any breach, default or non-fulfillment of any of the covenants or obligations arising under the Line of Credit; and/or (ii) any enforcement of or call against the Guarantee provided by Peek in respect of the Line of Credit.

COLLATERAL PLEDGE

As additional security for the Indemnity, Fong hereby pledges his four unit holdings and interest (the "Units") in the partnership known as 296 Brunswick Avenue Limited Partners (the "Partnership") as security for the performance of his obligations under this Indemnity and shall not at any time dispose of or encumber the same except as is herein provided.

Until default occurs in the performance of the obligations under this Indemnity, and at all times while Fong is the holder of the aforementioned units, Fong shall collect all dividends declared thereon and shall be entitled to receive all other corporate monetary allocations, and shall have the right to vote at all meetings of the Partnership.

Upon default of performance under this Indemnity, should such default remain uncorrected for a period in excess of twenty (20) business days after delivery of written notice to Fong of such default, Peek shall be entitled, in addition to any other remedies he may have, to transfer the pledged Units to himself, as beneficial owner.

Fong acknowledges and agrees that the Partnership's present solicitor, TIMOTHY PETROU shall be appointed as the custodian and shall be authorized to hold the subject pledged Units and

corresponding certificates until such time as the Guarantee provided by Peek has expired, is terminated, or otherwise of no further force and effect.

[Signature Page Follows]

This Letter of Indemnity and pledge shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and the parties irrevocably attorn and submit to the jurisdiction of the courts of the Province of Ontario. Neither party shall assign any of his rights and obligations provided for or referred to in this Letter of Indemnity without the prior written consent of the other party.

Sincerely,

DocuSigned by:

Justin Fong

F086E94AC2784B3...

Justin Fong

8 Charlotte Street, Suite 3405
Toronto, ON M5V 0K4

Constantine Trevor Speis
53 Palmerston Ave.
Toronto, ON M6J 2J2

April ____, 2021

Re: Indemnity and Pledge as to Credit Facility with Toronto Dominion Bank

Whereas City & Stay Hotel Group Limited (the "Corporation") entered into a Demand Operating Facility Agreement with Toronto Dominion Bank (the "Lender") dated September 17, 2018 for a credit limit of CAD\$500,000 (the "Line of Credit"), and collaterally secured by way of a personal guarantee supplied by Constantine Trevor Speis ("Speis") executed on September 24, 2018 (the "Guarantee").

And Whereas, Speis is desirous and has agreed to sell and transfer his shares and interest in the Corporation to certain purchasers including Justin Fong ("Fong") pursuant to a Share Purchase Agreement (the "SPA") between Speis and Fong dated the date of this letter on terms and conditions as further set out therein.

And Whereas, it is a condition of the closing of the transaction contemplated by the SPA that Fong provide this Letter of Indemnity.

INDEMNITY

In connection with and in consideration of the SPA, Fong hereby irrevocably agrees that he shall indemnify and hold harmless Speis from and against any and all losses, liabilities, penalties, fines, expenses, damages, judgments, settlements and other costs (including all legal fees and costs of investigation) incurred by Speis, and defend Speis against all third party claims, suits, proceedings and actions, which arise out of or relate to (i) any breach, default or non-fulfillment of any of the covenants or obligations arising under the Line of Credit; and/or (ii) any enforcement of or call against the Guarantee provided by Speis in respect of the Line of Credit.

COLLATERAL PLEDGE

As additional security for the Indemnity, Fong hereby pledges 3,000,000 Voting Common Shares in the capital of the Corporation (the "Shares") as security for the performance of his obligations under this Indemnity and shall not at any time dispose of or encumber the same except as is herein provided.

Until default occurs in the performance of the obligations under this Indemnity, and at all times while Fong is the holder of the aforementioned Shares, Fong shall collect all dividends declared thereon and shall be entitled to receive all other corporate monetary allocations, and shall have the right to vote such Shares.

Upon default of performance under this Indemnity, should such default remain uncorrected for a period in excess of twenty (20) business days after delivery of written notice to Fong of such default, Speis shall be entitled, in addition to any other remedies he may have, to transfer the pledged Shares to himself, as beneficial owner.

Fong acknowledges and agrees that the Corporation's present solicitor, Blake Cassels & Graydon LLP, shall be appointed as the custodian and shall be authorized to hold the subject pledged Shares

and corresponding certificates until such time as the Guarantee provided by Speis has expired, is terminated, or otherwise of no further force and effect.

[Signature Page Follows]

This Letter of Indemnity and pledge shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and the parties irrevocably attorn and submit to the jurisdiction of the courts of the Province of Ontario. Neither party shall assign any of his rights and obligations provided for or referred to in this Letter of Indemnity without the prior written consent of the other party.

Sincerely,

Justin Fong
8 Charlotte Street, Suite 3405
Toronto, ON M5V 0K4



TO: The Toronto-Dominion Bank (the "Bank")

Branch of the Bank: 1957

Granted By: CITY & STAY HOTEL GROUP LIMITED

(the "Grantor")

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Grantor agrees with the Bank as follows:

1. Security Interest

The Grantor hereby grants to the Bank a security interest in, and assigns (other than with respect to trade-marks), mortgages, charges and pledges (collectively, the "Security Interest") to the Bank, all property of the Grantor, including all present and after acquired personal property and all other property, assets and undertaking of the kind hereinafter described below, in which the Grantor now has, or hereafter acquires, any right, title or interest, and accretions and accessions thereto (collectively called the "Collateral"):

- (a) **Intangibles.** All intangible property not otherwise described in this Section 1, including all contractual rights and insurance claims, options, permits, licences, quotas, subsidies, franchises, orders, judgments, patents, trademarks, trade names, trade secrets and know-how, inventions, goodwill, copyrights and other intellectual property of the Grantor, including any right or licence to use intellectual property belonging to a third party together with any specified collateral described in Schedule "A" hereto (collectively called "Intangibles");
- (b) **Chattel Paper and Documents of Title.** All chattel paper and all warehouse receipts, bills of lading and other documents of title, whether negotiable or not;
- (c) **Deposits and Credit Balances.** All monies and credit balances, including interest due thereon, which are now or may hereafter from time to time be on deposit with or standing to the credit of the Grantor with the Bank or any other bank, financial institution or other Person;
- (d) **Books and Records.** All deeds, documents, writings, papers, books of account and other books and records in any form, electronic or otherwise, relating to or evidencing any of the Collateral;
- (e) **Accounts and Book Debts.** All debts, accounts, claims and choses in action for moneys now due or owing or accruing due or which may hereafter become due or owing to the Grantor, including claims against the Crown in right of Canada or of any province, moneys which may become payable under any policy of insurance (collectively called "Accounts and Book Debts"), together with all contracts, securities, bills, notes, lien notes, judgments, mortgages, letters of credit and advices of credit, and all other rights, benefits and documents which are now or which may be taken, vested in or held by the Grantor in respect of or as security for the Accounts and Book Debts or any part thereof, and the full benefit and advantage thereof and all rights of actions, claims or demands which the Grantor now has or may hereafter have in respect of the foregoing;
- (f) **Equipment.** All tools, machinery, apparatus, equipment, vehicles, furniture, plants, fixtures, and other tangible personal property, other than Inventory, wherever situate, including the assets, if any, described in Schedule "A" hereto (collectively called "Equipment");
- (g) **Inventory.** All goods forming the inventory of the Grantor, of whatever kind and wherever located, whether raw material, work in process or finished goods held for sale, lease or resale, or furnished or to be furnished under contracts for service or used or consumed in the business of the Grantor, goods used in or procured for packing or packaging, timber cut or to be cut, oil, gas and minerals extracted or to be extracted, all livestock and the young thereof after conception and all crops which become such within one year after the date of execution of this Agreement (collectively called "Inventory");
- (h) **Instruments.** All bills, notes, cheques, letters of credit and other instruments, whether negotiable or not (collectively called "Instruments");
- (i) **Securities.** All shares, stocks, warrants, options, bonds, debentures, debenture stock and all other securities and investment property of any kind and all instruments, whether negotiable or non-negotiable, and interest thereon and dividends, whether in shares, money or property, received or receivable upon or in respect of any securities and other investment property and all money or other property paid or payable on account of any return on, or repayment of, capital in respect of any securities or otherwise distributed or distributable in respect thereof or that will in any way be charged to, or be payable out of or in respect of, the capital of the issuer of the securities (collectively called "Securities");
- (j) **Real Property.** All real and immovable property, both freehold and leasehold, together with all buildings and fixtures (collectively called "Real Property"), and all rights under any lease or agreement relating to Real Property;

- (k) **Proceeds.** All proceeds of the property described above, including any property in any form derived directly or indirectly from any use or dealing with the property described above or the proceeds therefrom or that indemnifies or compensates for damage or loss to such property or the proceeds therefrom, including the money held in banks, financial institutions or any other Person (collectively called "Proceeds");

provided that (i) the Security Interest does not and will not extend to, and the Collateral will not include, any agreement, lease, right, franchise, licence or permit (the "contractual rights") to which the Grantor is a party or of which the Grantor has the benefit, to the extent that the Security Interest would permit any person to terminate the contractual rights unless the consent of one or more Persons has been obtained and until such consent has been obtained, which the Grantor agrees it will use commercially reasonable efforts to obtain if requested by the Bank, the Grantor agrees to hold its interest therein in trust for the Bank, and notwithstanding the foregoing, contractual rights shall not include any account or chattel paper; and (ii) with respect to Real Property, (A) the Security Interest granted hereby is constituted by way of a floating charge, but will become a fixed charge upon the earlier of the Obligations becoming immediately payable, and the occurrence of any other event that by operation of law would result in such floating charge becoming a fixed charge; and (B) the assignment, mortgage and charge granted hereby will not extend to the last day of the term of any lease or agreement relating to Real Property, but the Grantor will hold such last day in trust for the Bank and, upon the enforcement by the Bank of its Security Interest, will assign such last day as directed by the Bank.

2. Obligations Secured

The Security Interest secures the payment and performance of all present and future obligations of the Grantor to the Bank, including all debts and liabilities, direct or indirect, absolute or contingent, matured or not, wheresoever and howsoever incurred, whether incurred before, at the time of, or after the execution of this Agreement, whether the indebtedness and liability is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again, whether arising from dealings between the Bank and the Grantor or from other dealings or proceedings by which the Bank may be or become in any manner whatsoever a creditor of the Grantor, and in any currency, whether incurred by the Grantor alone or with another or others and whether as a principal or surety, including all interest thereon and all amounts owed by the Grantor under this Agreement for fees, costs and expenses and in respect of indemnities granted under this Agreement (collectively called the "Obligations").

3. Definitions

- (a) Any word or term that is not otherwise defined in this Agreement shall have the meaning given to it in the *Personal Property Security Act* of the province in which the Branch of the Bank is located, as amended from time to time, and being referred to in this Agreement as the "PPSA". Any reference herein to "Collateral" shall, unless the context requires otherwise, be deemed to be a reference to "Collateral or any part thereof".
- (b) The following terms shall have the respective meanings set out below:

"Branch of the Bank" means the branch of the Bank located at the address specified above.

"Business Day" means any day other than a Saturday, Sunday or statutory holiday in the province in which the Branch of the Bank is located.

"Control Agreement" means:

- (a) with respect to any uncertificated security, an agreement between the issuer of such uncertificated security and any Person whereby such issuer agrees to comply with instructions that are originated by such Person in respect of such uncertificated security, without the further consent of the Grantor; and
- (b) with respect to any securities account or security entitlement, an agreement between the securities intermediary which maintains the particular securities account to which security entitlements included in the Collateral relate and any Person whereby such securities intermediary agrees to comply with any entitlement orders with respect to such securities accounts or security entitlements that are originated by such Person, without the further consent of the Grantor.

"Person" means any individual, sole proprietorship, joint venture, partnership, corporation, company, firm, association, co-operative, estate, government, government agency, regulatory authority, trust, or any entity of any nature.

4. Representations & Warranties

The Grantor hereby represents and warrants with the Bank and so long as this Agreement remains in effect shall be deemed to continuously represent and warrant that:

- (a) **Location of Head Office.** The address of the Grantor's chief executive office and the office where it keeps its records respecting the Accounts and Book Debts (the "Head Office") is set out below the name of the Grantor on the signature page of this Agreement;

- (b) **Location of Collateral.** The Collateral which is goods is or will be located at the address set out on the signature page of this Agreement or at the locations specified in Schedule "A" hereto or such other locations as have been agreed to by the Bank in writing, except for (i) goods in transit to such locations and (ii) Inventory on lease or consignment, but including all fixtures, crops, oil, gas or other minerals to be extracted and all timber to be cut which forms part of the Collateral;
- (c) **Collateral Free and Clear.** The Collateral (other than Real Property) is the sole property of the Grantor free and clear of all security interests, liens, charges, mortgages, hypothecs, leases, licenses, infringements by third parties, encumbrances, statutory liens or trusts, other adverse claims or interests, or any rights of others, except for those security interests which are expressly approved by the Bank in writing prior to their creation or assumption;
- (d) **Amount of Accounts.** Each Account and Book Debt, Chattel Paper and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "Account Debtor") and the amount represented by the Grantor to the Bank from time to time as owing by each Account Debtor or by all Account Debtors will be the correct amount unconditionally owing by such Account Debtor or Account Debtors, and no Account Debtor will have any defence, set-off, claim or counterclaim against the Grantor which can be asserted against the Bank, whether in any proceeding to enforce Collateral or otherwise;
- (e) **Status and Binding Obligation.** The Grantor (i) if a corporation or company, has been duly incorporated, amalgamated or continued, as the case may be, and is validly existing as a corporation or company, as the case may be, under the laws of its jurisdiction of incorporation, amalgamation or continuance, as the case may be, (ii) if not a corporation or company, has been duly created or established as a partnership, limited partnership or other entity and validly exists under the laws of the jurisdiction in which it has been created or established, and (iii) is duly qualified to carry on business and own property in each jurisdiction where it carries on business or where any of its property is located. The Grantor has adequate power, capacity and authority to carry on its business, own property, borrow monies and enter into agreements therefor, execute and deliver this Agreement, and perform its obligations under this Agreement, which Agreement constitutes a legally valid and binding obligation of the Grantor enforceable in accordance with its terms. The making of this Agreement will not result in the breach of, constitute a default under, contravene any provision of, or result in the creation of, any lien, charge, security interest, encumbrance or any other rights of others upon any property of the Grantor pursuant to any agreement, indenture or other instrument to which the Grantor is a party or by which the Grantor or any of its property may be bound or affected; and
- (f) **Intellectual Property.** All intellectual property applications and registrations are valid, subsisting, unexpired, enforceable, in good standing and have not been abandoned and the Grantor is the owner of the applications and registrations.

5. Covenants

The Grantor covenants and agrees with the Bank that:

- (a) **Place of Business and Location of Collateral.** The Grantor shall not change its name or the location of its Head Office, amalgamate with any other Person, or move any of the Collateral from the address set out on the signature page of this Agreement or the locations specified in Schedule "A" hereto other than in accordance with clause 5(g), without the prior written consent of the Bank;
- (b) **Notification.** The Grantor shall notify the Bank promptly of: (i) any change in the information contained herein or in Schedule "A" hereto relating to the Grantor, the Grantor's business or Collateral; (ii) the details of any significant acquisition of Collateral; (iii) the details of any claims or litigation affecting the Grantor or the Collateral and will furnish the Bank with copies of the details of such claims or litigation; (iv) any loss or damage to Collateral or any material adverse change in the value of Collateral; and (v) any default by any Account Debtor in payment or other performance of its obligations with respect to Collateral;
- (c) **Performance of Obligations.** The Grantor shall observe and perform all its obligations under all material leases, licenses, undertakings and agreements to which it is a party, obtain and preserve its rights, powers, licences, privileges, franchises and goodwill thereunder, and comply with all applicable laws, by-laws, rules, regulations and ordinances in a proper and efficient manner so as to preserve and protect the Collateral and the business and undertaking of the Grantor in all material respects. The Grantor shall also pay all rents, taxes, rates, levies, assessments and government fees or dues levied, assessed or imposed in respect of the Collateral and other charges or any part thereof as and when the same become due and payable, and shall provide to the Bank, when requested, the receipts and vouchers evidencing payment;
- (d) **Limitations on Discounts, Extensions of Accounts and Compromises.** The Grantor shall not grant any extension of time for payment of any Accounts or Book Debts, or compromise, compound or settle any Accounts or Book Debts for less than the full amount, or release, wholly or partially, any Person liable for the payment of any Accounts or Book Debts, or allow any credit or discount of any Account or Book Debt, other than in the ordinary course of business of the Grantor and consistent with industry practices;

- (e) **Payment of Fees and Expenses.** The Grantor will pay the Bank on demand all costs, fees and expenses (including legal fees on a solicitor and his own client basis) incurred by the Bank in the preparation, execution, registration and perfection of this Agreement and the carrying out of any of the provisions of this Agreement, including, protecting and preserving the Security Interest and enforcing by legal process or otherwise the remedies provided herein. All such costs and expenses payable by the Grantor to the Bank shall bear interest from time to time at the highest interest rate then applicable to any of the Obligations, calculated and compounded monthly, and shall be added to and form part of the Obligations secured hereunder;
- (f) **Maintenance and Protection of Collateral/No Fixtures.** The Grantor shall care for, protect and preserve the Collateral and not permit its value to be impaired and will not permit the Collateral to be affixed to real or personal property so as to become a fixture or accession without the prior written consent of the Bank. The Grantor shall keep the Collateral in good order, condition and repair and shall not use the Collateral in violation of the provisions of this Agreement or any other agreement relating to the Collateral or any policy insuring the Collateral or any applicable statute, law, by-law, rule, regulation or ordinance. The Grantor will keep all licences, permits, agreements, registrations and applications relating to intellectual property used by Grantor in its business in good standing, unless otherwise agreed to in writing by the Bank. The Grantor shall apply to register all existing and future copyrights, trade-marks, patents, integrated circuit topographies and industrial designs whenever it is commercially reasonable to do so. The Grantor shall defend title to the Collateral against all claims and demands of all other Persons claiming the same or an interest therein and shall diligently initiate and prosecute legal action against every Person who infringes upon the Grantor's rights in intellectual property;
- (g) **Dealing with Collateral.** (i) The Grantor will not sell, lease, transfer, assign, deliver or otherwise dispose of the Collateral or any interest therein without the prior written consent of the Bank, except that the Grantor may, until an event of default as hereinafter provided occurs, deal with any Inventory or Real Property (other than fixtures financed by the Bank and any replacements or substitutions therefor) in the ordinary course of business so that the purchaser thereof takes title thereto free and clear of the Security Interest; (ii) All Proceeds shall continue to be subject to the Security Interest, granted hereby and all money received by the Grantor as Proceeds, other than from the sale of Inventory, shall be received as trustee for the Bank and shall be held separate and apart from other money of the Grantor, and shall be paid over to the Bank upon request; (iii) All money collected or received by the Bank in respect of the Collateral may be applied on account of such parts of the Obligations as the Bank in its sole discretion determines, or may be held unappropriated in a collateral account, or in the discretion of the Bank may be released to the Grantor, all without prejudice to the Bank's rights against the Grantor; (iv) Before an event of default occurs hereunder, the Bank may give notice of this Agreement and the Security Interest to any Account Debtor who is obligated to the Grantor under any of the Accounts and Book Debts and, after the occurrence of an event of default hereunder, may give notice to any such Account Debtor to make all further payments to the Bank, and any payment or other Proceeds received by the Grantor from an Account Debtor after an event of default whether before or after any notice is given by the Bank, shall be held by the Grantor in trust for the Bank and paid over to the Bank on request. The Bank shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner the Bank may consider appropriate and the Grantor agrees to furnish all assistance and information and to perform all such acts as the Bank may reasonably request in connection therewith and for such purpose to grant to the Bank or its agents access to all places where Collateral may be located and to all premises occupied by the Grantor;
- (h) **Maintenance of Records.** The Grantor will keep proper books of account in accordance with sound accounting practice and mark any and all such records and the Collateral at the Bank's request so as to indicate the Security Interest. The Grantor shall furnish to the Bank such financial information and statements and such information and statements relating to the Collateral as the Bank may from time to time require and shall permit the Bank or its agents at any time at the expense of the Grantor to examine the books of account and other financial records and reports relating to the Collateral and to make copies thereof and take extracts therefrom and to make inquiries of third parties for the purpose of verification of such information. The Grantor authorizes any Person holding any Books and Records to make them available, in a readable form, upon the request of the Bank. The Grantor will deliver to the Bank any Documents of Title, Instruments, Securities and Chattel Paper constituting, representing or relating to Collateral;
- (i) **Negative Pledge.** The Grantor will not create, incur, assume or suffer to exist, any mortgage, deed of trust, pledge, lien, security interest, assignment, charge, hypothec, encumbrance or statutory lien or trust (including any conditional sale, or other title retention agreement or finance lease) of any nature, on any of the Collateral (other than Real Property, but not including any fixtures financed by the Bank and any replacements or substitutions therefor) without the express prior written consent of the Bank;
- (j) **Insurance.** The Grantor will keep the Collateral insured under policies with such coverage, for such amounts and with such insurers as are satisfactory to the Bank from time to time, with loss thereunder, payable to the Bank and shall furnish the Bank with a copy of any policy of insurance, certificate of insurance or other evidence satisfactory to the Bank that such insurance coverage is in effect;
- (k) **Further Assurances.** The Grantor will from time to time forthwith, at the expense of the Grantor, duly authorize, execute and deliver such further instruments and documents, and take such further action, as the Bank may request for the purpose of obtaining or preserving the benefits of, and the rights and powers granted by, this Agreement (including the filing of any financing statements or financing change statements under any applicable legislation with respect to the Collateral) and for the purpose of correcting any deficiencies or clerical errors in this Agreement; and

- (l) **Landlord Agreement.** The Grantor will, at the request of the Bank, obtain a written agreement from each landlord of premises where any of the Collateral is located, in favour of the Bank and in form and substance satisfactory to the Bank, whereby such landlord agrees to give notice to the Bank of any default by the Grantor under the lease and a reasonable opportunity to cure such default prior to the exercise of any remedies by the landlord and acknowledges the Security Interest created by this Agreement and the right of the Bank to enforce the Security Interest created by this Agreement in priority to any claim of such landlord, including the right of the landlord to distrain on the Collateral for arrears of rent.

6. **Survival of Representations and Warranties and Covenants**

All agreements, representations, warranties and covenants made by the Grantor in this Agreement are material, will be considered to have been relied on by the Bank and will survive the execution and delivery of this Agreement or any investigation made at any time by or on behalf of the Bank and any disposition or payment of the Obligations until the indefeasible repayment and performance in full of the Obligations.

7. **Performance of Covenants by The Bank**

- (a) The Bank may, in its sole discretion and upon notice to the Grantor, perform any covenant of the Grantor under this Agreement that the Grantor fails to perform including any covenant the performance of which requires the payment of money, provided that the Bank will not be obligated to perform such covenant on behalf of the Grantor. The performance by the Bank of any such covenant shall not oblige the Bank to continue to perform any such covenant or other covenants nor relieve the Grantor from any default or derogate from the rights and remedies of the Bank under this Agreement. The Grantor agrees to indemnify and to reimburse the Bank for all costs and expenses incurred by the Bank in connection with the performance by it of any such covenant, and all such costs and expenses shall be payable by the Grantor to the Bank on demand, shall bear interest at the highest rate per annum applicable to any of the Obligations, calculated and compounded monthly, and shall be added to and form part of the Obligations.
- (b) In holding any Collateral, the Bank and any agent or nominee on its behalf is only bound to exercise the same degree of care as it would exercise with respect to similar property of its own or of similar value held in the same or similar location. The Bank and any agent or nominee on its behalf will be deemed to have exercised reasonable care with respect to the custody and preservation of the Collateral if it takes such action for that purpose as the Grantor reasonably requests in writing, but failure of the Bank or its nominees to comply with any such request will not of itself be deemed a failure to exercise reasonable care.

8. **Securities, Investment Property**

If Collateral at any time includes Securities, the Grantor authorizes the Bank to transfer all or any of such Securities into its own name or that of its nominee(s) so that the Bank or its nominee(s) may appear on record as the sole owner thereof; provided that, until default, the Bank shall deliver promptly to the Grantor all notices or other communications received by it or its nominee(s) as such registered owner and, upon demand and receipt of payment of any necessary expenses thereof, shall issue to the Grantor or its order a proxy to vote and take all action with respect to such Securities. After default, the Grantor waives all rights to receive any notices or communications received by the Bank or its nominee(s) as such registered owner and agrees that no proxy issued by the Bank to the Grantor or its order as aforesaid shall thereafter be effective.

Where any Investment Property is held in or credited to an account that has been established with a securities intermediary, the Bank may, at any time give a notice of exclusive control to any such securities intermediary with respect to such Investment Property.

The Grantor has not consented to and covenants that it will not consent to, the entering into of a Control Agreement by: (a) any issuer of any uncertificated securities included in or relating to the Collateral; or (b) any securities intermediary for any securities accounts or security entitlements included in or relating to the Collateral, other than, in either case, a Control Agreement to which the Bank is a party.

Promptly upon request from time to time by the Bank, the Grantor shall:

- (a) enter into and use reasonable commercial efforts to cause any securities intermediary for any securities accounts or securities entitlements included in or relating to the Collateral to enter into a Control Agreement with the Bank with respect to such securities accounts or securities entitlements as the Bank requires in form and substance satisfactory to the Bank; and
- (b) enter into and use reasonable commercial efforts to cause any issuer of any uncertificated securities included in or relating to the Collateral to enter into a Control Agreement with the Bank with respect to such uncertificated securities in form and substance satisfactory to the Bank.

9. **Dealing with Security Interest**

The Bank may grant extensions of time and other indulgences, give up any of the Security Interest, abstain from perfecting any of the Security Interest, accept compositions, grant releases and discharges and waive rights against and otherwise deal with the Grantor, Account Debtors of the Grantor, sureties and others and with any of the Collateral and any other security as the Bank may see fit without prejudice to the liability of the Grantor or the Bank's right to hold and realize any of the Security Interest. The Bank shall not be accountable to the Grantor for the value of any of the Security Interest released except for any moneys actually received by the Bank.

10. Deposits and Credit Balances

Without limiting any other rights or remedies of the Bank, the Bank may, without notice to the Grantor or any other Person, any notice being expressly waived by the Grantor, set-off and apply all or any of the amounts standing to or for the credit of the Grantor at the Bank or any of the Bank's affiliates, in any currency, against and on account of all or any part of the Obligations, all as the Bank may see fit, whether or not the Obligations or the amounts standing to or for the credit of the Grantor are due and payable. The Bank is authorized and shall be entitled to make such debits, credits, correcting entries, and other entries to the Grantor's accounts and the Bank's records relating to the Grantor as the Bank regards as desirable in order to give effect to the Bank's rights hereunder and the Grantor agrees to be bound by such entries absent manifest error. When applying a deposit or other obligation in a different currency than the Obligations to the Obligations, the Bank will convert the deposit or other obligation to the currency of the Obligations using the rate of exchange for the conversion of such currency as determined by the Bank or its agents and the Bank or its agent may earn revenue on such conversion.

11. Events of Default

Obligations not payable on demand shall, at the option of the Bank, become immediately due and payable upon the occurrence of one or more of the following events (each, an "event of default"):

- (a) the Grantor fails to pay when due, whether by acceleration or otherwise, any of the Obligations;
- (b) the Grantor fails to perform any provision of this Agreement or of any other agreement to which the Grantor and the Bank are parties;
- (c) if any certificate, statement, representation, warranty, audit report or financial statement heretofore or hereafter furnished by or on behalf of the Grantor pursuant to or in connection with this Agreement, or as an inducement to the Bank to extend any credit to or to enter into this or any other agreement with the Grantor, is shown to have been false in any material respect or to have omitted any material fact; or if upon the date of execution of this Agreement, there shall have been any material adverse change in any of the facts disclosed by any such certificate, representation, statement, warranty, audit report or financial statement, which change shall not have been disclosed to the Bank at or prior to the time of such execution;
- (d) the Grantor ceases or threatens to cease to carry on business, commits an act of bankruptcy, becomes insolvent, proceedings or other actions are taken by or against the Grantor under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or similar legislation whether in Canada or elsewhere, or the Grantor transfers all or substantially all of its assets to another Person;
- (e) a receiver, trustee, custodian or other similar official is appointed in respect of the Grantor or any of the Grantor's property;
- (f) the institution by or against the Grantor of any formal or informal proceeding for the dissolution or liquidation or settlement of claims against or winding up of affairs of the Grantor;
- (g) an encumbrancer takes possession of any of the Collateral or any process of execution or distress is levied or enforced upon or against any of the Collateral;
- (h) any indebtedness or liability of the Grantor, other than to the Bank, becomes due and payable, or capable of being declared due and payable, before the stated maturity thereof or any such indebtedness or liability shall not be paid at the maturity thereof or upon the expiration of any stated applicable grace period thereof, or the Grantor fails to make payment when due under any guarantee given by the Grantor;
- (i) if the Grantor is an individual, the Grantor dies or is found by a court to be incapable of managing his or her affairs;
- (j) an execution or any other process of any court shall become enforceable against the Grantor;
- (k) if the Grantor is a partnership, the death of a partner; or
- (l) any other event which causes the Bank, in good faith, to deem itself insecure;

and the Bank shall not be required to make any further advances or other extension of credit that constitutes an Obligation.

12. Remedies

- (a) Upon the occurrence of an event of default that has not been cured or waived, the Bank, in addition to any right or remedy otherwise provided herein or by law or in equity, will have the rights and remedies set out below, which may be enforced successively or concurrently:
 - (i) to take such steps as the Bank considers desirable to maintain, preserve or protect the Collateral or its value;

- (ii) to take possession of the Collateral and require the Grantor to assemble the Collateral and deliver or make the Collateral available to the Bank at such place as may be specified by the Bank, and the Bank will not be or be deemed to be a mortgagee in possession by virtue of any such actions;
 - (iii) to exercise and enforce all rights and remedies of the Grantor with respect to the Collateral, including collecting and realizing upon all Accounts and Book Debts;
 - (iv) to carry on or concur in carrying on all or any part of the business of the Grantor;
 - (v) for the maintenance, preservation or protection of the Collateral or for carrying on any of the business of the Grantor, to borrow money on the security of the Collateral, which security will rank in priority to the Security Interest, or on an unsecured basis;
 - (vi) to the exclusion of all others, including the Grantor, to enter upon, occupy and use all or any of the premises, buildings and plants owned or occupied by the Grantor and use all or any of the Collateral of the Grantor for such time as the Bank requires to facilitate the preservation and realization of the Collateral, free of charge, and the Bank will not be liable to the Grantor for any neglect in so doing or in respect of any rent, charges, depreciation or damages in connection with such actions;
 - (vii) to sell, lease, license or otherwise dispose of or concur in selling, leasing, licensing or otherwise disposing of the Collateral upon such terms and conditions as the Bank may determine;
 - (viii) to dispose of any of the Collateral in the condition in which it was at the date possession of it was taken, or after any commercially reasonable repair, processing or preparation thereof for disposition;
 - (ix) if any part of the Collateral is perishable or will decline speedily in value, to sell or otherwise dispose of same without giving any notice of such disposition;
 - (x) to make any arrangement or compromise which the Bank shall think expedient in the interests of the Bank, including compromising any Accounts and Book Debts, and giving time for payment thereof with or without security;
 - (xi) to appoint a consultant or monitor, at the Grantor's expense, to evaluate the Grantor's business and the value of the Collateral, and to review the options available to the Bank; and
 - (xii) to appoint or reappoint by instrument in writing any person or persons, whether an officer or officers or employee or employees of the Bank or not, to be a receiver or receivers or a receiver and manager of the Collateral and remove or replace any person or persons so appointed or apply to any court for the appointment of a receiver or receiver and manager (each hereinafter called a "Receiver").
- (b) Any Receiver so appointed shall be deemed to be the agent of the Grantor and not the Bank, and the Grantor and not the Bank, shall be solely responsible for the Receiver's acts or defaults and for the Receiver's remuneration and expenses. The Bank shall not be in any way responsible for any misconduct, negligence or failure to act on the part of any such Receiver, its servants, agents or employees.
- (c) The Grantor agrees to pay all costs, charges and expenses incurred by the Bank or any Receiver appointed by the Bank, whether directly or for services rendered (including reasonable legal and auditors' costs and expenses and Receiver remuneration), in operating the Grantor's accounts, in preparing or enforcing this Agreement, taking and maintaining custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting the Obligations, and all such costs, charges and expenses, together with any amounts owing as a result of any borrowing by the Bank or any Receiver appointed by the Bank, as permitted hereby, shall be a first charge on the Collateral and shall be secured hereby.
- (d) The Bank will give the Grantor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of Collateral is to be made as may be required by the PPSA.
- (e) Upon default and receiving written demand from the Bank, the Grantor agrees to take such further action as may be necessary to evidence and effect an assignment or licensing of intellectual property to whomever the Bank directs, including to the Bank. The Grantor appoints any officer or employee of the Bank to be its attorney in accordance with applicable legislation with full power of substitution, to do on the Grantor's behalf anything that is required to assign, license or transfer, and to record any assignment, license or transfer of the Collateral. This power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest.
- (f) The Grantor authorizes the Bank to file such financing statements, financing change statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying any Collateral or identifying the locations at which the Collateral is located and correcting any clerical errors or deficiencies in this Agreement) as the Bank may deem appropriate to perfect on an ongoing basis and continue the Security Interest, to protect and preserve Collateral and to realize upon the Security Interest. The Grantor hereby irrevocably constitutes and appoints the Bank and any of its officers or employees from time to time as the true and lawful attorney of the Grantor, with full power of substitution, to do any of the foregoing in the name of the Grantor whenever and wherever it may be deemed necessary or

expedient. This power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest.

If the disposition of the Collateral fails to satisfy the Obligations secured by this Agreement including the expenses incurred by the Bank in connection with the preservation and realization of the Collateral as described above, the Grantor shall be liable to pay any deficiency to the Bank forthwith on demand.

13. Environmental License and Indemnity

The Grantor hereby grants to the Bank and its officers, employees and agents an irrevocable and non-exclusive license, subject to the rights of tenants, to enter any Real Property to conduct investigations, inspections, audits, testing and monitoring with respect to any contaminants or hazardous substances and to remove and analyze samples of any contaminants or hazardous substances at the cost and expense of the Grantor (which cost and expense will form part of the Obligations and will be payable immediately on demand and secured hereby). The Grantor hereby indemnifies and will indemnify the Bank and agrees to hold the Bank harmless against and from all losses, fines, penalties, costs, damages and expenses which the Bank may sustain, incur or be held to be or for which it may become liable, at any time whatsoever for or by reason of or arising from the past, present or future presence of or, clean-up, removal or disposal of any contaminants or hazardous substances from, on, under or adjacent to any Real Property owned by the Grantor or which may become owned or occupied by the Bank or as a result of the Bank's compliance with environmental laws or environmental orders relating thereto, including any clean-up, decommissioning, restoration or remediation of any Real Property owned or occupied by the Grantor or other affected or adjacent lands or property. This indemnification will survive the satisfaction, release or extinguishment of the Obligations created hereby

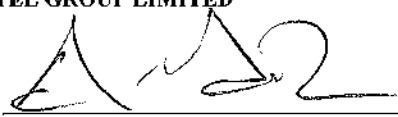
14. Miscellaneous

- (a) **Interpretation.** The division of this Agreement into Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement (including any schedule now or hereafter annexed hereto) and not to any particular Section or other portion hereof. Unless otherwise specified, any reference herein to a Section or Schedule refers to the specified Section or Schedule to this Agreement. In this Agreement: (i) words importing the singular number only shall include the plural and vice versa and words importing the masculine gender shall include the feminine and neuter genders and vice versa; (ii) the words "include", "includes" and "including" mean "include", "includes" or "including", in each case, "without limitation"; (iii) reference to any agreement or other instrument in writing means such agreement or other instrument in writing as amended, modified, replaced or supplemented from time to time; (iv) unless otherwise indicated, time periods within which a payment is to be made or any other action is to be taken hereunder shall be calculated excluding the day on which the period commences and including the day on which the period ends; and (v) whenever any payment to be made or action to be taken hereunder is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next following Business Day.
- (b) **Successors and Assigns.** This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. In any action brought by an assignee of this Agreement and the Security Interest or any part thereof to enforce any rights hereunder, the Grantor shall not assert against the assignee any claim or defence which the Grantor now has or hereafter may have against the Bank.
- (c) **Amalgamation.** The Grantor acknowledges and agrees that in the event it amalgamates with any other company or companies it is the intention of the parties hereto that the term "Grantor" when used herein shall apply to each of the amalgamating companies and to the amalgamated company, such that the Security Interest granted hereby (i) shall extend to "Collateral" (as that term is herein defined) in which any amalgamating company has any rights at the time of amalgamation and to any "Collateral" in which the amalgamated company thereafter has any rights, and (ii) shall secure the "Obligations" (as that term is herein defined) of each of the amalgamating companies and the amalgamated company to the Bank at the time of amalgamation and any "Obligations" of the amalgamated company to the Bank thereafter arising.
- (d) **Joint and Several.** If there is more than one Grantor named herein, the term "Grantor" shall mean all and each of them, their obligations under this Agreement shall be joint and several, the Obligations shall include those of all or any one of them and no Grantor shall have the right of subrogation, exoneration, reimbursement or indemnity whatsoever and no right of recourse to the Collateral for the Obligations hereunder unless and until all of the Obligations have been paid or performed in full, notwithstanding any change for any cause or in any manner whatsoever in the composition of or membership of any firm or company which is a party hereto.
- (e) **Attachment of Security Interest.** The Grantor acknowledges that value has been given and that the Security Interest granted hereby will attach when the Grantor signs this Agreement and will attach to Collateral in which the Grantor subsequently acquires any rights, immediately upon the Grantor acquiring such rights. The parties do not intend to postpone the attachment of any Security Interest created by this Agreement.

- (f) **No Obligation to Advance.** Neither the execution of this Agreement nor any advance of funds shall oblige the Bank to advance any funds or any additional funds or enter into any transaction or renew any note or extend any time for payment of any of the Obligations of the Grantor to the Bank.
- (g) **Information.** The Bank may provide any financial and other information it has about the Grantor, the Security Interest and the Collateral to any one acquiring or who may acquire an interest in the Security Interest or the Collateral from the Bank or anyone acting on behalf of the Bank.
- (h) **Assignment.** The Bank may assign or transfer any of its rights under this Agreement without the consent of the Grantor. The Grantor may not assign its obligations under this Agreement without the prior written consent of the Bank.
- (i) **Amendment.** Subject to Section 12(f) of this Agreement, no amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by all of the parties hereto. No course of conduct by the Bank will be deemed to result in an amendment of this Agreement.
- (j) **Term.** This Agreement shall be a continuing agreement in every respect for the payment of the Obligations and it shall remain in full force and effect until all of the Obligations shall be indefeasibly paid in full or discharged by the Bank and until the Bank shall no longer have any commitment to the Grantor or any other Person, the fulfillment of which, might result in the creation of Obligations of the Grantor.
- (k) **Severability.** If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable in any respect, such invalidity or unenforceability will not affect the validity or enforceability of the remaining provisions of this Agreement.
- (l) **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the jurisdiction where the Branch of the Bank is located.
- (m) **Waiver by the Bank.** No delay or omission by the Bank in exercising any right or remedy hereunder or with respect to any Obligations shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or of any other right or remedy. Furthermore, the Bank may remedy any default by the Grantor hereunder or with respect to any Obligations in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by the Grantor. No course of conduct of the Bank will give rise to any reasonable expectation which is in any way inconsistent with the terms and conditions of this Agreement or the Bank's rights hereunder. All rights and remedies of the Bank granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.
- (n) **Waiver by the Grantor.** The Grantor waives protest of any Instrument constituting Collateral at any time held by the Bank on which the Grantor is in any way liable and, subject to clause 12(d) hereof, notice of any other action taken by the Bank.
- (o) **Non-Substitution.** The Security Interest is in addition to and not in substitution for any other security now or hereafter held by the Bank.
- (p) **Entire Agreement.** This Agreement including any schedule now or hereafter annexed hereto, constitutes the entire agreement between the Grantor and the Bank with respect to the subject matter hereof. There are no representations, warranties, terms and conditions, undertakings or collateral agreements, express, implied or statutory, between the parties except as expressly set forth in this Agreement.
- (q) **Acknowledgment.** The Grantor acknowledges receipt of a fully executed copy of this Agreement and, to the extent permitted by applicable law, waives the right to receive a copy of any financing statement, financing change statement or verification statement in respect of any registered financing statement or financing change statement prepared, registered or issued in connection with this Agreement.
- (r) **Execution.** The Grantor agrees that this Agreement may be executed electronically and in counterparts.

IN WITNESS WHEREOF the Grantor has executed this Agreement this 24th day of SEPTEMBER, 2018.

CITY & STAY HOTEL GROUP LIMITED

Per: 
(authorized signature) ANDREW PEEL

Per: _____
(authorized signature)

Signature: _____

Name: _____

829 COLLEGE ST., UNIT 3
TORONTO, ONTARIO
M6G 1C9

Signature: _____

Name: _____

Signature: _____

Name: _____

Signature: _____

Name: _____

Signature: _____

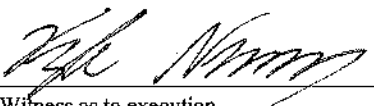
Name: _____

Signature: _____

Name: _____

Signature: _____

Name: _____


Witness as to execution
Kyle Newman

SCHEDULE "A"
DESCRIPTION OF EQUIPMENT/SERIAL NUMBERED GOODS

QUANTITY	DESCRIPTION	SERIAL NUMBER
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LOCATION OF COLLATERAL

The Collateral is now and will hereafter be located at the following address(es) (include Street/Town/City and Province):

SPECIFIED COLLATERAL (Ontario only)

Quota/Licence No. _____ issued by _____ (including any successor marketing board or licencing authority in respect of marketing or setting prices for the same commodity, their successors and assigns, in each case called the "Board") and proceeds therefrom.

Additional Covenants of Customer Applicable to Above Collateral:

1. By executing this Agreement, Grantor has granted an assignment to the Bank of any and all rights of the Grantor in and to the above quota/licence, any amendments, substitutions, additions or supplements thereto, and any proceeds thereof.
2. Grantor agrees to maintain all of the above quota/licence rights in good standing and to comply with all of the rules, regulations and orders of the Board issuing such quota/licence.
3. Grantor agrees not to apply to the Board for the transfer of the above quota/licence, in whole or in part, without the prior written consent of the Bank.
4. The security and/or rights hereby granted shall extend to and include all present and future acquired quota/licence rights issued by the Board to the Grantor, whether issued under the above quota/licence number or under any other such number.

RESOLUTION AUTHORIZING EXECUTION OF GENERAL SECURITY AGREEMENT



"RESOLVED THAT:

- (a) The MANAGING PARTNER and the _____ are hereby authorized for and on behalf of the Corporation to execute and deliver to The Toronto-Dominion Bank a General Security Agreement substantially in the form of the General Security Agreement (attached hereto and initialed by the Secretary for identification) presented to the directors, with such alterations, amendments, deletions or additions as may be approved by the persons executing the same and their execution shall be conclusive evidence of such approval and that the General Security Agreement so executed is the General Security Agreement authorized by this Resolution.
- (b) Any officer or director be and is hereby authorized to execute and deliver on behalf of the Corporation all such other documents and writings and to do such other acts and things as may be necessary or desirable for fulfilling the Corporation's obligations under the General Security Agreement."

CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of a Resolution duly passed by the Directors of CITY & STAY HOTEL GROUP LIMITED

on the 24th day of SEPTEMBER, 2018 and that the said Resolution is now in full force and effect.


 _____ C/S
 Secretary
 Managing Partner


Harrison Pensa

LAWYERS

Timothy C. Hogan

Direct Line: (519)-661-6743
thogan@harrisonpensa.com

Assistant: Cathy Coleiro
Direct Line: (519) 850-5568
ccoleiro@harrisonpensa.com

June 22, 2022

Via Registered & Regular Mail

Constantine T Speis
53 Palmerston Ave.
Toronto, ON M6J 2J2

Dear Sir,

Re: Indebtedness of City & Stay Hotel Group Limited to The Toronto-Dominion Bank (the Bank")
Our File No. 192570

We are the solicitors for the Bank with respect to loans provided to City & Stay Hotel Group Limited (the "**Debtor**").

According to the Bank's records, the Debtor is indebted to the Bank in the amount of \$447,389.19 as of June 21, 2022 together with accruing interest thereon, and the Bank's continuing costs of enforcement.

Pursuant to a guarantee executed by you, on October 22, 2018 and unlimited in sum, you are liable for the full amount of the guarantee, being \$447,389.19, together with accruing interest thereon, and the Bank's continuing costs of enforcement (the "**Indebtedness**").

On behalf of the Bank, we hereby demand payment of the Indebtedness together with interest thereon to the date of payment, within ten (10) days of the date of this letter.

Failing to make payment within ten (10) days will result in the Bank taking such steps as it considers necessary or appropriate to recover payment of the Debtor's Indebtedness and to protect its interest.

We advise that no intermediate acts, negotiations or indulgences shall act as a waiver to the Bank's rights, or demand for payment as set out herein, unless so expressly stated in writing.

Harrison Pensa LLP

130 Dufferin Avenue, Suite 1101, P.O. Box 3237, London, Ontario N6A 4K3 Phone: 519.679.9660 Fax: 519.667.3362
harrisonpensa.com

Please contact the writer to discuss.

Yours truly,

HARRISON PENSA ^{LLP}

A handwritten signature in black ink, appearing to be 'TH' with a stylized flourish.

Timothy C. Hogan
TCH/cc

6989360_1

Harrison Pensa

LAWYERS

Timothy C. Hogan

Direct Line: (519)-661-6743
thogan@harrisonpensa.com

Assistant: Cathy Coleiro
Direct Line: (519) 850-5568
ccoleiro@harrisonpensa.com

June 22, 2022

Via Registered & Regular Mail & Via E-Mail - justin@theannex.com

City & Stay Hotel Group Limited
933 Queen Street W., Unit 214
Toronto, ON M6J 1H2

Dear Sir:

**Re: Indebtedness of City & Stay Hotel Group Limited to The Toronto-Dominion Bank (the "Bank")
Our File No. 192570**

We are the solicitors for the Bank with respect to loans provided to City & Stay Hotel Group Limited (hereinafter the "**Debtor**").

According to the Bank's records, the Debtor is indebted to the Bank as at June 21, 2022, in the total sum of \$487,389.19 including all interest to June 21, 2022, plus all accruing interest, plus the Bank's costs of enforcement on a solicitor and client basis (the "**Indebtedness**").

The Indebtedness is comprised of the following:

Operating Loan (numbers subject to change)	\$426,285.85
Canada Emergency Business Credit Agreement (" CEBA ")	\$40,000.00
Visa (ending 5072, 8690, 0729) (numbers subject to change)	\$16,103.34
TD Bank fees	\$5,000.00

The Debtor are in default of certain agreements signed in favour of the Bank including, but not limited to, the following:

1. Demand Operating Facility Agreement dated September 17, 2018 and the Demand Operating Facility Agreement Amendment dated January 30, 2019 (the "**Letter Agreement**");
2. General Security Agreement dated September 24, 2018.

Harrison Pensa LLP

130 Dufferin Avenue, Suite 1101, P.O. Box 3237, London, Ontario N6A 4K3 Phone: 519.679.9660 Fax: 519.667.3362
harrisonpensa.com

-2-

On behalf of the Bank, we hereby demand payment of the Indebtedness owing by the Debtor together with interest thereon to the date of payment, ten (10) days from the date of this letter.

Failing payment within ten (10) days will result in the Bank taking such steps as it considers necessary or appropriate to recover payment of the Debtor's indebtedness and to protect its interest.

We advise that no intermediate acts, negotiations or indulgences shall act as a waiver to Bank's rights, or demand for payment as set out herein, unless so expressly stated in writing.

The Bank expressly reserves its rights to take such further steps to protect its interest at any time, without further notice to the Debtor, if the Bank becomes aware of any matter which may impair its security. In addition, the Bank reserves the right to restrict or cancel all facilities at any time with no further notice and to place all bank accounts on deposit only.

Finally, also find attached to this letter our client's Notice of Intention to Enforce Security as well as the relevant consent to immediate enforcement of the Bank's security. By signing this consent the Debtor waives the time period given by the Bank under this notice.

Yours truly,

HARRISON PENSA ^{LLP}

A handwritten signature in black ink, appearing to be 'TCH' with a stylized flourish.

Timothy C. Hogan

TCH/cc

Enclosure

c: Andrew Larkin Peek, Justin Fong, Constantine Trevor Speis as guarantors

6988914_1

NOTICE OF INTENTION TO ENFORCE SECURITY
(Section 244(1) of the *Bankruptcy and Insolvency Act*)

TO: City & Stay Hotel Group Limited, an insolvent person

TAKE NOTICE THAT:

1. The Toronto-Dominion Bank, a secured creditor, intends to enforce its security on the property of the insolvent person described as:

All collateral of the insolvent person as described in all agreements between the insolvent person and The Toronto-Dominion Bank charging assets including the following security and the proceeds from the sale of said collateral:

- a. General Security Agreement dated September 24, 2018.

The property to which the security relates includes, but is not limited to, all inventory, accounts, equipment, and book debts, wherever located and all other collateral however described of the above-noted insolvent person and the proceeds thereof.

2. The security that is to be enforced is as detailed in all agreements between the insolvent person and The Toronto-Dominion Bank charging assets including in the form of:

- a. General Security Agreement dated September 24, 2018.

3. The total amount of indebtedness secured by the security is \$447,389.19 (excludes CEBA Loan) as of June 21, 2022, plus accruing interest as set out in the agreements, plus all costs of enforcement on a solicitor and client basis.

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

DATED at London, Ontario this 22nd day of June, 2022.

THE TORONTO-DOMINION BANK
 by its solicitors, Harrison Pensa LLP



Per: _____

Timothy C. Hogan
 Harrison Pensa LLP
 450 Talbot Street, P.O. Box 3237
 London, Ontario N6A 4K3
 (519) 661-6743

Note: This Notice is given for precautionary purposes only and there is no acknowledgement that any person to whom this Notice is delivered is insolvent, or that the provisions of the *Bankruptcy and Insolvency Act* apply to the enforcement of this security.

CONSENT
(s.244(2) of the *Bankruptcy and Insolvency Act*)

THE UNDERSIGNED hereby acknowledges receipt of a copy of The Toronto-Dominion Bank's demand dated June 22, 2022 and the Notice of Intention to Enforce Security dated June 22, 2022 pursuant to s.244(1) of the *Bankruptcy and Insolvency Act* and hereby waives the 10 day period set out in the demand and notice and consents to the immediate enforcement of The Toronto-Dominion Bank's security.

DATED at _____, Ontario this _____ day of June, 2022.

CITY & STAYT HOTEL GROUP LIMITED

I have the authority to bind the Corporation

WITNESS

Andrew Larkin Peek

WITNESS

Constantine T Speis

WITNESS

Justin Fong

THIS AGREEMENT made as of the 6th day of July, 2022

BETWEEN:

TORONTO-DOMINION BANK
3140 Dufferin Street,
Toronto, ON, Canada, M6A 2T1

(hereinafter called the "Bank")

OF THE FIRST PART

-and-

CITY & STAY HOTEL GROUP LIMITED
933 Queen Street W., Unit 214
Toronto, ON M6J 1H2

(hereinafter called the "Borrower")

OF THE SECOND PART

-and-

JUSTIN FONG ("Fong")
8 Charlotte St., Unit 3405
Toronto, ON M5K 0K4

ANDREW LARKIN PEEK ("Peek")
369 Sorauren Ave., Unit 508
Toronto, ON M6R 3C2

CONSTANTINE TREVOR SPEIS ("Speis")
53 Palmerston Ave.
Toronto, ON M6J 2J2

(hereinafter called the "Guarantors")

OF THE THIRD PART

RECITALS

- A. The Bank has made certain Credit Facilities available to the Borrower as more particularly described in this Agreement;
- B. The Borrower is in default of the terms of the Credit Facilities as a result of, *inter alia*, carrying on banking with another financial institution, without the approval of the Bank (the "Default");
- C. As a result of the Default, the Bank did issue a demand for payment and a Notice of Intention to Enforce Security pursuant to section 244(1) of the *Bankruptcy and*

Insolvency Act ("BIA") to the Borrower, dated June 22, 2022, and demands for payment to the Guarantors, also dated June 22, 2022 (collectively, the "Demands");

- D. All applicable notice periods in the Demands have expired, and the Bank has been forbearing and providing credit and banking services on a day-to-day basis, in its sole discretion, since the expiry of same;
- E. The Borrower has advised the Bank that it is in the process of seeking refinancing;
- F. The Borrower and the Guarantors have requested that the Bank continue to provide credit and banking services and to forbear from taking action on the Security (as defined in Schedule "B" to this Agreement) and the Bank, the Borrower and the Guarantors have agreed to enter into this Agreement for the purposes of allowing the Borrower additional time to pay the Indebtedness in full by the Termination Date (as defined below).

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

1. RECITALS

The parties agree and acknowledge that the recitals contained herein are true.

2. DEFINITIONS

For the purposes of this Agreement, the following definitions shall apply:

- a) "Agreement" or "this Agreement" means this Agreement;
- b) "Credit Facilities" means the Credit Facilities advanced to the Borrower by the Bank, as more particularly described in Schedule "A";
- c) "Priority Claims" means deemed trusts and other claims ranking in priority to the Bank's Security including, without limitation, charges under the BIA, utilities, realty taxes, GST, condominium fees, HST, PST, employee remittances and Workers' Compensation;

- d) **"Security"** or **"Bank's Security"** means all security currently held by the Bank; together with such additional security, as may be granted by the Borrower or the Guarantors, in support of the repayment of the Indebtedness as more particularly set out in Schedule "B";
- e) **"Termination Date"** is July 31, 2022;
- f) **"Without Consent"** means without the prior written consent of the Bank.

3. INDEBTEDNESS

- a) As of June 21, 2022, the Indebtedness owing to the Bank by the Borrower pursuant to the Credit Facilities was **\$487,389.19** as more particularly described in Schedule "C";
- b) The above amount at 3 (a), plus accrued interest thereon, all of the Bank's legal fees on a solicitor and own client basis and other professional costs, and all other amounts properly payable pursuant to the Credit Facilities, the Security and this Agreement including all banking fees, are in total referred to as the **"Indebtedness"**.

4. TERM OF AGREEMENT

- a) Subject to the terms of this Agreement, the Bank shall grant the Borrower the period of forbearance, to allow the Borrower to pay the Indebtedness in full by the Termination Date.

5. ACKNOWLEDGEMENTS

The Borrower and the Guarantors hereby acknowledge and agree:

- a) That the Indebtedness as detailed herein is owing to the Bank by the Borrower, and is not disputed, and the Borrower makes no claim of set-off in any way against the Indebtedness;
- b) That the Letter Agreement (as defined in Schedule "A" hereto), is valid and binding on the Borrower and, where, applicable, the Guarantors;

- c) That the Credit Facilities and the Security, including the GSA and the Guarantees (as defined in Schedules "A" and "B" to this Agreement), are valid and binding and shall continue to be enforceable in accordance with the terms thereof;
- d) That the Borrower, the Guarantors, their assigns, employees and any party able to claim through the same, each agree that they have no claim for set-off, counterclaim or damages to the present time on any basis whatsoever against the Bank, its officers, directors, employees, solicitors and agents in respect of this Agreement or in any dealings with the Borrower and Guarantors including, without limitation, any action taken by the Bank in dealing with the Credit Facilities, or with the administration of any accounts held with the Bank by the Borrower, the Security and if there are any existing claims known or unknown, they are hereby expressly released and discharged by this Agreement;
- e) The Default is valid, and the Bank was in a position to issue the Demands, and the time provided therein was reasonable. The Bank does not, by this Agreement, waive its rights, and the Indebtedness remains owing in full;
- f) The Bank may enforce its Security and pursue all remedies with respect to the Indebtedness as it may deem appropriate, and by the entering into of this Agreement, the Bank is not estopped from taking any steps it deems necessary in its sole and absolute discretion to enforce the Security and to terminate this Agreement;
- g) That to the date hereof, the Bank has acted in a commercially reasonable manner and the Borrower and, where applicable, the Guarantors are estopped from disputing same;
- h) Except as provided in this Agreement, the Bank (either by itself or through its employees or agents) has made no promises, nor has it taken any action or omitted to take any action, that would constitute a waiver of its rights to enforce the Security and pursue its remedies in respect of the Indebtedness without notice; and,
- i) To the extent that the Bank accepts any payments or makes any advances of funds or credit available to the Borrower during the term of this Agreement, such payments accepted or advances of funds shall not constitute a waiver of any pre-existing default, maturity of loans, or any additional defaults of the Borrower or of the Bank's rights following the issue and expiry of the Demands.

6. FORBEARANCE FEE

A forbearance fee of \$7,500 shall be due and payable by the Borrower, in cleared and readily available funds, upon the execution of this Agreement, and shall, with the Borrower's agreement, be debited directly from the Borrower's account(s) with the Bank (the "**Forbearance Fee**").

7. NON-MANAGERIAL RESPONSIBILITY

The Borrower acknowledges that the Bank shall not have control over any of the operations or affairs of the Borrower and shall not take part in the management of the Borrower's affairs, including the approval of any transactions except as hereinafter qualified. Without limiting the generality of the foregoing, neither the Bank nor its agents shall be entitled to approve or execute agreements, sign cheques, or otherwise sign on bank accounts or interfere with the efficient and proper day-to-day conduct of the business and affairs of the Borrower.

8. NO PROTECTION WITHOUT CONSENT

The Borrower covenants and agrees that it will not, Without Consent, make any filing or seek any protection (including a stay of proceedings) or seek any stay pursuant to the BIA, the *Companies Creditors' Arrangement Act (Canada)* (the "CCAA"), or otherwise at law or in equity (a "Filing"), and that any Filing made in respect of any of the Borrower and/or the Guarantors will contain the following provisions:

- i) the terms of this Agreement will continue to bind the parties to this Agreement;
- ii) the Bank will not be affected by any stay or other order in such proceedings;
- iii) the Bank will be an unaffected creditor in any plan or proposal unless the Bank consents to be treated otherwise;
- iv) the Borrower and Guarantors each irrevocably consent to the variation of any stay or order in such proceedings which would purport to affect the Bank; and
- v) the Borrower will not make or support any application which would have the effect of:
 - (1) creating any charge ranking in priority to the Security or in priority to any other rights of the Bank; or
 - (2) altering or varying the rights of the Bank under the terms of the Credit Facilities, the Security or this Agreement.

9. CONFLICT WITH THE CREDIT FACILITIES

In the event of a conflict between this Agreement and the Credit Facilities, this Agreement shall prevail, but the foregoing shall not apply to limit or restrict in any way the rights and remedies of the Bank under the Credit Facilities or this Agreement other than as may be specifically contemplated herein. No statement, representation, warranty, undertaking or agreement is enforceable unless in writing signed by the party against who it is asserted or his or her authorized agent. In the event of a conflict between the terms and provisions of same and this Agreement, the terms and provisions of this Agreement shall govern.

10. COVENANTS OF THE BORROWER

The Borrower, and where applicable the Guarantors, agree and covenant that they shall, to the satisfaction of the Bank in its sole discretion:

- a) Maintain all the assets and equipment of the Borrower and the Guarantors in a good state of repair;
- b) Keep all Priority Claims current, and provide to the Bank evidence that all such accounts are current, as requested by the Bank;
- c) Not declare or pay any payment to any person who does not deal with the Borrower at arm's length (as such term is defined in the *Income Tax Act (Canada)*) except for salaries, contracts, and repayment of loans presently in place;
- d) The Borrower shall maintain all fire, liability, and property insurance with respect to the assets forming the Bank's Security on terms and amounts satisfactory to the Bank, naming the Bank as Loss Payee, and provide evidence of same as requested by the Bank;
- e) The Borrower shall bank solely with the Bank until payment of the Indebtedness in full;
- f) The Borrower and the Guarantors will reimburse the Bank for all expenses that the Bank has incurred or will incur arising out of its dealings with the Borrower and with the preparation of this Agreement and in the protection, preservation and enforcement of the Security, including all legal fees of the Bank on a solicitor and own client basis, and all other fees in relation to the Borrower in general and this Agreement. The Borrower and

the Guarantors specifically waive any and all rights they may have to assess any of the legal or agents' fees previously paid or paid in the future by the Bank, or any agent, whether such right arises pursuant the *Solicitor's Act* (Ontario) or any law or statute. In this regard, the Borrower and the Guarantors acknowledge and agree that they fully indemnify the Bank for all expenses detailed herein; and

g) The Borrower shall pay the Indebtedness then owing in full by the Termination Date.

11. AMENDMENTS TO THE CREDIT FACILITIES

The Bank is not, by this Agreement, obliged to make any new or continuing advancements of credit to the Borrower under the Credit Facilities.

The Bank shall immediately terminate all credit under the Credit Facilities and all accounts of the Borrower with the Bank following the Termination Date or an Event of Default under this Agreement.

12. BANK'S RIGHTS

It is understood and agreed that nothing contained in this Agreement and no negotiations, correspondence or discussions among the parties hereto, shall prejudice, affect or waive any of the Bank's rights under the terms of the Credit Facilities or the Security, except as those rights may have been modified by this Agreement.

13. AFFIRMATION BY GUARANTORS

- a) The Guarantors hereby ratify the covenants contained in the Guarantees provided, and hereby confirm to the Bank that the Guarantees (as defined in Schedule "B" to this Agreement) are and remain good, valid and binding upon and enforceable against them.
- b) It is further understood and agreed that nothing contained in this Agreement and no negotiations or discussions among the parties hereto shall prejudice the right of the Bank to pursue its remedies against the Guarantors except as those rights may have been modified in this Agreement.

14. EVENTS OF DEFAULT

The Borrower shall be in default of this Agreement upon the happening of any of the following Events of Default:

- a) The Borrower fails to make any payment due to the Bank under the Credit Facilities and/or this Agreement in a timely manner;
- b) The Borrower and Guarantors, or any of them, are in breach of any terms of this Agreement, or any further breach of the Credit Facilities or any other agreement with the Bank, including, without limitation, the Security;
- c) The Borrower fails to provide reporting, as required by this Agreement or any other agreement with the Bank;
- d) If, for any reason whatsoever, a creditor of the Borrower holding security in priority or subordinate to the Security commences to enforce its security, or if any creditor of the Borrower or Guarantors should obtain a judgment and/or a lien as against the Borrower or the Guarantors, or their respective property;
- e) There is, in the opinion of the Bank, acting reasonably, a material deterioration in the Security or the ability of the Bank to maximize the recovery of the Indebtedness;
- f) The Borrower makes a Filing under the CCAA and/or the BIA;
- g) The Borrower is in breach of any of its material obligations to a third party, including the default of payment to such parties; and,
- h) The Borrower fails to pay the Indebtedness by the Termination Date.

15. ENFORCEMENT

The Bank may proceed to enforce its Security and to pursue the Borrower and the Guarantors for payment of the entire Indebtedness at any time and, accordingly, the Borrower and the Guarantors hereby consent to the Bank taking such steps as the Bank deems reasonably necessary, in its discretion, to collect the entire Indebtedness and enforce its Security and the terms of this Agreement, and to take all further necessary and lawful steps, and accordingly:

- i) The Borrower, and where applicable, the Guarantors, consent to the Bank taking such steps as the Bank deems reasonably necessary, in its discretion, to collect the Indebtedness and enforce its Security and the terms of this Agreement including, without limitation, the appointment of a receiver as against or over the property of the Borrower; and,
- ii) The Borrower hereby consents to the appointment of any such receiver, in the form set out at Schedule "D" hereto (the "Consent to Appointment"), consenting to the immediate private or court appointment of an interim receiver, receiver or receiver and manager of all property of the Borrower, which Consent to Appointment shall be held in escrow by the Bank's counsel, Harrison Pensa LLP, and used on an Event of Default, or following the Termination Date.

The Consent to Appointment is valid and binding upon its provision by the Borrower to the Bank, and not subject to any conditions precedent.

16. EXTENSION OF AGREEMENT OR PAYMENT IN FULL

The Bank, in its sole discretion, may extend the period of forbearance on terms acceptable to it.

17. PREVIOUS AGREEMENTS

This Agreement replaces all previous agreements between the Borrower and the Bank, save and except the Letter Agreement.

18. NON-WAIVER

No delay on the part of the Bank in exercising any remedy or any waiver of the rights given to it hereunder or any of the Bank's Security shall operate as a waiver thereof except if such waiver is specifically given in writing by the Bank, and no forbearance on the part of the Bank with respect to any event of default shall be deemed to be of any waiver by the Bank of that event of default or any other subsequent or similar event of default.

19. TIME OF THE ESSENCE

Time is of the essence in this Agreement, but a forbearance by the Bank in the strict application of this provision shall not operate as a continuing or subsequent forbearance.

20. FURTHER ASSURANCES

The Borrower and the Guarantors shall from time to time and at all times hereafter, at every reasonable request of the Bank, make, do, execute and deliver, or cause to be made, done, executed and delivered, at the sole cost and expense of the Borrower, all such further acts, deeds and assurances and things as may be necessary or desirable in the opinion of the Bank for more effectually implementing the true intent and meaning of this Agreement.

21. NOTICE

Any notice, demand, approval, consent, waiver or other communication ("Notice") to be given by one party to another under this Agreement, shall be in writing and shall be sufficiently given if delivered personally, forwarded by registered mail or transmitted by facsimile transmission to such party as follows:

In the case of the Borrower and the Guarantors:

To the addresses as provided in this Agreement.

In the case of the Bank to:

Toronto-Dominion Bank
3140 Dufferin Street,
Toronto, ON, Canada, M6A 2T1
Attention: Sanjay Kansal
Via E-Mail: sanjay.kansal@td.com

With copies to:

Harrison Pensa ^{LLP}
Barristers and Solicitors
130 Dufferin Avenue, Suite 1101
London, Ontario N6A 5R2
Attention: Tim Hogan
Via E-mail: thogan@harrisonpensa.com

or to such other address or fax number as may be designated by Notice given as aforesaid to the other party by the party to whom Notice is to be given. Any Notice delivered and received as aforesaid shall be deemed to have been given and received on the first business day following the date of personal delivery, the forwarding by registered mail, or facsimile transmission, as the case may be.

22. SUCCESSORS AND ASSIGNS

The Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, successors, administrators, executors or permitted assigns.

23. UNENFORCEABILITY

The invalidity, illegality or unenforceability, for any reason, of any term or provision of this Agreement, shall not in any manner invalidate any other term or provision hereof; the same shall be deemed to have been severed herefrom so that the validity, legality and enforceability of the remaining terms and provisions hereof shall not be affected, prejudiced or impaired thereby.

24. GOOD FAITH

It is acknowledged by the Borrower and the Guarantors that this Agreement was prepared following good faith negotiations, by the Bank and the Borrower and the Guarantors.

25. PIPEDA

The Borrower and Guarantors hereby consent to the Bank's release of personal information in relation to the Credit Facilities, without notice to the Borrower and/or the Guarantors and at the Bank's absolute discretion, to any entity having an interest or potential interest in the collateral for its enforcement or collection purposes. The Borrower and Guarantors further agree and acknowledge that such release of personal information by the Bank is lawful and is permitted despite other avenues that may be available to any third party to obtain such personal information and that such release is not a violation of the provisions of the *Personal Information and Electronic Documents Act*, S.C. 2000, c.5, s.7 and is made with the knowledge and consent of the Borrower and Guarantors as is required under this legislation.

26. COUNTERPARTS and FACSIMILE COPIES

This Agreement or any amendment thereto may be executed in counterparts, and if so executed all counterparts when taken together shall comprise one and the same instrument, and facsimile copies or portable document format (PDF) of signatures shall be treated as originals for all purposes.

27. LIMITATION PERIOD

The obligations of the Borrower and the Guarantors to the Bank are hereby acknowledged and shall be continued to be acknowledged through the term of this Agreement. Commencing on the next business day following execution of this Agreement and continuing until the date the Credit Facilities have been permanently repaid and cancelled, the Bank, the Borrower and the Guarantors agree to toll and suspend the running of the applicable contractual time limitations on the commencement of proceedings, any demands for payment, claims or defences, statutes of limitation, laches or other doctrines related to the passage of time in relation to the Credit Facilities and the Security and any entitlements arising therefrom or any other related matters, or any time-related doctrine (the "**Tolling Agreement**"). The Bank, the Borrower and the Guarantors confirm that the Tolling Agreement is intended to be an agreement to suspend or extend the basic limitation period provided by section 4 of the *Limitations Act, 2002* (Ontario) (the "**Limitations Act**"), as well as the ultimate limitation period provided by section 15 of the Limitations Act in accordance with the provisions of section 22(3) and 22(4) of the Limitations Act, and is intended to be a "business agreement" in accordance with section 22(5) of the Limitations Act.

28. ACKNOWLEDGEMENT BY THE BORROWER

The Borrower hereby confirms and acknowledges that it has no adverse claims whatsoever against the Bank, its agents or professional advisors including, without limitation, their agents, employees consultants and solicitors (including claims for set-off, counterclaim or damages) with respect to its dealings with the Borrower.

29. ACCEPTANCE

This Agreement is open for acceptance until 5:00 pm on July 6, 2022. Should the Borrower and the Guarantors not accept this offer by the time indicated, the same shall become null and void and no longer binding on the Bank.

The Borrower covenants and agrees with the Bank that this Agreement is subject to the following conditions, which are for the exclusive benefit of the Bank and may be waived only by the Bank in writing. Each of the following conditions is to be completely fulfilled or performed prior to this Agreement being a binding Agreement on the Bank, unless the Bank waives any of the conditions, and this Agreement shall then be at an end:

- The Bank's receipt of a duly authorized and executed copy of this Agreement and the Consent to Appointment; and,
- The Bank's receipt of the Forbearance Fee.

In witness whereof the parties hereto have executed this Agreement as of the day and year first above written.

TORONTO-DOMINION BANK

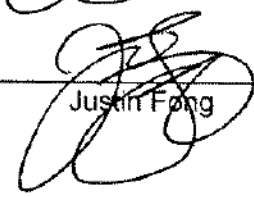
Per: _____

I have the authority to bind the Bank

CITY & STAY HOTEL GROUP LIMITED

Per:  _____

I have the authority to bind the corporation


Justin Fong



Witness

Witness

Witness

Andrew Larkin Peek

Constantine Trevor Speis

- Schedule "A" – Credit Facilities
- Schedule "B" – Security
- Schedule "C" – Indebtedness
- Schedule "D" – Consent to Appointment

SCHEDULE "A"
CREDIT FACILITIES

The following Credit Facilities were provided to the Borrower by the Bank, as evidenced by the Demand Operating Facility Agreement dated September 17, 2018 and the Demand Operating Facility Agreement Amendment dated January 30, 2019 (collectively, the "Letter Agreement"):

1. Revolving Demand Facility: in the amount of \$500,000; and
2. TD Visa Business Card Facility: limited to the sum of \$105,000.

SCHEDULE "B"
SECURITY

As security for the Credit Facilities and for any monies advanced or to be advanced in the future by the Bank to the Borrower, and for all other present and future indebtedness, fees, expenses and other liabilities, direct or indirect, absolute or contingent due by the Borrower to the Bank, including the Bank's solicitor and own client legal fees in relation to the enforcement of the Security, and the preparation of this Agreement, the Borrower and the Guarantors, as the case may be, have granted to the Bank security over their assets consisting of, *inter alia*, the following:

1. General Security Agreement from the Borrower dated September 24, 2018 (the "GSA");
 2. Assignment of Fire Insurance;
 3. Unlimited Guarantee from Fong, dated September 24, 2018;
 4. Unlimited Guarantee from Peek, dated September 24, 2018; and
 5. Unlimited Guarantee from Speis, dated October 22, 2018;
- (3-5, collectively, the "Guarantees").

- 16 -

**SCHEDULE "C"
INDEBTEDNESS**

INDEBTEDNESS OF THE BORROWER AS AT JUNE 21, 2022¹

	TOTAL DUE
Revolving Demand Facility (numbers subject to change)	\$426,285.85
Canada Emergency Business Credit Agreement	\$40,000.00
Visa (ending 5072, 8690, 0729) (numbers subject to change)	\$16,103.34
Bank fees	\$5,000.00
TOTAL	\$487,389.19

¹ Plus accruing interest, all continuing billed and unbilled legal fees, discharge fees and the Forbearance Fee.

SCHEDULE "D"
CONSENT TO APPOINTMENT

Court File No.:

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

BETWEEN:

THE TORONTO-DOMINION BANK

Applicant

-and-

CITY & STAY HOTEL GROUP LIMITED

Respondent

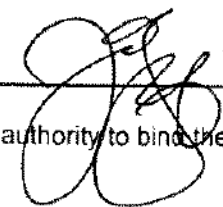
CONSENT

The Respondent hereby consents to the appointment of a Receiver of the property of the Respondent under the terms of an Order substantially in the form attached at Schedule D-1 hereto or to the private appointment of same.

The Respondent herein, by its solicitors or individually, hereby certify that the Order being consented to does not affect the rights of any parties under disability

Dated at Toronto, Ontario this day of July 6th, 2022.

CITY & STAY HOTEL GROUP LIMITED

Per: 
I have the authority to bind the Corporation

SCHEDULE "D-1"

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE
JUSTICE
BETWEEN:

)
)
)
.....

, THE
DAY OF , 20

THE TORONTO-DOMINION BANK

Applicant

-and-

CITY & STAY HOTEL GROUP LIMITED

Respondent

ORDER
(appointing Receiver)

THIS APPLICATION, made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing as receiver (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of the Respondent, City & Stay Hotel Group Limited (hereinafter the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at the Courthouse, 330 University Avenue, Toronto, Ontario;

ON READING the affidavit of _____ sworn _____ and the Exhibits thereto and on hearing the submissions of counsel for _____, no one appearing for _____ although duly served as appears from the affidavit of service of _____ sworn _____ and on reading the consent of _____ to act as the Receiver.

SERVICE

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

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, _____ is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property").

RECEIVER'S POWERS

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

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise

of the Receiver's powers and duties, including without limitation those conferred by this Order;

- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$_____, provided that the aggregate consideration for all such transactions does not exceed \$_____; and

(li) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

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

(l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

(m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

(n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

(o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;

(p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;

(q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and

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

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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

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

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

paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

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

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

10. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance

with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

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

RECEIVER TO HOLD FUNDS

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

EMPLOYEES

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

PIPEDA

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

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

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

LIMITATION ON THE RECEIVER'S LIABILITY

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

RECEIVER'S ACCOUNTS

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

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

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

FUNDING OF THE RECEIVERSHIP

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

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

23. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "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 <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further

orders that a Case Website shall be established in accordance with the Protocol with the following URL '<@>':

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

GENERAL

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

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

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

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

31. THIS COURT ORDERS that the Applicant shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security

or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

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

Justice, Ontario Superior Court of Justice
Commercial List

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY _____, the receiver (the "Receiver"), as appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the ___ day of _____, 20__ (the "Order") made in an action having Court file number ___-CL-_____, of the assets, undertakings and properties of City & Stay Hotel Group Limited (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor (the "Property"), has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

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

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

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

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

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

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

DATED the ____ day of _____, 20__.

_____, solely in its capacity as
Receiver of the Property, and not in its personal
capacity

ASSIGNMENT OF SECURITY AND INDEBTEDNESS WITHOUT RECOURSE

A M O N G:

THE TORONTO-DOMINION BANK

(hereinafter called the “**Lender**”)

- and -

CONSTANTINE T. SPEIS AND ANDREW LARKIN PEEK

(hereinafter collectively called the “**Assignees**”)

- A. **WHEREAS** the Lender extended a certain loan facility (the “**Loan Facility**”) to the Borrower, City & Stay Hotel Group Limited (the “**Borrower**”) pursuant to the Demand Operating Facility Agreement dated September 17, 2018 and the Demand Operating Facility Agreement Amendment dated January 30, 2019 (collectively, the “**Letter Agreement**”).
- B. **AND WHEREAS** the Borrower is indebted and liable to the Lender, as borrower, and including all legal and professional fees, for loans advanced under the Loan Facility, for the total sum of \$542,526.73, as of August 12, 2022 (collectively, the “**Indebtedness**”) as further described in Schedule “A-1” hereto.
- C. **AND WHEREAS** Justin Fong, Constantine T. Speis (“**Speis**”) and Andrew Larkin Peek (“**Peek**”) have guaranteed the obligations of the Borrower to the Lender, unlimited in sum, and have provided guarantees to the Lender in relation to the Indebtedness (the “**Guarantees**”) ¹.
- D. **AND WHEREAS** the Lender made demand for payment, and issued a notice of intention to enforce security pursuant to section 244(1) of the *Bankruptcy and Insolvency Act* to the Borrower, dated June 22, 2022 (collectively the “**Demand**”).
- E. **AND WHEREAS** as security for the due payment of the Indebtedness, the Lender was provided the Letter Agreements and certain security, and the Lender is agreeable to assigning the security as set out at Schedule “B-1” to this Agreement subject to the terms of this Agreement (collectively the “**Security Agreements**”).
- F. **AND WHEREAS** the Lender has agreed to assign the Indebtedness and the Security Agreements, expressly excluding the Guarantees, (hereinafter, collectively, referred to as the “**Assigned Security**”) and the Assignee wishes to purchase from the Lender the Indebtedness and the Assigned Security (collectively the “**Assigned Interest**”) on an absolute without recourse basis, subject to the terms of this Agreement.

NOW THEREFORE in consideration of the foregoing, the Purchase Price (as defined below) now paid by the Assignee to the Lender, as assignor, and for other valuable consideration,

¹ Justin Fong and Peek dated September 24, 2018; Speis dated October 22, 2018

including the mutual agreements contained herein (the receipt and adequacy of which consideration is hereby acknowledged by the Lender), the parties hereto agree as follows:

ARTICLE 1 ASSIGNMENT

- 1.1 Upon receipt by the Lender of the sum of **\$542,526.73** (the “**Purchase Price**”) in cleared and readily available funds (the date and time of receipt of the Purchase Price the “**Effective Date**”), the Lender hereby irrevocably and unconditionally sells, assigns, transfers, and sets over, on a without recourse basis to the Assignee, and the Assignee hereby purchases and assumes, absolutely all of the Lender’s right, title and interest, at law or in equity in and to the Assigned Interest. For clarity, and without in any way limiting the generality of the foregoing, as of the Effective Date, the Lender shall have no further claim against the Borrower in respect of the Indebtedness or the Security Agreements.
- 1.2 Following the Effective Date, the Assignee shall have and hold the Indebtedness, the Security Agreements and all monies arising in respect thereof and to accrue thereon together with the interest and costs properly exigible thereon and the property, assets and undertaking of the Borrower thereby secured, mortgaged, charged and assigned to the use of the Assignee, its successors and assigns, absolutely.

ARTICLE 2 REPRESENTATIONS AND WARRANTIES

- 2.1 The Lender certifies and agrees that the Lender has delivered to the Assignee a copy of the Assigned Security and the Lender will from time to time and at any time after the Effective Date, at the cost of the Assignee, execute all such further assurances and documents as may be reasonably necessary to assign the Assigned Interest to the Assignee as the Assignee or their solicitor may reasonably require.
- 2.2 This Assignment is made by the Lender to the Assignee without recourse in any manner by the Assignee as against the Lender. Except as specifically set out herein, this Assignment is made on an “as-is, where-is” basis, without any representation or warranty on the part of the Lender as to the collectability, validity, priority, authorization, execution, delivery, perfection, continuity of perfection, or enforceability of the Assigned Interest or any other matter. The Assignee agrees that it shall be responsible to satisfy itself with respect to the foregoing and with respect to the Assigned Interest. Except as provided for in this Agreement, the Lender makes no other representations, collateral agreements, conditions nor warranties of any kind whatsoever with respect to the Assigned Interest, and in particular, the Lender **does not warrant or represent**:
 - (a) That the Assigned Interest has been appropriately drafted, authorized, filed or executed or that the necessary steps have been taken to appropriately register or perfect all or any portion of the Assigned Interest; or that
 - (b) That the right, title or interest of the Lender under or by virtue of the Assigned Interest or any part thereof is or will be enforceable, or as to any matter in relation to the existence, attachment, priority, adequacy, value, marketability, quantum, location, condition, fitness, status of repair, validity, or enforceability of the Assigned Interest or any property charged thereunder, or the availability of any

documents, chattels, inventory, receivables, accounts, property or collateral referred to described in or in any way contemplated by all or any part of the Assigned Interest;

- (c) That the Indebtedness is collectible;
- (d) In relation to any matter to do with the nature, location, condition, quality or fitness of the Property for any purpose whatsoever or with respect to any building or structure (or the absence thereof) on the Property;
- (e) In relation to any matter to do with the presence or absence of any contaminants (as the term is defined pursuant to the *Environmental Protection Act*) in, on or around the Property; and
- (f) any steps taken by the Lender, including but not limited to, the issuing of the Demand, were properly taken.

2.3 The Lender **does** covenant with the Assignee and represents and warrants that:

- (a) the principal amount, legal and professional costs and interest comprising the Indebtedness is accurately reflected herein;
- (b) the Lender is the owner of the Assigned Interest and has not sold, assigned, pledged, syndicated, or encumbered the Assigned Interest, or any part thereof in favour of any third party;
- (c) as of the Effective Date, the Lender shall have no right, title or interest in and to the Assigned Interest and shall be deemed to have released all its interest in the Assigned Interest including, without limitation, any non-assignable security that is part of the Assigned Interest;
- (d) except as set out in subparagraph (c) above, the Lender has not released or discharged all or any portion of the Assigned Interest and the Debtor is currently indebted to the Lender for the Indebtedness which remains due and owing to the Lender at the time of this assignment;
- (e) the Lender has the full right and authority to assign the Assigned Interest to the Assignee; and,
- (f) the Lender, as assignor, is not a non-resident of Canada under the *Income Tax Act* (Canada).

ARTICLE 3 GENERAL

3.1 The Lender agrees on and after the Effective Date, the Assignee may file the appropriate filing against title to the Property subject to the Charge (as defined at Schedule "B-1" hereto) to note the assignment of same and a financing change statement(s) in accordance with the *Personal Property Security Act* (Ontario) ("**PPSA**") to reflect a transfer from the Lender to the Assignee in relation to Assigned Security.

- 3.2 The Assignee agrees to wholly indemnify and make whole the Lender from and to all costs, charges, damages, assessments and claims of any kind in respect of any matters arising on or after the Effective Date made by any third party or incurred from any source by the Lender, in relation to the Charge and/or the Assigned Interest and this Agreement, or otherwise in connection with them, including, but not limited to, all costs, charges, complaints, damages, assessments and claims of any kind made by the Borrower and/or the Canada Revenue Agency in relation thereto.
- 3.3 The Assignee acknowledges and agrees that all steps to be taken, proceedings to be initiated or continued, whether judicial or extrajudicial, contractual or statutory, in relation to the Assigned Interest shall be in the name of the Assignee and shall not be in the name of the Lender, subject to the right of the Assignee to refer to the assignment herein of the Assigned Interest.
- 3.4 This Assignment shall enure to the benefit of and be binding upon, the parties hereto and their respective successors and assigns.
- 3.5 The Assignee hereby acknowledges and agrees that the Lender may only be able to deliver photocopies or PDF copies of the Charge to the Assignee, and that such documents need only be delivered via email.
- 3.6 Each of the parties hereto acknowledges and declares that (a) it has had an adequate opportunity to read and consider the herein Agreement and to obtain such advice in regard to same as it considers necessary and advisable, including, without limitation, independent legal advice; (b) it fully understands the nature and effect of this Agreement; and (c) this Agreement has been duly executed voluntarily.
- 3.7 The Lender and the Assignee shall, at the cost of the requesting party, from time to time, execute and deliver such further documents and instruments and do all such acts and things as the other party may reasonably require to effectively carry out, evidence or effect the full intent of this Agreement.
- 3.8 There are no representations, warranties, conditions, other agreements or acknowledgements whether direct or collateral, express or imply, that form part of or affect this Agreement other than those set forth herein.
- 3.9 If any provision of this Agreement is determined to be invalid or unenforceable by a court of competent jurisdiction from which no further appeal lies or is taken, that provision shall be deemed to be severed herefrom, and the remaining provisions of this Agreement shall not be affected thereby and shall remain valid and enforceable.
- 3.10 This Agreement shall be governed by and construed in accordance with the laws of Ontario and the laws of Canada applicable therein. Each of the parties hereto irrevocably submits to the non-exclusive jurisdiction of the courts of the Province of Ontario.
- 3.11 This Assignment may be executed in several counterparts, each of which so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and notwithstanding their date of execution, shall be deemed to bear the date hereof. The parties hereto agree that a photocopy, PDF, or facsimile copy of this Assignment shall be valid and binding as if it were an originally executed copy, and that this Agreement need only be delivered via email to any of the parties hereto.

DATED this 16th day of August, 2022.

THE TORONTO-DOMINION BANK
By its solicitors, Harrison Pensa LLP

Per: "Harrison Pensa LLP"
As counsel with authority to bind
and not in any other capacity

DATED this day of August, 2022.


Witness


CONSTANTINE T. SPEIS

DATED this day of August, 2022.


Witness


ANDREW LARKIN PEEK

SCHEDULE "A"
INDEBTEDNESS AS AT AUGUST 12, 2022

	TOTAL DUE
Operating Loan	\$460,904.07
Visa	\$8,035.24
Visa Contingency Fee	\$55,000.00
Forbearance Fee	\$7,500.00
Discharge Fee	\$1,000.00
TD Bank Fees	\$4,087.42
Legal Fees to Close	\$6,000.00
TOTAL	\$542,526.73

SCHEDULE "B-1"
LOAN DOCUMENTS/SECURITY

1. Demand Operating Facility Agreement dated September 17, 2018 and the Demand Operating Facility Agreement Amendment dated January 30, 2019; and,
2. General Security Agreement from the Borrower dated September 24, 2018;

Enquiry Result

File Currency: 23AUG 2022



 All Pages  

[Show All Pages](#)**Note: All pages have been returned.**

Type of Search	Business Debtor								
Search Conducted On	CITY & STAY HOTEL GROUP LIMITED								
File Currency	23AUG 2022								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	744324003	1	1	1	3	01OCT 2023			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
744324003		01	001		20181001 1440 1530 1584	P PPSA	5		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	CITY & STAY HOTEL GROUP LIMITED								
	Address				City	Province	Postal Code		
	829 COLLEGE STREET UNIT 3				TORONTO	ON	M6G 1C9		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	THE TORONTO-DOMINION BANK - 10202								
	Address				City	Province	Postal Code		
	55 KING ST W P.O. BOX 1				TORONTO	ON	M5K 1A2		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			X
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	D+H LIMITED PARTNERSHIP								

	Address	City	Province	Postal Code
	SUITE 200, 4126 NORLAND AVENUE	BURNABY	BC	V5G 3S8

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	CITY & STAY HOTEL GROUP LIMITED								
File Currency	23AUG 2022								
	File Number	Family	of Families	Page	of Pages				
	744324003	1	1	2	3				
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT									
	Cautious Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number	Registered Under			
		001	2		20220824 1206 1590 7182				
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period			
	744324003			D ASSGNMT					
Reference Debtor/ Transferor	First Given Name	Initial	Surname						
	Business Debtor Name	CITY & STAY HOTEL GROUP LIMITED							
Other Change	Other Change								
Reason / Description	Reason / Description								
Debtor/ Transferee	Date of Birth	First Given Name	Initial	Surname					
	Business Debtor Name					Ontario Corporation Number			
	Address			City	Province	Postal Code			
Assignor Name	Assignor Name								
	THE TORONTO-DOMINION BANK - 10202								
Secured Party	Secured party, lien claimant, assignee								
	CONSTANTINE T. SPEIS								
	Address			City	Province	Postal Code			
	53 PALMERSTON AVENUE			TORONTO	ON	M6J 2J2			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent or Secured Party/ Lien Claimant								
	ADVOCAN LAW PROFESSIONAL CORPORATION								
	Address				City	Province	Postal		

				Code
	296 RICHMOND ST. W. FLOOR 6	TORONTO	ON	M5V 1X2

CONTINUED




Type of Search	Business Debtor								
Search Conducted On	CITY & STAY HOTEL GROUP LIMITED								
File Currency	23AUG 2022								
	File Number	Family	of Families	Page	of Pages				
	744324003	1	1	3	3				
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT									
	Cautious Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number	Registered Under			
		002	2		20220824 1206 1590 7182				
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period			
	744324003								
Reference Debtor/ Transferor	First Given Name	Initial	Surname						
	Business Debtor Name								
Other Change	Other Change								
Reason / Description	Reason / Description								
Debtor/ Transferee	Date of Birth	First Given Name	Initial	Surname					
	Business Debtor Name								
	Address						Ontario Corporation Number		
	City			Province	Postal Code				
Assignor Name	Assignor Name								
Secured Party	Secured party, lien claimant, assignee								
	ANDREW LARKIN PEEK								
	Address			City	Province	Postal Code			
	369 SORAUREN AVENUE, SUITE 508			TORONTO	ON	M6R 3C2			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent or Secured Party/ Lien Claimant								
	Address			City	Province	Postal			

				Code
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Court File No.:

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

B E T W E E N :

Andrew Peek and Constantine Trevor Speis

Applicants

- and -

City & Stay Hotel Group Ltd.

Respondent

APPLICATION UNDER SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, C. B-3, AS AMENDED AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, C. C.43

CONSENT

ROSEN GOLDBERG INC. hereby consents to act as Court Appointed Receiver in the Estate of City & Stay Group Ltd.

DATED at the City of Toronto, in the Province of Ontario this 26th day of August, 2022.

ROSEN GOLDBERG INC.

Per: Steven Goldberg

Steven Goldberg, LIT, CPA, CA