

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

B E T W E E N :

AMERICAN IRON & METAL COMPANY INC.

Applicant

- and -

**1340923 ONTARIO INC. and
WAXMAN REALTY COMPANY INC.**

Respondents

**APPLICATION UNDER
SUBSECTION 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, AS AMENDED**

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1340923 Ontario Inc., Aaron Waxman, Jeremy Waxman, American Iron & Metal LP
and American Iron and Metal GP Inc. in the action bearing Court File No. CV-14-10606-00CL*

INDEX

INDEX

Document	Tab	Page No.
Notice of Application	1	1
Affidavit of Kamila Wirpszo, sworn April 11, 2018	2	16
Exhibit “A” to the Affidavit of Kamila Wirpszo, sworn April 11, 2018	A	29
Exhibit “B” to the Affidavit of Kamila Wirpszo, sworn April 11, 2018	B	37
Exhibit “C” to the Affidavit of Kamila Wirpszo, sworn April 11, 2018	C	44
Exhibit “D” to the Affidavit of Kamila Wirpszo, sworn April 11, 2018	D	79
Exhibit “E” to the Affidavit of Kamila Wirpszo, sworn April 11, 2018	E	107
Exhibit “F” to the Affidavit of Kamila Wirpszo, sworn April 11, 2018	F	133
Exhibit “G” to the Affidavit of Kamila Wirpszo, sworn April 11, 2018	G	136
Exhibit “H” to the Affidavit of Kamila Wirpszo, sworn April 11, 2018	H	165
Exhibit “I” to the Affidavit of Kamila Wirpszo, sworn April 11, 2018	I	195
Exhibit “J” to the Affidavit of Kamila Wirpszo, sworn April 11, 2018	J	225
Exhibit “K” to the Affidavit of Kamila Wirpszo, sworn April 11, 2018	K	238
Exhibit “L” to the Affidavit of Kamila Wirpszo, sworn April 11, 2018	L	241
Exhibit “M” to the Affidavit of Kamila Wirpszo, sworn April 11, 2018	M	245

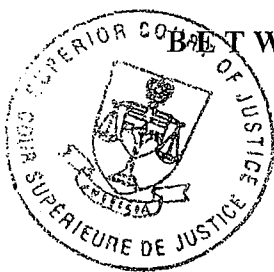
Exhibit “N” to the Affidavit of Kamila Wirpszo, sworn April 11, 2018	N	249
Exhibit “O” to the Affidavit of Kamila Wirpszo, sworn April 11, 2018	O	255
Exhibit “P” to the Affidavit of Kamila Wirpszo, sworn April 11, 2018	P	260
Draft Initial Order and comparison to model order	3	307
Draft Stalking Horse Sale Process Approval Order	4	342

TAB 1

Court File No.:

CV-18-595577-0001

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



BETWEEN:

AMERICAN IRON & METAL COMPANY INC.

Applicant

- and -

**1340923 ONTARIO INC. and
WAXMAN REALTY COMPANY INC.**

Respondents

**APPLICATION UNDER
SUBSECTION 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, AS AMENDED**

NOTICE OF APPLICATION

TO THE RESPONDENT:

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

THIS APPLICATION will come on for a hearing on Friday, April 20, 2018, at 10:00 am or as soon a time thereafter as may be heard, at 330 University Avenue, Toronto.

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

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE

- 2 -

WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the applicant's lawyer or, where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least four days before the hearing.

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

Date: April 10, 2018

Issued by


Local registrar

Address of court office 330 University Avenue
7th Floor
Toronto, ON M5G 1R7

TO: SERVICE LIST

APPLICATION

1. The applicant makes application for:
 - (a) If necessary, an Order abridging the time for, and validating the service of, the within application such that this Application is properly returnable on Friday, April 20, 2018;
 - (b) An Order:
 - (i) 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 A. Farber & Partners Inc. (“**Farber**”) as receiver (in such capacity, the “**Receiver**”) over all the property, assets and undertakings of Waxman Realty Company Inc. (“**WRI**”) and 1340923 Ontario Inc. (“**134**”, and together with WRI, the “**Debtors**”); and
 - (ii) sealing certain confidential appendices to the Report to the Court of the Proposed Receiver, to be filed (the “**Proposed Receiver’s Report**”), and a confidential exhibit to the Affidavit of Kamila Wirpszo, to be sworn (the “**Wirpszo Affidavit**”); and
 - (c) An Order approving a stalking horse sale process proposed by the proposed Receiver for the marketing and sale of the Debtors’ respective ownership interests in certain real property, including, without limitation, the approval of the execution of a proposed stalking horse asset purchase agreement (the “**Stalking Horse Agreement**”) between the Receiver and the applicant; and,
 - (d) Such further and other relief as counsel may advise and this Honourable Court deems just;

2. The grounds for the application are:

Appointment of the Receiver

- (a) The applicant, American Iron & Metal Company Inc., is, by amalgamation, the successor in interest to American Iron & Metal LP and American Iron & Metal GP Inc., and carries on business in the metal recovery and recycling industry in North America;
- (b) The Debtors were incorporated for the purpose of holding certain ownership interests in the real property (described below) and to lease those properties to a tenant;
- (c) The applicant and WRI are tenants in common and each hold a one half ownership interest in the real property located at 4350 Harvester Road, Burlington, Ontario (the "**Burlington Property**");
- (d) The applicant and 134 are tenants in common and each hold a one half ownership interest in the real property located at 143 Adams Boulevard, Brantford, Ontario (the "**Brantford Property**");
- (e) WRI is indebted and liable to the applicant in the amount of \$2,057,152.61 (the "**WRI Indebtedness**") under the terms of a Joint Venture Agreement between WRI and the predecessor entities of the applicant dated as of December 14, 2012 (the "**Burlington Property JVA**") and certain advances made thereunder by the applicant's predecessors to WRI, and pursuant to a demand debenture issued by WRI in favour of the applicant dated October 12, 2012 (the "**WRI Debenture**");
- (f) 134 is indebted and liable to the applicant in the amount of \$278,854.49 (the "**134 Indebtedness**") under the terms of a Joint Venture Agreement between 134 and the predecessor entities of the applicant dated as of December 14, 2012 (the "**Brantford Property JVA**", and together with

the Burlington Property JVA, the “JVAs”) and certain advances made thereunder by the applicant’s predecessor to 134, and pursuant to a demand debenture issued by 134 in favour of the applicant dated October 12, 2012 (the “**134 Debenture**”, and together with the WRI Debenture, the “**Demand Debentures**”);

- (g) Pursuant to the Demand Debentures, WRI and 134 each agreed to the appointment of a receiver or trustee in the event of a default thereunder.
- (h) Pursuant to the Demand Debentures, the JVAs and a forbearance agreement described further herein, the Debtors have granted in favour of the applicant certain personal property security interests as well as charges over their present and after-acquired real property;
- (i) Farber has conducted a security review and concluded that the Debtors’ indebtedness to the applicant is secured by valid and enforceable security interests in certain personal property of the Debtors and valid and enforceable charges over the Debtors’ real property;
- (j) On December 22, 2017, the applicant made written demand for repayment of the WRI Indebtedness and the 134 Indebtedness on WRI and 134 respectively, and provided each of the Debtors with notice of its intention to enforce its security in accordance with section 244 of the BIA;
- (k) The Debtors have respectively acknowledged that the WRI Indebtedness and the 134 Indebtedness are due and payable and that they are unable to pay such indebtedness, and have each consented to the enforcement of the applicant’s security;
- (l) The applicant’s predecessor entities and the Debtors entered into a forbearance agreement dated December 22, 2017 (the “**Forbearance Agreement**”) under which each of the Debtors acknowledged, among other things, their respective indebtedness and the validity of the

applicant's security over their respective property, and under which the parties agreed to the Court-appointment of a receiver over the property of the Debtors;

- (m) The appointment of a receiver is necessary to allow the applicant to maximize recovery of the Indebtedness;
- (n) The appointment of a receiver is in the interests of justice and is just, convenient and necessary for the protection of the applicant;
- (o) The respondent Debtors consent to the appointment of the Receiver;
- (p) Farber, a licensed insolvency trustee, has provided its consent to being appointed as the Receiver;

Approval of Stalking Horse Sale Process

- (q) In the Forbearance Agreement, the applicant's predecessors and the Debtors agreed to the appointment of the Receiver on consent on the basis that the Receiver would market the Debtors' respective fifty percent interests in the Burlington Property and the Brantford Property (the **"Debtors' Real Property Interests"**) through a stalking horse sale process under which the applicant would prepare and submit a stalking horse bid;
- (r) Farber has prepared a stalking horse sale process for the marketing and sale of the Debtors' Real Property Interests (the **"Stalking Horse Sale Process"**) that it proposes to run if appointed as Receiver and if approved by the Court;
- (s) The applicant has prepared a stalking horse bid for the purchase of the Debtors' Real Property Interests (the **"Stalking Horse Bid"**) that is reflected in the Stalking Horse Agreement, and includes a credit bid component as well as a substantial cash bid component;

- (t) Subject to Court approval, the Stalking Horse Bid will serve as the stalking horse bid under the Stalking Horse Sale Process;
- (u) The Stalking Horse Sale Process contemplates a thorough marketing effort to obtain the maximum value for the Debtors' Real Property Interests;
- (v) The Stalking Horse Sale Process provides for testing the market, gauging interest in the Debtors' Real Property Interests and determining whether a transaction is available that is more advantageous to the Debtors and their stakeholders than the Stalking Horse Agreement;
- (w) The Receiver believes that the Stalking Horse Bid is reasonable and will assist the Receiver to obtain the maximum value for the Debtors' Real Property Interests;
- (x) There will be no distribution of the net cash proceeds from the sale of the Debtors' Real Property Interests pursuant to the Stalking Horse Sale Process without further order of the Court;

Grounds for the Sealing Order

- (y) The applicant and the proposed Receiver are of the view that the confidential appendices to the Proposed Receiver's Report should remain sealed, as they contain commercially sensitive information, the public dissemination of which would be prejudicial to the integrity and effectiveness of the Sale Process;
- (z) The confidential exhibit to the Wirpszo Affidavit includes sensitive commercial information, the dissemination of which would be detrimental to the legitimate commercial interests of the applicant;

Other Grounds

- (aa) The grounds set out in the Affidavit of Kamila Wirpszo, to be sworn (the “**Wirpszo Affidavit**”);
- (bb) The grounds set out in the Proposed Receiver’s Report;
- (cc) Section 243 of the BIA;
- (dd) Section 101 of the CJA;
- (ee) Rule 1.04, 2.01, 2.03, 3.02, 14.05 and 38 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194;
- (ff) The endorsement of the Honourable Mr. Justice Hainey dated February 26, 2018 providing that this application may be brought before the Commercial List in Toronto; and
- (gg) Such further and other grounds as counsel may advise and this Honourable Court may permit.

3. The following documentary evidence will be used at the hearing of the application:

- (a) The Wirpszo Affidavit;
- (b) The Proposed Receiver’s Report; and
- (c) Such further and other materials as counsel may advise and this Honourable Court may permit.

- 9 -

April 10, 2018

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1340923 Ontario Inc., Aaron Waxman, Jeremy Waxman, American Iron & Metal LP
and American Iron and Metal GP Inc. in the action bearing Court File No. CV-14-10606-00CL*

American Iron & Metal Company Inc.
Applicant and 1340923 Ontario Inc. et al
Respondents

Court File No.:
CV-18-595577-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at TORONTO

NOTICE OF APPLICATION

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TAB 2

Court File No.: CV-18-595577-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
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B E T W E E N :

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**AFFIDAVIT OF KAMILA WIRPSZO
(Sworn April 11, 2018)**

**I, KAMILA WIRPSZO, of the City of Montreal, in the province of Quebec,
MAKE OATH AND SAY:**

1. I am the Vice-President, Legal Affairs of the applicant, American Iron & Metal Company Inc. (“**AIM**”), and as such, have knowledge of the matters set out in this affidavit. Where I have relied on information from others I have stated the source of my information and believe it to be true.

2. I swear this affidavit in support of AIM's application for the appointment of a receiver over certain assets of the respondent debtors and the court approval of a related sale process.

The Parties

3. AIM is a corporation incorporated under the *Canada Business Corporations Act* ("CBCA") and belongs to a group of companies that carries on business in the scrap metal and recycling industry across North America and elsewhere. AIM is large and well established enterprise with over 2,500 employees and 70 locations around the world. It has substantial assets in Canada, including hundreds of millions of dollars of annual revenue generated in Ontario.

4. AIM is the successor in interest to, among other entities, American Iron & Metal LP ("AIM LP"), and its former general partner American Iron & Metal GP Inc. ("AIM GP"), following certain corporate reorganizations. AIM LP and AIM GP are the contracting parties in various agreements described in this affidavit. Their rights and liabilities have continued in AIM. I use the term "**AIM**" in this affidavit in respect of the activities, transactions, right and liabilities of AIM as it is currently constituted as well as those of its predecessor entities which have continued in AIM.

5. 1340923 Ontario Inc. ("**134**") is a corporation incorporated under the Ontario *Business Corporations Act*. To the best of my knowledge, 134 was incorporated in June 2007 for the purpose of acquiring the property located at 143 Adams Boulevard, Brantford, Ontario (the "**Brantford Property**"). According to a corporate search that

was obtained by AIM's legal counsel, McMillan LLP ("**McMillan**"), Aaron Waxman and Jeremy Waxman are the only directors of 134. A copy of this corporate search is attached as Exhibit "A" to this affidavit.

6. Waxman Realty Company Inc. ("**WRI**" and together with 134, the "**Debtors**") is the co-owner of the property located at 4350 Harvester Road, Burlington, Ontario (the "**Burlington Property**", together with the Brantford Property, the "**Properties**"). To the best of my knowledge, WRI was incorporated in July 2010 for the specific purpose of acquiring the Burlington Property. According to a corporate search that was obtained by McMillan, Aaron Waxman and Jeremy Waxman are the only directors of WRI. A copy of this corporate search is attached as Exhibit "B" to this affidavit.

7. I am advised by Aaron Waxman that 134 and WRI do not carry on any day-to-day business activities or have employees or management teams.

Ownership of the Properties

Burlington Property

8. I am advised by Aaron Waxman that WRI acquired the Burlington Property in July 2010. WRI's acquisition of the Burlington Property was financed by a loan from Roynat Capital Inc. ("**Roynat**"). Roynat and WRI entered into a loan agreement dated July 30, 2010 (the "**Roynat Loan Agreement**") under which Roynat advanced \$3,165,000 to WRI (the "**Roynat Loan**"). In connection with the Roynat Loan, WRI issued a debenture in favour of Roynat (the "**Roynat Debenture**") granting security over certain of WRI's assets including its ownership interest in the Burlington Property. True

copies of the Roynat Loan Agreement and the Roynat Debenture are attached as Exhibit “C” to this affidavit.

9. In December 2012, AIM purchased a 50% ownership interest in the Burlington Property from WRI. Since that time, AIM and WRI have co-owned the Burlington Property as tenants in common.

10. As part of the transaction by which AIM acquired a 50% interest in the Burlington Property, AIM and WRI entered into a joint venture agreement that governs certain aspects of their tenancy in common of the property (the “**Burlington Property JVA**”). A true copy of the Burlington Property JVA is attached as Exhibit “D” to this affidavit.

11. On October 12, 2012, WRI issued a demand debenture in favour of AIM in the amount of \$3,000,000 (the “**WRI Debenture**”). A true copy of the WRI Debenture is attached as Exhibit “E” to this affidavit.

12. In July 2013, Royat alleged that WRI was in default under the Roynat Loan Agreement and was prepared to enforce its security against WRI under the Roynat Debenture. On July 31, 2013, AIM paid Roynat \$1,414,313.08 on behalf of WRI in order to satisfy WRI’s debt to avoid the prospect of Roynat enforcing on its security. AIM and WRI agreed by letter agreement that these monies were advanced by AIM on substantially the same terms as attached to the Roynat Loan (the “**Letter Agreement**”). A true copy of the Letter Agreement is attached as Exhibit “F” to this affidavit.

13. AIM effectively stepped into the shoes of Roynat as WRI's creditor in respect of these advances. The funds paid to Roynat by AIM on behalf of WRI represent over half of the Indebtedness, as defined below.

Brantford Property

14. I am advised by Aaron Waxman that 134 acquired the Brantford Property in June 2007.

15. In December 2012, AIM purchased a 50% ownership interest in the Brantford Property from 134. Since that time, AIM and 134 have co-owned the Brantford Property as tenants in common.

16. As part of the transaction by which AIM acquired a 50% interest in the Brantford Property, AIM and 134 entered into a joint venture agreement that governs certain aspects of their tenancy in common of the property (the "**Brantford Property JVA**", and together with the Burlington Property JVA, the "**JVAs**"). A true copy of the Brantford Property JVA is attached as Exhibit "G" to this affidavit.

17. On October 12, 2012, 134 issued a demand debenture in favour of AIM in the amount of \$3,000,000 (the "**134 Debenture**", and together with the WRI Debenture, the "**Demand Debentures**"). A true copy of the 134 Debenture is attached as Exhibit "H" to this affidavit.

The Loan and Security

18. AIM's predecessor entities have made advances to WRI pursuant to the Letter Agreement and under the terms of the Burlington Property JVA and the WRI Debenture. Consequently, WRI is indebted and liable to the applicant in the amount of \$2,057,152.61 (the "**WRI Indebtedness**").

19. AIM's predecessor entities have made advances to 134 under the terms of the Brantford Property JVA and the 134 Debenture. Consequently, 134 is indebted and liable to AIM in the amount of \$278,854.49 (the "**134 Indebtedness**", and collectively with the WRI Indebtedness, the "**Indebtedness**").

20. Pursuant to the Demand Debentures, WRI and 134 each agreed to the appointment of a receiver or trustee in the events of default thereunder.

21. According to the terms of the loan and security documents described above, the WRI Indebtedness and 134 Indebtedness are each demand obligations that are payable by WRI and 134, respectively, on demand by AIM.

22. AIM LP, AIM GP and the Debtors entered into a forbearance agreement dated December 22, 2017 (the "**Forbearance Agreement**"). A true copy of the Forbearance Agreement is attached as Exhibit "I" to this affidavit with portions redacted that include confidential funding arrangements between the parties. I understand from AIM's legal counsel, McMillan LLP ("**McMillan**") that an unredacted version of the Forbearance Agreement will be filed with the Court on this application.

23. Pursuant to the Letter Agreement, the Demand Debentures, the JVAs and the Forbearance Agreement, the Debtors have granted security interests and charges over their present and after-acquired real property.

24. Under the Forbearance Agreement, each of the Debtors acknowledged, among other things, their respective indebtedness and the validity of the applicant's security over their respective property. The parties also agreed to the Court-appointment of a receiver over the property of the Debtors.

25. In the Forbearance Agreement, WRI and 134 have acknowledged that the Indebtedness is due and payable and that they are unable to pay such indebtedness, and have each consented to the accelerated enforcement of AIM's security.

26. On December 22, 2017, McMillan sent letters on AIM's behalf to WRI and 134 demanding payment of the WRI Indebtedness and the 134 Indebtedness respectively, and provided each of the Debtors with notice of its intention to enforce its security in accordance with section 244 of the BIA. True copies of these demand letters and Section 244 notices are attached as Exhibit "J" to this affidavit.

27. I believe that the appointment of a receiver is necessary to allow the applicant to maximize recovery of the Indebtedness.

28. The accounting firm, A. Farber & Partners Inc. ("**Farber**"), the proposed receiver in this application, is a registered trustee in bankruptcy and has provided its consent to being appointed as receiver. A true copy of Farber's signed consent is attached as Exhibit "K" to this affidavit.

Tenants of the Properties

29. Waxman Industrial Services Corp. (“**WIS**”) previously carried on business in the scrap metal and recycling industry at various facilities in Ontario, including at the Properties.

30. Pursuant to leases dated August 12, 2012 and December 14, 2012, WIS became the tenant of both of the Properties (the “**WIS Leases**”).

31. Between 2012 and 2016, AIM advanced funds to WIS to finance its operations at the Properties. AIM’s advances to WIS were secured by two general security agreements in favour of AIM. Following various events of default by WIS under its loan and security agreements, in October 2016 AIM (through its wholly owned subsidiary company, to which AIM assigned its security) enforced its security pursuant to provisions of the Ontario *Personal Property Security Act* through a foreclosure on WIS’s assets, including on the WIS Leases.

32. Pursuant to two agreements, each dated February 1, 2017 (the “**Lease Assignment Agreements**”), the WIS Leases were assigned to a wholly owned subsidiary of AIM. True copies of the Lease Assignment Agreements are attached as Schedule “B” to the Forbearance Agreement.

33. Out of an abundance of caution, prior to the foreclosure, AIM provided notice of its intention to foreclose on the WIS Leases to NASG Canada Inc. (“**NASG**”) which has asserted a constructive Trust in the Properties, as described further below. NASG did not object to AIM’s enforcement of its security against WIS.

Other Creditors of the Debtors

Secured Parties

34. McMillan advises me that it obtained a parcel register for the Brantford Property current as April 9, 2018, a copy of which McMillan has provided to me and is attached as Exhibit “L” to this affidavit (the “**Brantford PIN**”). The Brantford PIN shows that the following instruments as registered on title of the Brantford Property:

- a) Charge registered on June 29, 2007 as Instrument No. BC116723 in favour of Business Development Bank of Canada (“**BDC**”);
- b) Notice of Assignment of Rents – General registered on June 29, 2007 as Instrument No. BC116728 in favour of BDC; and
- c) Charge registered on December 13, 2012 as Instrument No. BC234044 in favour of AIM GP.

35. McMillan advises me that it obtained a parcel register for the Burlington Property current as of April 9, 2018, a copy of which McMillan has provided to me and is attached as Exhibit “M” to this affidavit (the “**Burlington PIN**”). The Burlington PIN shows that the following instruments are registered on title of the Burlington Property:

- a) Charge registered on December 13, 2012 as Instrument No. HR1070829 in favour of AIM GP (the “**Burlington Charge**”);
- b) Notice registered on October 23, 2013 as Instrument No. HR1142193 containing amendments to the Burlington Charge;

- c) Lien registered on April 11, 2017 as Instrument No. HR1446119 in favour of Her Majesty the Queen in Right of Canada as represented by the Ministry of National Revenue; and
- d) Lien registered on April 11, 2017 as Instrument No. HR1446123 in favour of Her Majesty the Queen in Right of Canada as represented by the Ministry of National Revenue.

36. McMillan advises me that it obtained a Personal Property Security Registration System Enquiry Response Certificate from the Ministry of Government Services (Ontario) with a file currency of April 8, 2018 in respect of 134, a copy of which has provided to me and is attached as Exhibit “N” to this affidavit (the “**134 PPSA Search**”). The 134 PPSA Search shows the following financing statements:

Debtor	Secured Party	File No.	Registration No.
134	BDC	636213762	20070611 1555 1295 3985
			20110812 1005 2611 1069
134	AIM	735740388	20180117 1132 1590 1174

37. McMillan advises me that it obtained a Personal Property Security Registration System Enquiry Response Certificate obtained from the Ministry of Government Services (Ontario) with a file currency of April 8, 2018 in respect of WRI, a copy of which has provided to me and is attached as Exhibit “O” to this affidavit.

Debtor	Secured Party	File No.	Registration No.
WRI	AIM GP and AIM LP	688831326	20130723 1136 1590 4687

The Waxman Litigants

38. WIS, WRI and Aaron Waxman, among others, have been named as defendants in the action bearing court file no. 07-CL-6901 by Morris Waxman (both in his personal capacity and as the trustee of the Estate of I. Waxman & Sons Limited) and Solid Waste Reclamation Inc. (the “**Waxman Action**”). The plaintiffs in the Waxman Action allege that the defendants acted oppressively and in breach of the fiduciary duties owed to I. Waxman & Sons Limited by diverting the clients of that company to WIS. Among other things, the plaintiffs seek an accounting of all profits diverted to WIS or the other defendants and a constructive trust over the assets of WRI and other defendants.

39. I am advised by Aaron Waxman that the Debtors have obtained the consent of the plaintiffs in the Waxman Action to the appointment of a receiver and to the sale of the Properties free and clear of any encumbrances pursuant to a court-sanctioned sale process, and that the plaintiffs reserve any right they may have to assert a claim in respect of the net cash proceeds of a sale of the Properties.

NASG

40. According to its statement of claim in litigation described further below, NASG is an Ontario company with its head office in Woodstock and is a Tier II supplier of metal stampings and welded assemblies to the automotive industry.

41. On June 25, 2014, NASG commenced an action bearing Court File No. CV-14-10606-00CL against WIS, WRI, 134, Aaron Waxman, Jeremy Waxman, AIM LP, AIM GP and other defendants (the “**NASG Action**”) by serving a Notice of Action.

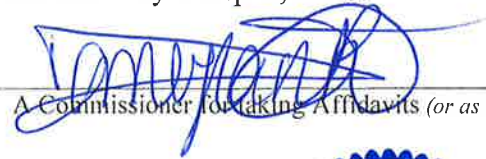
42. In the NASG Action, NASG alleges that between 2007 and 2014 an individual carried out a fraud against NASG that involved manipulating scales at NASG's facility in Woodstock to record lower volumes of scrap materials when being picked up as well as outright theft of materials. NASG alleges that WIS, AIM LP, AIM GP, Aaron Waxman and Jeremy Waxman were all aware of the alleged fraud and claims against these parties a constructive trust in the Properties. AIM denies the allegations against it and intends to aggressively defend against these claims.

43. I understand from Clarke Tedesco, a lawyer representing AIM in the NASG Action, that the trial of the NASG Action is not currently scheduled for hearing. I also understand from Mr. Tedesco that as of this date, NASG has not asserted any legal right or claim in the Properties other than the contingent interest that it asserts in the NASG Action.

The Stalking Horse Sale Process

44. McMillan advises me that Farber has prepared a sale process that it proposes to administer to market and sell the Debtors' 50% interest in the Properties and has provided me with a copy of the proposed sale process. AIM has agreed to act as the stalking horse bidder under the proposed sales process and has prepared a bid to serve as the stalking horse bid in the process, which is reflected in a proposed stalking horse agreement signed by AIM on April 11, 2018 (the "**Stalking Horse Agreement**"). A true copy of the Stalking Horse Agreement with the purchase price redacted is attached as Exhibit "P" to this affidavit.

SWORN BEFORE ME at the City of
Montreal, in the Province of Quebec,
this 11th day of April, 2018.


A Commissioner for taking Affidavits (or as may be)




KAMILA WIRPSZO

TAB A

This is Exhibit "A" referred to in the
Affidavit of Kamila Wirpszo
sworn April 11th, 2018



RITA DEMIRJIAN



Request ID: 021499782 Province of Ontario
 Transaction ID: 67691148 Ministry of Government Services
 Category ID: UN/E

Date Report Produced: 2018/04/09
 Time Report Produced: 16:30:17
 Page: 1

CORPORATION DOCUMENT LIST

Ontario Corporation Number

1340923

Corporation Name

1340923 ONTARIO INC.

ACT/CODE	DESCRIPTION	FORM	DATE (YY/MM/DD)
CIA	CHANGE NOTICE PAF: WAXMAN, WARREN	1	2010/04/23 (ELECTRONIC FILING)
CIA	CHANGE NOTICE PAF: FOREMAN, ALBERT I.	1	2010/03/10 (ELECTRONIC FILING)
CIA	ANNUAL RETURN 2007 PAF: WERTMAN, DANIEL	1C	2008/04/05
CIA	ANNUAL RETURN 2005 PAF: WERTMAN, DANIEL	1C	2007/03/28
CIA	ANNUAL RETURN 2006 PAF: WERTMAN, DANIEL	1C	2007/03/28
CIA	ANNUAL RETURN PAF: WERTMAN, DANIEL	1C	2005/01/06
CIA	ANNUAL RETURN PAF: WERTMAN, DANIEL	1C	2004/07/06
CIA	ANNUAL RETURN PAF: WERTMAN, DANIEL	1C	2002/12/04
CIA	ANNUAL RETURN PAF: WERTMAN, DANIEL	1C	2002/02/01
CIA	ANNUAL RETURN PAF: WERTMAN, DANIEL	1C	2002/02/01
CIA	INITIAL RETURN PAF: LEWIS, CHRISTINE M.	1	1999/05/18
BCA	ARTICLES OF INCORPORATION	1	1999/04/14

Request ID: 021499782
Transaction ID: 67691148
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2018/04/09
Time Report Produced: 16:30:17
Page: 2

CORPORATION DOCUMENT LIST

Ontario Corporation Number

1340923

Corporation Name

1340923 ONTARIO INC.

ACT/CODE	DESCRIPTION	FORM	DATE (YY/MM/DD)
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THIS REPORT SETS OUT ALL DOCUMENTS FOR THE ABOVE CORPORATION WHICH HAVE BEEN FILED ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

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Request ID: 021499780
 Transaction ID: 67691143
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2018/04/09
 Time Report Produced: 16:30:09
 Page: 1

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
1340923	1340923 ONTARIO INC.	1999/04/14
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address	Date Amalgamated	Amalgamation Ind.
143 ADAMS BOULEVARD	NOT APPLICABLE	NOT APPLICABLE
	New Amal. Number	Notice Date
BRANTFORD	NOT APPLICABLE	NOT APPLICABLE
ONTARIO		Letter Date
CANADA N3S 7V8		NOT APPLICABLE
Mailing Address	Revival Date	Continuation Date
143 ADAMS BOULEVARD	NOT APPLICABLE	NOT APPLICABLE
	Transferred Out Date	Cancel/Inactive Date
BRANTFORD	NOT APPLICABLE	NOT APPLICABLE
ONTARIO		EP Licence Eff.Date
CANADA N3S 7V8		NOT APPLICABLE
	EP Licence Term.Date	EP Licence Term.Date
	NOT APPLICABLE	NOT APPLICABLE
	Date Commenced in Ontario	Date Ceased in Ontario
	NOT APPLICABLE	NOT APPLICABLE
Activity Classification	Number of Directors	
NOT AVAILABLE	Minimum Maximum	
	00001 00005	

Request ID: 021499780
Transaction ID: 67691143
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2018/04/09
Time Report Produced: 16:30:09
Page: 2

CORPORATION PROFILE REPORT

Ontario Corp Number

1340923

Corporation Name

1340923 ONTARIO INC.

Corporate Name History

1340923 ONTARIO INC.

Effective Date

1999/04/14

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

Administrator: Name (Individual / Corporation)

AARON
WAXMAN

Address

172 HILLCREST AVENUE

HAMILTON
ONTARIO
CANADA L8P 2X4

Date Began

2009/05/01

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Request ID: 021499780
Transaction ID: 67691143
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2018/04/09
Time Report Produced: 16:30:09
Page: 3

CORPORATION PROFILE REPORT

Ontario Corp Number

1340923

Corporation Name

1340923 ONTARIO INC.

Administrator: Name (Individual / Corporation)

AARON
WAXMAN

Address

172 HILLCREST AVENUE

HAMILTON
ONTARIO
CANADA L8P 2X4

Date Began

2009/05/01

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

SECRETARY

Resident Canadian

Y

Administrator: Name (Individual / Corporation)

AARON
WAXMAN

Address

172 HILLCREST AVENUE

HAMILTON
ONTARIO
CANADA L8P 2X4

Date Began

2009/05/01

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

TREASURER

Resident Canadian

Y

Request ID: 021499780
Transaction ID: 67691143
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2018/04/09
Time Report Produced: 16:30:09
Page: 4

CORPORATION PROFILE REPORT

Ontario Corp Number

1340923

Corporation Name

1340923 ONTARIO INC.

**Administrator:
Name (Individual / Corporation)**JEREMY
WAXMAN**Address**46 CHATHAM STREET

HAMILTON
ONTARIO
CANADA L8P 2B4**Date Began**

2010/03/10

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

PRESIDENT

Resident Canadian**Administrator:
Name (Individual / Corporation)**JEREMY
WAXMAN**Address**46 CHATHAM STREET

HAMILTON
ONTARIO
CANADA L8P 2B4**Date Began**

2010/03/19

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type**Resident Canadian**

Y

Request ID: 021499780
Transaction ID: 67691143
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2018/04/09
Time Report Produced: 16:30:09
Page: 5

CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

1340923

1340923 ONTARIO INC.

Last Document Recorded

Act/Code Description

Form

Date

CIA CHANGE NOTICE

1

2010/04/23 (ELECTRONIC FILING)

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

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

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

TAB B

This is Exhibit "B" referred to in the
Affidavit of Kamila Wirpszo
sworn April 11th, 2018


RITA DEMIRJIAN



Request ID: 021499789
Transaction ID: 67691167
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2018/04/09
Time Report Produced: 16:30:38
Page: 1

CORPORATION DOCUMENT LIST

Ontario Corporation Number

2251139

Corporation Name

WAXMAN REALTY COMPANY INC.

ACT/CODE	DESCRIPTION	FORM	DATE (YY/MM/DD)
CIA	ANNUAL RETURN 2014 PAF: WAXMAN, AARON	1C	2015/11/10 (ELECTRONIC FILING)
CIA	ANNUAL RETURN 2011 PAF: WAXMAN, AARON	1C	2011/12/10
CIA	ANNUAL RETURN 2010 PAF: WAXMAN, AARON	1C	2011/06/07 (ELECTRONIC FILING)
CIA	INITIAL RETURN PAF: BROWN, JAMES CAMPBELL	1	2010/08/16
BCA	ARTICLES OF INCORPORATION	1	2010/07/21 (ELECTRONIC FILING)

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Request ID: 021499786
 Transaction ID: 67691160
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2018/04/09
 Time Report Produced: 16:30:30
 Page: 1

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
2251139	WAXMAN REALTY COMPANY INC.	2010/07/21
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address	Date Amalgamated	Amalgamation Ind.
143 ADAMS BLVD	NOT APPLICABLE	NOT APPLICABLE
	New Amal. Number	Notice Date
BRANTFORD	NOT APPLICABLE	NOT APPLICABLE
ONTARIO		Letter Date
CANADA N3S 7V8		NOT APPLICABLE
Mailing Address	Revival Date	Continuation Date
MR. AARON WAXMAN	NOT APPLICABLE	NOT APPLICABLE
143 ADAMS BOULEVARD		
	Transferred Out Date	Cancel/Inactive Date
BRANTFORD	NOT APPLICABLE	NOT APPLICABLE
ONTARIO		
CANADA N3S 7V8		
	EP Licence Eff.Date	EP Licence Term.Date
	NOT APPLICABLE	NOT APPLICABLE
	Date Commenced in Ontario	Date Ceased in Ontario
	NOT APPLICABLE	NOT APPLICABLE
Activity Classification	Number of Directors	
NOT AVAILABLE	Minimum Maximum	
	00001 00010	

Request ID: 021499786
Transaction ID: 67691160
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2018/04/09
Time Report Produced: 16:30:30
Page: 2

CORPORATION PROFILE REPORT

Ontario Corp Number

2251139

Corporation Name

WAXMAN REALTY COMPANY INC.

Corporate Name History

WAXMAN REALTY COMPANY INC.

Effective Date

2010/07/21

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

Administrator: Name (Individual / Corporation)

AARON
WAXMAN

Address

143 ADAMS BOULEVARD

BRANTFORD
ONTARIO
CANADA N3S 7V8

Date Began

2010/07/21

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Request ID: 021499786
Transaction ID: 67691160
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2018/04/09
Time Report Produced: 16:30:30
Page: 3

CORPORATION PROFILE REPORT

Ontario Corp Number

2251139

Corporation Name

WAXMAN REALTY COMPANY INC.

Administrator:
Name (Individual / Corporation)

AARON
WAXMAN

Address

143 ADAMS BOULEVARD

BRANTFORD
ONTARIO
CANADA N3S 7V8

Date Began

2010/07/21

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

PRESIDENT

Resident Canadian

Y

Administrator:
Name (Individual / Corporation)

AARON
WAXMAN

Address

143 ADAMS BOULEVARD

BRANTFORD
ONTARIO
CANADA N3S 7V8

Date Began

2010/07/21

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

SECRETARY

Resident Canadian

Y

Request ID: 021499786
Transaction ID: 67691160
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2018/04/09
Time Report Produced: 16:30:30
Page: 4

CORPORATION PROFILE REPORT

Ontario Corp Number

2251139

Corporation Name

WAXMAN REALTY COMPANY INC.

Administrator: Name (Individual / Corporation)

AARON
WAXMAN

Address

143 ADAMS BOULEVARD

BRANTFORD
ONTARIO
CANADA N3S 7V8

Date Began

2010/07/21

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

TREASURER

Resident Canadian

Y

Administrator: Name (Individual / Corporation)

JEREMY
WAXMAN

Address

143 ADAMS BOULEVARD

BRANTFORD
ONTARIO
CANADA N3S 7V8

Date Began

2010/07/21

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Request ID: 021499786
Transaction ID: 67691160
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2018/04/09
Time Report Produced: 16:30:30
Page: 5

CORPORATION PROFILE REPORT

Ontario Corp Number

2251139

Corporation Name

WAXMAN REALTY COMPANY INC.

Last Document Recorded

Act/Code	Description	Form	Date
CIA	ANNUAL RETURN 2014	1C	2015/11/10 (ELECTRONIC FILING)

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

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

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

TAB C

This is Exhibit "C" referred to in the
Affidavit of Kamila Wirpszo
sworn April 11th, 2018


RITA DEMIRJIAN



DEBENTURE - FLOATING RATE

Issued to: **Roynat Inc.**
\$500 North Service Road, Suite 207
Burlington, ON L7L 6W6
Facsimile No. (905) 335-5255

WAXMAN REALTY COMPANY INC.
143 Adams Boulevard
Brantford, ON N3S 7V8
Facsimile No. 519-759-1732

DEBENTURE

\$3,165,000.00

August 10, 2010

1. **WAXMAN REALTY COMPANY** (the "Company") for value received hereby promises to pay to **Roynat Inc.** ("Roynat"), at its address specified above, the principal amount of Three Million One Hundred Sixty-Five Thousand Dollars (\$3,165,000.00) in the manner hereinafter provided, together with all other moneys which may from time to time be owing hereunder or pursuant hereto.
2. **Principal Payments.** Subject to the provisions of this Debenture, the principal amount hereof shall become due and payable by instalments payable on the 15th day of each month as follows:

		<u>Date of Payment</u> <u>(Both Inclusive)</u>	
<u>Amount of Payment</u>	<u>Frequency</u>	<u>Beginning From</u>	<u>Up To</u>
\$9,250.00	monthly	September 15, 2010	August 15, 2011
\$9,750.00	monthly	September 15, 2011	August 15, 2012
\$10,350.00	monthly	September 15, 2012	August 15, 2013
\$11,050.00	monthly	September 15, 2013	August 15, 2014
\$11,750.00	monthly	September 15, 2014	July 15, 2015
\$2,550,950.00	once	August 15, 2015	

and the balance of the said principal amount, together with interest and all other moneys owing hereunder shall become due and payable on the 15th day of August, 2015.

2. **Interest.** Interest shall be payable on the 15th day of each month on the balance from time to time outstanding of the principal amount of this Debenture, any overdue interest and any other moneys due and payable hereunder, both before and after maturity, default or judgment, at the rate of interest per annum (the "Loan Rate") which is 3% greater than the Roynat's Floating Base Rate for the Applicable Period calculated and compounded monthly, computed from the respective dates of advance of the moneys by Roynat to the Company until payment in full of all moneys owing hereunder. Roynat shall notify the Company at least five days prior to each interest payment date of the Roynat's Floating Base Rate for the Applicable Period but the non-receipt of any such notice by the Company or the failure of Roynat to give such notice shall in no way limit or negate the obligation of the Company to pay interest on such payment date. The first interest payment date shall be the 15th day of the month in which the first advance is made by Roynat hereunder or, if the first advance is made after the 15th day of a month, the first interest payment date shall be the 15th day of the next succeeding month. At the option of Roynat, interest accrued may be deducted from proceeds of advances hereunder.
3. **Redemption.** The Company may redeem this Debenture prior to maturity either in whole at any time or, when not in default hereunder, in part from time to time on not less than 30 days' written notice at a price equal to the principal amount being

redeemed plus, if the redemption monies are generated from the ordinary course business operations of the Company, an additional amount equal to the greater of (3) three months' interest on such principal amount at the Loan Rate in effect on the date fixed by the Company for redemption and (3%) three percent of the principal amount being redeemed and, if the redemption monies are from any other source, an additional amount equal to six months' interest at the Loan Rate on the principal amount redeemed, together in each case with accrued and unpaid interest on such principal amount to the date fixed for redemption and, in the case of redemption in whole, all other moneys owing hereunder. The Company shall have no other right of prepayment.

Notwithstanding the foregoing paragraph, when not in default hereunder, and provided the Loan Rate is a floating rate of interest, and funds are internally generated then, on not less than 10 days' written notice the Company may redeem up to 10% of the principal amount outstanding on the date fixed by the Company for redemption at a price equal to the principal amount being redeemed, together with accrued and unpaid interest on such principal amount to the date fixed for redemption. This right may be exercised once during each 12 month period on the anniversary date of the initial advance of funds hereunder, and shall be non-cumulative.

4A. **Conversion to Fixed Interest Rate.** The Company may at any time request that Roynat provide a quotation as to the availability of fixed interest rates on the principal of this Debenture. Within 60 days after receipt of such request, Roynat shall provide a written offer to the Company, offering specified rates of interest for a selection of fixed interest periods as Roynat may then be able to provide and specifying a date from which the conversion would be effective (the "Conversion Date"). Such rates of interest shall be 3.00% above Roynat's Term Base Rate for the relevant periods. The offer shall stipulate any extensions of the term of this Debenture that Roynat may require. If the Company accepts such offer by selecting the applicable interest rate and fixed interest period, the rate so specified and accepted shall be the "Loan Rate" for all purposes of this Debenture from and after the Conversion Date for the fixed interest period selected. If such period expires before the end of the agreed extended term, the rate of interest on this Debenture shall revert to the variable rate, as provided in Section 2 hereof for the balance of the agreed extended term, but the Company may thereafter avail itself again of the provisions of this Section 3A. The Company shall forthwith execute and deliver such documentation, if any, as Roynat shall request to give effect to any interest rate conversion or extension of the term of this Debenture. The Company shall have no right to redeem this Debenture after conversion to a constant interest rate except as may be specified in the offer from Roynat accepted by the Company, notwithstanding the provisions of Section 3 hereof. A fee of \$500.00 will be applicable to the conversion.

For the purposes of this Section:

"Roynat's Term Base Rate" means, at any time, the annual rate of interest which Roynat establishes at its principal office in Toronto as the reference rate of interest which Roynat will charge for closed fixed rate term loans in Canadian dollars made to its customers in Canada for varying durations and which it refers to as "Roynat's Term Base Rate" for that duration of loan.

4. **Partial Payments.** In case less than the total principal amount of this Debenture is redeemed at any time, the principal amount so redeemed shall be credited against the principal payable hereunder in inverse order of maturity.
5. **Security.** As security for the payment of the principal, interest and all other moneys from time to time payable under this Debenture, and the performance by the Company of all its obligations hereunder and to better secure the principal, interest and other monies from time to time secured hereunder, but subject to Permitted Encumbrances and to the exception as to leaseholds hereinafter contained, the Company hereby grants a security interest in and grants, assigns, mortgages and charges, as and by way of a first, fixed and specific mortgage and charge to and in favour of Roynat:

- (a) all real and immovable property, both freehold and leasehold, now owned or hereafter acquired by the Company, together with all buildings, erections, fixed machinery and fixed equipment presently situated thereon or which may at any time hereafter be constructed or placed thereon or used in connection therewith, including without limitation the property described in Schedule "B" hereto; and
- (b) all furniture, machinery, equipment, vehicles, accessories and other tangible personal property (other than Inventory) now owned or hereafter acquired by the Company or in respect of which the Company now or hereafter has any right, title or interest, together with any proceeds of sale or disposition thereof.

And for the same consideration and purposes and subject to the same exceptions, the Company hereby charges as and by way of a first floating charge to and in favour of Roynat, and grants to Roynat a security interest in, the undertaking of the Company and all its property and assets for the time being, both present and future, and of whatsoever nature and wherever situate (other than property and assets from time to time effectively subjected to the fixed and specific mortgages and charges created hereby or by any instrument supplemental hereto).

Provided that such floating charge shall not prevent the Company from time to time until the security hereby constituted shall have become enforceable from selling, leasing or otherwise disposing of the property, rights and assets included in such floating charge or from making expenditures with a view to the expansion of its business or from giving security constituting Permitted Encumbrances, all in the ordinary course of its business and subject to the provisions of this Debenture. In particular, the Company may give security to its banker (but not to more than one banker or banking syndicate) on its inventory or by way of assignment of its trade receivables (by way of confirmation, trade receivables do not include proceeds of life insurance policies assigned to Roynat or proceeds of the sale or disposition of property specifically mortgaged or charged hereunder or under any instrument supplemental hereto) and such security if validly perfected shall rank prior to the lien hereof on such assets without further action by Roynat. Notwithstanding any other provision of this Debenture except as provided in the foregoing sentence, the security interests constituted hereby and by any supplemental security granted to Roynat shall not be subordinate to, nor is there any intention to subordinate such security interests to, any Permitted Encumbrances or security interests held by others.

All security interests created by this Debenture attach immediately upon execution of the Debenture. The attachment of the floating charge has not been postponed and the floating charge shall attach to any particular property intended to be subject to it as soon as the Company has rights in such property.

All property and assets of the Company whether specifically charged or subjected to the floating charge are hereinafter referred to as the "Mortgaged Premises".

6. Exception as to Leaseholds. It is hereby declared that the last day of any term of years reserved by any lease or sublease, verbal or written, or any agreement therefor, now held or hereafter acquired by the Company is excepted out of the Mortgaged Premises, but the Company shall stand possessed of any such reversion upon trust to assign and dispose thereof as Roynat may direct.
7. Payments and Notice. Any payments not received by Roynat by two o'clock p.m. on a Business Day shall be deemed to have been received on the next Business Day. Any notice required or desired to be given hereunder or under any Offer of Finance or under any instrument supplemental hereto shall be in writing and may be given by personal delivery, by facsimile or other means of electronic communication or by sending the same by registered mail, postage prepaid, to Roynat or to the Company at their respective addresses set out above and, in the case of electronic communication, to the facsimile numbers set out above. Any notice so delivered shall be conclusively deemed given when personally delivered and any notice sent by facsimile or other means of electronic transmission shall be deemed to have been delivered on the Business Day following the sending of the notice, and any notice so mailed shall be conclusively deemed given on the third Business Day following the day of mailing, provided that in the event of a known disruption of postal service, notice shall not be given by mail. Any address for notice or payments herein referred to may be changed by notice in writing given pursuant hereto.

8. Covenants.

- (a) This Debenture is issued subject to and with the benefit of all the covenants, terms and conditions in Schedule "A" hereto which Schedule forms a part hereof.
- (b) In addition to such covenants, terms and conditions, the Company covenants with Roynat that so long as this Debenture remains outstanding the Company shall:

- (i) execute and deliver all such documents as may be necessary to maintain in force the pre-authorized payment system specified in the Offer of Finance;
- (ii) ~~along with its associated company, Wayman Industrial Services Corp. maintain combined working capital at all times at a ratio of 1.00:1~~
- (iii) maintain a debt service coverage ratio of 1.20:1 measured annually at fiscal year end;

Debt Service Coverage is defined as:

[Net Profit + Deferred Taxes + Depreciation + after tax shareholder bonus (as permitted) + interest on long term debt + shareholder advances] divided by [Roynat Principal & Interest + payments under capital leases + unfunded capital expenditures + principal and interest payments of third party long term lenders] + dividends + reimbursed Shareholder loan + other shareholder draws.

- (iv) cause Aaron Waxman to postpone repayment of his loan totalling \$535,000.00 and interest thereon, however provided there is no default interest at the rate of 5% per annum may be paid;

- 4 -

- (v) cause Jeremy Waxman to postpone repayment of his loan totalling \$535,000.00 and interest thereon, however provided there is no default interest at the rate of 5% per annum may be paid;
 - (vi) cause shareholders of Waxman Industrial Services Corp to postpone repayment of their loans totalling \$1,006,000.00 and interest thereon, however provided there is no default interest at the rate of 5% per annum may be paid. Notwithstanding above payments will be allowed subject to concurrence from Roynat;
 - (vii) ensure voting control the Company vested equally in Aaron Waxman and Jeremy Waxman not to change without Roynat's prior written approval;
 - ~~(viii) ensure voting control of Waxman Industrial Services Corp now vested in Aaron Waxman (75%) and Jeremy Waxman (25%) not to change without Roynat's prior written approval;~~
 - (ix) on request provide Roynat with evidence (on a semi-annual basis, or more frequently, if requested) confirming all superpriority remittances are current. Superpriorities include all statutory remittances including but not limited to source deductions for income tax, CPP and Employment Insurance Premiums; and
 - (x) pay to Roynat on the 15th day of each month during the term hereof commencing September 15, 2010 the sum equal to 1/12 of the Company's annual property taxes. The Company shall deliver to Roynat all tax bills received by it 30 days prior to each tax payment due date. Roynat shall apply these funds to the Company's municipal property taxes as they fall due. Should the funds held by Roynat not be sufficient to make full payment, the Company will pay to Roynat any shortfall prior to the property tax due date. Roynat will not be held responsible for any penalties, interest, or other payments assessed by the municipality for failure to pay municipal property taxes on the date due for any reason whatsoever. Roynat shall credit the Company with interest at Roynat's Floating Base Rate minus 2% per annum, on the funds which Roynat holds on deposit;
9. **Offer of Finance.** This Debenture is being issued by the Company to Roynat pursuant to the terms of a certain letter agreement between the Company and Roynat dated July 26, 2010 (such letter agreement including any amendments, restatements or substitutes thereto being herein called the "Offer of Finance"). All terms and conditions of the Offer of Finance shall remain in full force and effect, except to the extent inconsistent with the provisions of this Debenture.
10. **Maximum Recovery.** If any amounts, whether on account of interest, fees, bonus or additional consideration, becomes payable to or is received by Roynat pursuant to this Debenture, the Offer of Finance, any other security document or other agreement which would exceed the maximum amount recoverable under applicable law on moneys advanced by Roynat:
- (a) any amounts so payable shall be reduced and are hereby limited to the maximum amount recoverable under applicable law;
 - (b) any amounts so received by Roynat shall, at Roynat's option, either be returned to the Company or, notwithstanding Section 3 hereof, be deemed to have been received by Roynat as a partial redemption of this Debenture and shall be credited against principal payable hereunder in inverse order of maturity; and
 - (c) if paragraph (a) requires the reduction in an amount or amounts payable to Roynat, Roynat in its sole discretion shall determine which amount or amounts shall be reduced to ensure compliance with this Section 10.
11. **Extensions and Amendments.** Any agreement for the extension of the time of payment of the moneys hereby secured or any part thereof made at, before or after maturity, and prior to the execution of a discharge or release of this Debenture, or any agreement for altering the term, rate of interest (whether increased or decreased), the amount of the principal payments hereunder or any other covenant or condition hereof, need not be registered in any office of public record but shall be effectual and binding upon the Company and upon every subsequent mortgagee, chargee, encumbrancer or other person claiming an interest in the Mortgaged Premises or any part thereof when executed by the Company and delivered to Roynat.
12. **Receipt.** The Company hereby acknowledges receipt of a true copy of this Debenture and, to the extent permitted by law, waives all rights to receive from Roynat a copy of any financing statement or financing change statement filed, or any verification statement received, at any time in respect of this Debenture or any supplemental or collateral security granted to Roynat.

- 5 -

13. Governing Law and Headings. This Debenture shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The division of this Debenture into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Debenture.
14. Invalidity, etc. Each of the provisions contained in this Debenture is distinct and severable and a declaration of invalidity, illegality or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision of this Debenture.
15. Interest Calculations. Interest payable on the Debenture shall be payable both before and after demand, default and judgement at the Loan Rate with interest on overdue interest at the same rate. For the purposes of the *Interest Act* (Canada), the yearly rate of interest applicable to amounts owing on this Debenture shall be calculated on the basis of a 365 day year.

(IN WITNESS WHEREOF the Company has executed this Debenture.

WAXMAN REALTY COMPANY INC.

By: _____

Name: Aaron Waxman

Title: President, Secretary and Treasurer

c/s

Schedule "A"-- this belongs with Debenture - Floating Rate

SCHEDULE "A"

1. THE COMPANY HEREBY DECLARES, COVENANTS AND AGREES THAT IT:

- (a) **As to Title** - is the sole legal and beneficial owner of the Mortgaged Premises and owns the same free of all encumbrances other than Permitted Encumbrances;
- (b) **Further Assurances** - shall at its expense on the request of Roynat, execute and deliver to Roynat such further assurances and documents as Roynat may require to perfect Roynat's security on all or any part of the Mortgaged Premises, or to specifically charge any or all of the property then subject to the floating charge created hereby;
- (c) **Pay Costs** - shall pay all costs and expenses (including complete reimbursement for 100% of all legal fees and disbursements) of Roynat incidental to or which in any way relates to this Debenture or its enforcement including:
 - (i) the preparation, execution and filing of this Debenture and any instruments postponing, discharging, amending, extending or supplemental to this Debenture or any security required by any Offer of Finance ("Roynat's Security");
 - (ii) perfecting and keeping perfected Roynat's Security; (iii) maintaining the intended priority of Roynat's Security on all or any part of the Mortgaged Premises; (iv) taking, recovering or possessing the Mortgaged Premises;
 - (v) taking any actions or other proceedings to enforce the remedies provided herein or otherwise in relation to this Debenture or the Mortgaged Premises, or by reason of a default hereunder or the non-payment of the moneys hereby secured; (vi) taking proceedings, giving notices and giving responses required under any applicable law concerning or relating to Roynat's Security, including compliance with the provisions of applicable bankruptcy, insolvency, personal property security and mortgage enforcement legislation; (vii) any inspections required to be made to the Mortgaged Premises, or the review of any plans, specifications or other documentation which may require the approval or consent of Roynat; (viii) responding to or participating in proceedings in the nature of those described in Sections 9(e), (f) and (g) hereof; and (ix) obtaining the advice of counsel and other advisors in relation to the foregoing;

all such costs and expenses and other monies payable hereunder, together with interest at the Loan Rate, shall be payable on demand and shall upon being incurred by Roynat be secured hereby and constitute a charge on the Mortgaged Premises and any proceeds of realization;

- (d) **To Pay Rents and Taxes** - shall pay all rents, taxes and assessments lawfully imposed upon the Mortgaged Premises or any part thereof and upon the income and profits of the Company when the same become due and payable, shall show to Roynat on request receipts for such payment;
- (e) **To Maintain Corporate Existence and Security** - shall maintain its corporate existence, shall keep the Mortgaged Premises in good condition and repair, shall maintain the security hereby created as a valid and effective security at all times so long as any moneys are outstanding hereunder, shall carry on and conduct its business in a proper and efficient manner and in accordance with all applicable laws, regulations and judgments, shall not materially alter the kind of business carried on by it, shall advise Roynat promptly in writing of any proposed change in its name, shall observe and perform all of its obligations under leases, licences and other agreements in which it is a party so as to preserve and protect the Mortgaged Premises and the income therefrom, and shall keep proper books of accounts with correct entries of all transactions in relation to its business;
- (f) **Not to Sell** - shall not, except as otherwise permitted hereunder, remove, destroy, lease, sell or otherwise dispose of any of the Mortgaged Premises; provided that the Company may sell or otherwise dispose of furniture, machinery, equipment, vehicles and accessories in any consecutive twelve month period having a total value of less than \$100,000 which have become worn out or damaged or otherwise unsuitable for their purposes on condition that it shall substitute therefor, subject to the lien hereof and free from prior liens or charges, property of equal value so that the security hereby constituted shall not thereby be in any way reduced or impaired. If any Offer of Finance provides that the Company is permitted to sell or otherwise dispose of any Mortgaged Premises, at Roynat's option the proceeds of such sold or disposed of Mortgaged Premises shall be applied against those monies owing hereunder designated by Roynat at its discretion;
- (g) **No Other Liens** - shall not create, assume or suffer to exist any charge, lien, federal or provincial government priority claim arising pursuant to statute including any deemed trust, security interest or encumbrance upon any Mortgaged Premises other than Permitted Encumbrances; provided that no provision hereof shall be construed as a subordination or postponement of the security interest created hereunder to or in favour of any other charge, lien, security interest or encumbrance, whether or not it is a Permitted Encumbrance;

- 7 -

- (h) **To Hold Proceeds of Unauthorized Sale in Trust** - in the event the Mortgaged Premises or any part thereof are sold or disposed of prior to the full discharge of this Debenture by Roynat, in any manner not authorized by this Debenture, shall hold all proceeds of such sale or disposition received by the Company as trustee for Roynat until the Company has been fully released from this Debenture by Roynat;
- (i) **To Insure** - shall keep insured the Mortgaged Premises with reputable insurers approved by Roynat in such amounts against loss or damage by fire and other causes or perils as Roynat may reasonably require and shall pay all premiums necessary for such purposes as the same shall become due. All policies of insurance issued in respect of the Mortgaged Premises and all proceeds thereof are hereby assigned to Roynat as security for the Company's obligations hereunder. Each policy of insurance shall show Roynat as loss payee, as its interest may appear, shall contain such mortgage clauses as Roynat may require, shall be in terms satisfactory to Roynat and, at the request of Roynat, shall be delivered to and held by Roynat subject to the rights of holders of Permitted Encumbrances;
- (j) **To Furnish Proofs** - shall forthwith on the happening of any loss or damage furnish at its expense all necessary proofs and do all necessary acts to enable Roynat to obtain payment of the insurance moneys subject to the rights of holders of Permitted Encumbrances;
- (k) **Inspection by Roynat** - shall allow any employees or third parties retained by Roynat at any reasonable time to enter the premises of the Company to inspect the Mortgaged Premises, including without limitation the right to undertake soil, ground water, environmental or other tests, measurements or surveys in, on or below the Mortgaged Premises, and to inspect the books and records of the Company and make extracts therefrom, and shall permit Roynat prompt access to such other persons as Roynat may deem necessary or desirable for the purposes of inspecting or verifying any matters relating to any part of the Mortgaged Premises or the books and records of the Company, provided that any information so obtained shall be kept confidential, save as required by Roynat in exercising its rights hereunder or pursuant to any applicable law or court order. The Company shall pay all costs and expenses of third parties (including complete reimbursement for 100% of all legal fees and disbursements) retained by Roynat for purposes of inspection under this Section 1(k);
- (l) **Deliver Financial Statements** - shall deliver to Roynat within 90 days of the close of each financial year of the Company one copy of the annual financial statements for that year, including the balance sheet and statements of income, retained earnings and changes in financial position, prepared on a non-audit review basis by a firm of accountants satisfactory to Roynat, (presently a CMA) and within 45 days after the first half of each of the Company's financial years, one copy of the interim financial statements, all of which financial statements shall be signed by an authorized officer of the Company and prepared in accordance with generally accepted accounting principles; provided that Roynat may by written notice require audited financial statements, accompanied by the report of the Company's auditors, and after the giving of such notice all annual financial statements required hereby shall be audited. The Company shall at the same time deliver to Roynat copies of all management reports prepared by the accountants or auditors of the Company together with any other statements stipulated in the Offer of Finance;
- The Company shall cause 1340923 Ontario Inc. to provide its financial statements on the same basis as set out above.
- ~~The Company shall cause Waxman Industrial Services Corp. to deliver to Roynat its annual financial statements prepared on a non-audit review basis by a firm of licensed public accountants within 90 days after the end of each financial year and to deliver to Roynat its unaudited semi-annual financial statements within 45 days after the end of each financial year. The Company shall cause Waxman Industrial Services Corp. to deliver to Roynat its audited annual financial statements on all subsequent year-ends upon Roynat's written request. All unaudited financial statements will be approved by the signature of an Officer of the Waxman Industrial Services Corp.~~
- (m) **Not to Create Charges** - without the prior written consent of Roynat, shall not create or suffer to exist any charge or encumbrance over all or any portion of the Mortgaged Premises other than Permitted Encumbrances, and shall not permit any subsidiary to mortgage, charge or otherwise encumber any of its property or assets or issue any bonds, debentures, shares or other securities, except to the Company;
- (n) **Not to Remove** - prior to the removal of any of the Mortgaged Premises from the province in which it is situated at the date of this Debenture or to leasehold property, the Company shall effect such further registrations and obtain such other consents and give such other security, at the sole cost and expense of the Company, as may be required or desirable to protect or preserve the security hereby created, and the Company shall forthwith notify Roynat of the intended removal and the action proposed to be taken.

- 8 -

- (o) No Actions - has received no notice of and has no knowledge of any pending, potential or threatened litigation or claim for judicial or administrative action which would adversely affect the Mortgaged Premises or their use or market value;
- (p) Compliance with Environmental Laws -
 - (i) shall conduct and maintain the Mortgaged Premises and its business operations, and shall cause any tenant of the Mortgaged Premises to maintain the Mortgaged Premises and its business operations, so as to comply in all respects with all applicable Environmental Laws, including obtaining all necessary licenses, permits, consents and approvals required to own or operate the Mortgaged Premises and the business carried out on, at or from the Mortgaged Premises;
 - (ii) except as specifically permitted by Roynat in writing, the Company shall not permit or suffer to exist, Contaminants or dangerous or potentially dangerous conditions in, on or below the Mortgaged Premises including, without limitation, any polychlorinated biphenyls, radio-active substances, underground storage tanks, asbestos or urea formaldehyde foam insulation;
 - (iii) has no knowledge of the existence of Contaminants or dangerous or potentially dangerous conditions at, on or under the Mortgaged Premises or any properties in the vicinity of the Mortgaged Premises which could affect the Mortgaged Premises or the market value thereof or in levels that exceed the standards in Environmental Laws;
 - (iv) has no knowledge of the Mortgaged Premises, or any portion thereof, having been used for the disposal of waste;
 - (v) has not given or received, nor does it have an obligation to give, any notice, claim, communication or information regarding any past, present, planned or threatened treatment, storage, disposal, presence, release or spill of any Contaminant at, on, under or from the Mortgaged Premises or any property in the vicinity of the Mortgaged Premises, including any notice pursuant to any Environmental Laws or any environmental report or audit. The Company shall notify Roynat promptly and in reasonable detail upon receipt of any such claim, notice, communication or information or if the Company becomes aware of any violation or potential violation of the Company or any tenant of the Mortgaged Premises, of any Environmental Laws and shall describe therein the action which the Company intends to take with respect to such matter;
 - (vi) shall at the Company's expense establish and maintain a system to assure and monitor continued compliance with, and to prevent the contravention of, Environmental Laws, which system shall include periodic reviews of such compliance system;
 - (vii) shall provide annual confirmation to Roynat that the Company is in compliance with all applicable Environmental Laws and that there is no default under this Section 1(p). The Company shall provide Roynat with its annual environmental questionnaire duly completed;
 - (viii) shall promptly advise Roynat in writing of any material adverse change in the environmental or other legal requirements affecting the Company or the Mortgaged Premises upon the Company becoming aware of any such change, and the Company shall provide Roynat with a copy of any of the orders, by-laws, agreements or other documents pursuant to which any such change is effected or documented;
 - (ix) shall at the Company's expense promptly take or cause to be taken any and all necessary remedial or clean-up action in response to the presence, storage, use, disposal, transportation, release or discharge of any Contaminant in, on, under or about any of the Mortgaged Premises, or used by the Company or any tenant of the Mortgaged Premises, in compliance with all material laws including, without limitation, Environmental Laws, and in accordance with the orders and directions of all applicable federal, state, provincial, municipal and local governmental authorities;
 - (x) shall deliver to Roynat a true and complete copy of all environmental audits, evaluations, assessments, studies or tests relating to the Mortgaged Premises or the Company now in its possession or control or forthwith after the completion thereof, or upon such materials coming into the Company's possession or control;

- 9 -

- (xi) shall at the Company's expense, if reasonably requested by Roynat in writing, retain an environmental consultant acceptable to Roynat, acting reasonably, to undertake environmental tests and to prepare a report or audit with respect to the Mortgaged Premises and deliver same to Roynat for its review; and
 - (xii) shall indemnify and save harmless Roynat, its officers, directors, employees, agents and shareholders from and against all losses, liabilities, damages or costs suffered arising from or relating to any breach of the foregoing covenants of this Section 1(p), any breach by the Company, any tenant or any other person now or hereafter having an interest in the Mortgaged Premises which is asserted or claimed against Roynat in connection with environmental matters referred to in this Section 1(p); the presence, in any form, of any Contaminant on or under the Mortgaged Premises, or the discharge, release, spill or disposal of any contaminant by the Company, which is asserted or claimed against any of these indemnified persons and including, without limitation, complete reimbursement for 100% of all legal fees and disbursements and the cost or expense of any environmental investigation, the preparation of any environmental or similar report, and the costs of any remediation. This indemnity shall survive the payment in full of all amounts secured hereunder and the discharge of this Debenture. Roynat shall hold the benefit of this indemnity in trust for those indemnified persons who are not parties to this Debenture.
2. **Waiver of Covenants.** Roynat may waive in writing any breach by the Company of any of the provisions contained in this Debenture or any default by the Company in the observance or performance of any covenant or condition required to be observed or performed by the Company hereunder, provided that no such waiver or any other act, failure to act or omission by Roynat shall extend to or be taken in any manner to affect any subsequent breach or default or the rights of Roynat resulting therefrom.
 3. **Performance of Covenants by Roynat.** If the Company shall fail to perform any covenant on its part herein contained, Roynat may in its absolute discretion perform any such covenant capable of being performed by it, but Roynat shall be under no obligation to do so. If any such covenant requires the payment of money or if the Mortgaged Premises or any part thereof shall become subject to any charge ranking in priority to the lien hereof, Roynat may in its absolute discretion make such payment and/or pay or discharge such charge, but shall be under no obligation to do so. All sums so paid by Roynat, together with interest at the Loan Rate, shall be payable by the Company on demand and shall constitute a charge upon the Mortgaged Premises. No such performance or payment shall relieve the Company from any default hereunder or any consequences of such default.
 4. **Appointment of Monitor.** If in the opinion of Roynat, acting reasonably, a material adverse change has occurred in the financial condition of the Company, or if Roynat in good faith believes that the ability of the Company to pay any of its obligations to Roynat or to perform any other covenant contained herein has become impaired or if an event of default has occurred, Roynat may by written notice to the Company, appoint a monitor (the "Monitor") to investigate any or a particular aspect of the Company or its business and affairs for the purpose of reporting to Roynat. The Company shall give the Monitor its full co-operation, including full access to facilities, assets and records of the Company and to its creditors, customers, contractors, officers, directors, employees, auditors, legal counsel and agents. The Monitor shall have no responsibility for the affairs of the Company nor shall it participate in the management of the Company's affairs and shall incur no liability in respect thereof or otherwise in connection with the Company, its business and affairs or the Mortgaged Premises. The Monitor shall act solely on behalf of Roynat and shall have no contractual relationship with the Company as a consultant or otherwise. The appointment of a Monitor shall not be regarded as an act of enforcement of this Debenture. All reasonable fees and expenses of the Monitor (including complete reimbursement for 100% of all legal fees and disbursements) shall be paid by the Company upon submission to it of a written invoice therefor. Roynat may at its option upon the occurrence of an event of default appoint or seek to have appointed the Monitor as Receiver, receiver and manager, liquidator, or trustee in bankruptcy of the Company or the Mortgaged Premises or any part thereof.
 5. **Application of Insurance Proceeds.** Any insurance moneys received by Roynat pursuant to Sections 1(f) and/or 1(g) above may at the option of Roynat be applied to rebuilding or repairing the Mortgaged Premises, or be paid to the Company, or any such moneys or any insurance moneys received by Roynat upon the death of any person whose life is insured under any policy of insurance assigned to Roynat as security for the obligations of the Company hereunder may be applied in the sole discretion of Roynat, in whole or in part, to the repayment of the principal amount hereby secured or any part thereof whether then due or not, with any partial payments to be credited against principal instalments payable hereunder in inverse order of their maturity dates.
 6. **No Merger or Novation.** The taking of any judgment or the exercise of any power of seizure or sale shall not operate to extinguish the liability of the Company to perform its obligations hereunder or to pay the moneys hereby secured, shall not operate as a merger of any covenant herein contained or affect the right of Roynat to interest at the Loan Rate in effect from time to time hereunder, and the acceptance of any payment or other security shall not constitute or create any novation. The execution and delivery of this Debenture or of any instruments or documents supplemental hereto shall not operate as a

- 10 -

merger of any representation, warranty, term, condition or other provision contained in any other obligation or indebtedness of the Company to Roynat or under any Offer of Finance.

7. **Security in Addition.** The security hereby constituted is in addition to any other security now or hereafter held by Roynat. The taking of any action or proceedings or refraining from so doing, or any other dealings with any other security for the moneys secured hereby, shall not release or affect the charges created hereby.
8. **Partial Discharges.** Roynat may in its sole discretion grant partial discharges or releases of security in respect of any of the Mortgaged Premises on such terms and conditions as it shall deem fit and no such partial discharges or releases shall affect the remainder of the security constituted hereby nor shall it alter the obligations of the Company hereunder.
9. **Events of Default.** The whole of the principal balance remaining unpaid together with interest and all other moneys secured by this Debenture shall, at the option of Roynat, become immediately due and payable and the security hereby created shall become enforceable in each of the following events (each event being herein called an "event of default"):
 - (a) if the Company defaults in payment of the principal of or interest on this Debenture or on any other indebtedness of the Company to Roynat when the same becomes due;
 - (b) if the Company ceases or threatens to cease to carry on its business or defaults in the performance or observance of any of the covenants contained in Section 8(b) of the Debenture or in Sections 1(f), (g), (k), (m) or (n) of this Schedule or Section 4 of this Schedule;
 - (c) if the Company defaults in the performance of any covenant or covenants contained in this Debenture, other than as referred to elsewhere in this Section 9, in any other security previously, now or hereafter granted to Roynat by the Company or in any other instrument or agreement (including any offer of finance) which the Company and Roynat are now or hereafter parties to (whether alone or with others) or issued by either the Company or Roynat to the other, and such default continues for ten (10) days after written notice thereof to the Company by Roynat. For the purposes of this Section 9(c) and Section 9(j) hereof, "Roynat" shall include any affiliate which includes "Roynat" in its name including Roynat Capital Inc., Roynat Business Inc. and Roynat Business Capital Inc.;
 - (d) if there is any material misrepresentation or misstatement contained in any certificate or document delivered by the Company or an officer or director of the Company in connection with any financing provided by Roynat including the financing provided for in this Debenture;
 - (e) if the Company institutes any proceeding or takes any corporate action or executes any agreement or notice of intention to authorize its participation in or commencement of any proceeding (i) seeking to adjudicate it a bankrupt or insolvent, or (ii) seeking liquidation, dissolution, winding up, restructuring, reorganization, arrangement, protection, relief or composition of it or any of its property or debt or making a proposal with respect to it under any law relating to bankruptcy, insolvency, reorganization or compromise of debts or other similar laws (including, without limitation, any application under the Companies' Creditors Arrangement Act or any reorganization, arrangement or compromise of debt under the laws of its jurisdiction of incorporation or organization);
 - (f) the Company becomes bankrupt or insolvent or commits an act of bankruptcy, or any proceeding is commenced against or affecting the Company:
 - (i) seeking to adjudicate it a bankrupt or insolvent;
 - (ii) seeking liquidation, dissolution, winding up, restructuring, reorganization, arrangement, protection, relief or composition of it or any of its property or debt or making a proposal with respect to it under any law relating to bankruptcy, insolvency, reorganization or compromise of debts or other similar laws (including, without limitation, any reorganization, arrangement or compromise of debt under the laws of its jurisdiction of incorporation or organization); or
 - (iii) seeking appointment of a receiver, receiver and manager, liquidator, trustee, agent, custodian or other similar official for it or for any part of its properties and assets, including the Mortgaged Premises or any part thereof;
 - (g) any order or judgment is issued by a court granting any of the relief referred to in Section 9(f) hereof;

- 11 -

- (h) if an encumbrancer or secured creditor shall appoint a receiver or agent or other similar official, or commence power of sale proceedings, over any part of the Mortgaged Premises, or take possession of any part of the Mortgaged Premises or if any execution, distress or other process of any court becomes enforceable against any of the property of the Company, or a distress or like process is levied upon any of such property;
- (i) if the Company takes any corporate proceedings for its dissolution, liquidation or amalgamation with another company or if the corporate existence of the Company shall be terminated by expiration, forfeiture or otherwise;
- (j) if any guarantor of the obligations of the Company to Roynat defaults in the performance of any condition or covenant in favour of Roynat or if any party to an instrument or agreement supplemental or collateral to this Debenature or the financing provided for herein defaults thereunder, and such default continues for ten (10) days after written notice thereof to the Company by Roynat;
- (k) if Roynat, in good faith and upon commercially reasonable grounds, believes that the prospect of payment or performance of any of the obligations is or is about to be impaired or that the Mortgaged Premises or any part thereof is or is about to be placed in jeopardy;
- (l) if Voting Control of the Company shall change without the prior written consent of Roynat; or
- (m) if a default or acceleration occurs under any agreement, promissory note, debt obligation, guarantee or otherwise now or hereafter granted by the Company to any bank or other financial institution or to any other lender of funded indebtedness.

10. **Enforcement.** Upon the happening of any event of default, Roynat may exercise any rights, powers or remedies available to Roynat at law or in equity or under applicable legislation and, in addition, shall have the following rights, powers and remedies:

- (a) to enter upon and take possession of all or any part of the Mortgaged Premises;
- (b) to hold, use, repair, preserve and maintain all or any part of the Mortgaged Premises and make such replacements thereof and additions thereto as Roynat shall deem advisable;
- (c) to exercise all powers necessary to the performance of all functions provided for herein including without limitation the powers to purchase on credit, to borrow money in the Company's name or in its own name and to advance its own money to the Company at such rates of interest as it may deem reasonable;
- (d) to sell, for cash or credit or part cash and part credit, lease or dispose of or otherwise realize upon all or any part of the Mortgaged Premises whether by public auction or by private sale or lease in such manner as Roynat in its absolute discretion may determine, provided that it shall not be incumbent on Roynat to sell, lease or dispose of the said property but that it shall be lawful for Roynat peaceably to use and possess the same without hindrance or interruption by the Company, or any other person or persons whomsoever, and to receive income from such property and to convey, transfer and assign to a purchaser or purchasers the title to any undertaking, property and assets so sold and provided further that in the case of a sale on credit Roynat shall only be liable to account to the Company, any subsequent encumbrancers and others for moneys actually received by Roynat;
- (e) to appoint by instrument in writing any person or persons to be a Receiver of all or any portion of the undertaking, property and assets hereby charged, to fix the Receiver's remuneration and to remove any Receiver so appointed and appoint another or others in his stead;
- (f) to apply to any court of competent jurisdiction for the appointment of a Receiver of all or any portion of the undertaking, property and assets hereby charged; and
- (g) to retain the Mortgaged Premises in satisfaction of the monies owing hereunder.

11. **Powers of Receiver.**

- (a) Any Receiver shall have all of the powers of Roynat set out in Section 10 of this Schedule and, in addition, shall have the following powers:
 - (i) to carry on the business of the Company and to enter into any compromise or arrangement on behalf of the Company; and

- 12 -

- (ii) with the prior written consent of Roynat to borrow money in his name or in the Company's name, for the purpose of carrying on the business of the Company and for the preservation and realization of the undertaking, property and assets of the Company including, without limitation, the right to pay persons having prior charges or encumbrances on properties on which the Company may hold charges or encumbrances, with any amount so borrowed and any interest thereon to be a charge upon the Mortgaged Premises in priority to this Debenture;

(b) Any Receiver appointed pursuant to the provisions hereof shall be deemed to be an agent of the Company for the purposes of:

- (i) carrying on and managing the business and affairs of the Company, and
- (ii) establishing liability for all of the acts or omissions of the Receiver while acting in any capacity hereunder and Roynat shall not be liable for such acts or omissions,

provided that, without restricting the generality of the foregoing, the Company irrevocably authorizes Roynat to give instructions to the Receiver relating to the performance of its duties as set out herein.

12. Application of Moneys. All moneys actually received by Roynat or by the Receiver pursuant to Sections 10 and 11 of this Schedule shall be applied:

- (a) first, in payment of claims, if any, of secured creditors of the Company, including any claim of the Receiver pursuant to Section 11(a), ranking in priority to the charges created by this Debenture as directed by Roynat or the Receiver;
- (b) second, in payment of all costs, charges and expenses of and incidental to the appointment of the Receiver (including complete reimbursement for 100% of all legal fees and disbursements) and the exercise by the Receiver or Roynat of all or any of the powers granted to them under this Debenture, including the reasonable remuneration of the Receiver or any agent or employee of the Receiver or any agent of Roynat and all outgoings properly paid by the Receiver or Roynat in exercising their powers as aforesaid;
- (c) third, in or towards the payment to Roynat of all moneys due to it by the Company in such order as Roynat in its sole discretion may determine;
- (d) fourth, in or towards the payment of the obligation of the Company to persons, if any, with charges or security interests against the Mortgaged Premises ranking subsequent to those in favour of Roynat; and
- (e) fifth, subject to applicable law, any surplus shall be paid to the Company.

13. Restriction on Company and its Officers and Directors. Upon the Company receiving notice from Roynat of the taking of possession of the Mortgaged Premises or the appointment of a Receiver, all the powers, functions, rights and privileges of each of the directors and officers of the Company with respect to the properties, business and undertaking of the Company shall cease unless specifically continued by the written consent of Roynat.

14. Discharge and Satisfaction. Upon payment by the Company to Roynat of all moneys hereby secured, these presents shall cease and become null and void and the Mortgaged Premises shall revert in the Company without any acknowledgement or formality, but Roynat shall upon the request and at the expense of the Company, execute and deliver to the Company a full release and discharge.

15. No Obligation to Advance. Neither the issue and delivery of this Debenture nor the advance of any funds hereunder shall obligate Roynat to advance any further funds hereunder or otherwise make credit available to the Company, nor will Roynat have any liability for any failure or delay on its part to exercise any rights hereunder.

16. Limited Power of Attorney. The Company hereby appoints Roynat as the Company's attorney, with full power of substitution, in the name and on behalf of the Company, to execute, deliver and do all such acts, deeds, leases, documents, transfers, demands, conveyances, assignments, contracts, assurances, consents, financing statements and things as the Company has agreed to execute, deliver and do hereunder, under any Offer of Finance or otherwise, or as may be required by Roynat or any Receiver to give effect to this Debenture or in the exercise of any rights, powers or remedies hereby conferred on Roynat or any Receiver, and generally to use the name of the Company in the exercise of all or any of the rights, powers or remedies hereby conferred on Roynat or any Receiver. This appointment, being coupled with an interest, shall not be

revoked by the insolvency, bankruptcy, dissolution, liquidation or other termination of the existence of the Company or for any other reason.

17. **Amalgamation.** The Company acknowledges that if it amalgamates with any other corporation or corporations (a) the Mortgaged Premises and the lien created hereby shall extend to and include all the property and assets of each of the amalgamating corporations and the amalgamated corporation and to any property or assets of the amalgamated corporation thereafter owned or acquired, and (b) the term "Company", where used herein shall extend to and include each of the amalgamating corporations and the amalgamated corporation. Nothing in this Section 17 shall be interpreted as permitting the Company to amalgamate in violation of any covenant of the Company contained herein or in any other agreement binding the Company.
18. **Assignment.** This Debenture may be assigned by Roynat to any other person and, if so assigned, the assignee shall have and be entitled to exercise any and all discretions, rights and powers of Roynat hereunder, and all references herein to Roynat shall include such assignee. The Company may not assign this Debenture or any of its rights or obligations hereunder. This Debenture 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 Debenture and the security interest or any part thereof to enforce any rights hereunder, the Company shall not assert against the assignee any claims or defence which the Company now has or hereafter may have against Roynat.
19. **Judgment Currency.** To the extent permitted by applicable law, the obligations of the Company in respect of any amount due under this Debenture shall, notwithstanding any payment in any other currency (the "Other Currency") (whether pursuant to a judgment or otherwise), be discharged only to the extent of the amount in the currency in which it is due (the "Agreed Currency") that Roynat may, in accordance with normal banking procedures, purchase with the sum paid in the Other Currency (after any premium and costs of exchange) on the Business Day immediately after the day on which Roynat receives the payment. If the amount in the Agreed Currency that may be so purchased for any reason falls short of the amount originally due, the Company shall pay all additional amounts, in the Agreed Currency, as may be necessary to compensate for the shortfall. Any obligation of the Company not discharged by that payment shall, to the extent permitted by applicable law, be due as a separate and independent obligation and, until discharged as provided in this Section, continue in full force and effect.
20. **Taxes and Reserve.** In case Roynat is or becomes subject to any tax with respect to payments of principal, interest or other amounts by the Company hereunder (except for taxes on the overall net income of Roynat) or to any reserve or similar requirement against assets held by, or deposits in or for the account of, or loans by, an office of Roynat, or to any other condition with respect to this Debenture (an "Obligation"), and the result of any of the foregoing is to increase the cost to Roynat of making or maintaining the loan provided for herein or to reduce the income receivable by Roynat in respect of the loan provided for herein, then the Company shall pay to Roynat on demand that amount which shall compensate Roynat for such additional cost or reduction in income. In addition, the Company shall indemnify, defend and hold Roynat harmless from and against the payment or incurring of an Obligation. The Company shall pay any amounts owing pursuant to the preceding sentences upon demand. A certificate of Roynat setting forth the amount of such additional compensation or indemnity amount and the basis therefore shall be submitted by Roynat to the Company and shall be conclusive evidence, in the absence of manifest error, of such amount.
21. **Interpretation.** As used herein the following expressions shall have the following meanings:
 - (a) "Applicable Period", with respect to any Interest Period, means the period commencing on the 8th day of the month in which such Interest Period commences and ending on the 7th day of the following month, except that if the rate of interest hereunder is being determined:
 - (i) for the purpose of redemption by the Company, the Applicable Period shall end on the 7th day preceding the redemption date; or
 - (ii) for any other purpose, other than the payment of interest on the day following an Interest Period, the Applicable Period shall end on the day preceding the day on which the rate is being determined and the following Applicable Period shall commence on such day.
 - (b) "Business Day" means any day except Saturday, Sunday or a statutory holiday.
 - (c) "Contaminant" means any solid, liquid, gas, odour, heat, sound, smoke, waste, vibration, radiation or combination of any of them resulting directly or indirectly from human activities that may cause: (i) impairment of the quality of the natural environment for any use that can be made of it, (ii) injury or damage to property or to plant or animal life, (iii) harm or material discomfort to any person, (iv) an adverse affect on the health of any person,

- (v) impairment of the safety of any person, (vi) rendering any property or plant or animal life unfit for use by man, (vii) loss of enjoyment of normal use of property, or (viii) interference with the normal conduct of business, and includes any pollutant or contaminant as defined in any applicable Environmental Laws and any biological, chemical or physical agent which is regulated, prohibited, restricted or controlled.
- (d) "Environmental Laws" means the common law and all applicable federal, provincial, local, municipal, governmental or quasi-governmental laws, rules, regulations, licences, orders, permits, decisions or requirements concerning Contaminants, occupational or public health and safety or the environment and any other order, injunction, judgment, declaration, notice or demand issued thereunder;
- (e) "Interest Period" means each monthly period commencing on the 15th day of a month and ending on the 14th day of the following month.
- (f) "Inventory" means property of the Company held for sale including products purchased for resale, finished goods, work in process and raw materials but not including any property not intended to be directly incorporated in finished goods or products to be sold.
- (g) "Loan Rate" means the rate of interest specified in Section 2 of the Debenture.
- (h) "Permitted Encumbrances" means any of the following:
- (i) liens for taxes, assessments, governmental charges or levies not at the time due;
 - (ii) easements, rights of way or other similar rights in land existing at the date of this Debenture which in the aggregate do not materially impair the usefulness in the business of the Company of the property subject thereto;
 - (iii) rights reserved to or vested in any municipality or governmental or other public authority by the terms of any lease, licence, franchise, grant or permit, or by any statutory provision, to terminate the same or to require annual or other periodic payments as a condition to the continuance thereof;
 - (iv) any lien or encumbrance the validity of which is being contested by the Company in good faith and in respect of which either there shall have been deposited with Roynat cash in an amount sufficient to satisfy the same or Roynat shall be otherwise satisfied that its interests are not prejudiced thereby;
 - (v) any reservations, limitations, provisos and conditions expressed in any original grant from the Crown;
 - (vi) title defects or irregularities which, in the opinion of counsel to Roynat, are of a minor nature and in the aggregate shall not materially impair the usefulness in the business of the Company of the property subject thereto;
 - (vii) validly perfected security given by the Company to its banker (but not to more than one banker or banking syndicate) on its Inventory or under assignments of its trade receivables; and
 - (viii) purchase money security interests consisting of any validly perfected charge, lien, security interest or other encumbrance, created, assumed or arising by operation of law after the date hereof, to provide or secure the whole or any part of the consideration for the acquisition of tangible personal property other than Inventory, where
 - (A) the principal amount secured thereby does not exceed the cost to the Company of such property,
 - (B) the Company's obligation to repay is secured only by the property so acquired by the Company,
 - (C) the property is not being acquired as a replacement or substitution for property and assets which are specifically charged hereby, and
 - (D) such security includes the renewal or refinancing of any such purchase money security interest on the same property provided that the indebtedness secured and the security therefor is not increased and remains validly perfected.

- 15 -

- (f) "Receiver" shall include one or more of a receiver, receiver-manager or receiver and manager of all or a portion of the undertaking, property and assets of the Company appointed by Roynat pursuant to this Debenture or by a court of competent jurisdiction.
- (g) "Roynat" means Roynat Inc., its successors and assigns and, where applicable, includes those for whom it acts as nominee or agent.
- (k) "Roynat's Floating Base Rate for the Applicable Period" means, with respect to any Applicable Period, the arithmetic average (rounded to three decimal places) of the annual rate of interest which is the rate determined as being the arithmetic average of the "BA 1 month" rate applicable to Canadian Dollar bankers' acceptances displayed and identified as such on the "Reuters' Screen CDOR Page" (as defined in the International Swap Dealer Association, Inc. definitions, as modified and amended from time to time) as at approximately 10:00 a.m. (Toronto, Ontario time) on each Business Day during such Applicable Period, plus .50%, provided, however, if such rate does not appear on the Reuters' Screen CDOR Page as contemplated on any Business Day during such Applicable Period, then the rate on such Business Day shall be the Prime Lending Rate of The Bank of Nova Scotia as at approximately 10:00 a.m. (Toronto, Ontario time) on such Business Day.
- (l) "Voting Control" means the ownership of a sufficient number of outstanding shares of a corporation to elect a majority of its directors; and "Voting Control of the Company" means the Voting Control of the Company stated in the Offer of Finance or such different Voting Control as shall have been effected with the prior written consent of Roynat.
- (m) "Working Capital" of a company means the excess of its current assets over its current liabilities calculated in accordance with generally accepted accounting principles with any dissent as to the calculation thereof being conclusively resolved by Roynat; and "Consolidated Working Capital" means the Working Capital of the Company and all its subsidiaries calculated on a consolidated basis.

- 16 -

SCHEDULE "B"

4350 Harvester Road, Burlington

PIN 07034-0014 (LT)

Parcel 7-8, Sec N12, Part Lot 7, Conc. 3, south of Dundas Street, Part 1, 20R4669; except Part 9 on 20R9466;
Burlington

Roynat > CAPITAL

July 26, 2010

Confidential

Land Hold-Co TBI
c/o Waxman Industrial Services Corp.
143 Adams Boulevard
Brantford, Ontario
N3S 7V8

Attention: Mr. Aaron Waxman, President

Dear Mr. Waxman

OFFER OF FINANCE

We are pleased to offer you financing in the amount of \$3,165,000 be allocated to the following program:

PROGRAM			
Purpose		Source	
Purchase 96,302 sq. ft. industrial building located at 4350 Harvester Road, Burlington, ON	\$4,220,000	Roynat Inc.	\$3,165,000
Closing Costs	15,000	Shareholder investment	1,070,000
Program Total	\$4,235,000	Program Total	\$4,235,000

Program changes may only be made with our prior written approval.

REPAYMENT

The principal amount of financing is to be repaid as follows:

# of Payments	Payment Amount	Payment Frequency	Payments Start	Payments End	\$ Total
12	9,250	Monthly	Sept. 15, 2010	Aug. 15, 2011	\$ 111,000
12	9,750	Monthly	Sept. 15, 2011	Aug. 15, 2012	117,000
12	10,350	Monthly	Sept. 15, 2012	Aug. 15, 2013	124,200
12	11,050	Monthly	Sept. 15, 2013	Aug. 15, 2014	132,600
11	11,750	Monthly	Sept. 15, 2014	Jul. 15, 2015	129,250
1	2,550,950	Once	Aug. 15, 2015		2,550,950
Total					\$3,165,000

You will make monthly payments, as provided in Schedule "A", to cover your property taxes.

If disbursement is delayed, we may, at our option, extend the dates for scheduled principal repayments.

INTEREST

Interest will be payable on the 15th day of each month at Roynat's Floating Base Rate plus 3.00% per annum.

Once disbursement commences we will advise you monthly of the interest rate in effect and the amount payable on the 15th of that month. Roynat's Floating Base Rate for the latest monthly period was 1.166% per annum.

Roynat's Floating Base Rate for the monthly period will be the arithmetic average of the 1 month rate applicable to Canadian Dollar bankers' acceptances on each Business Day during the monthly period, plus .50%.

✓ You may, as provided in the attached Schedule "A", notify us in writing that you wish to convert the rate of interest to a fixed rate equivalent to Roynat's Term Base Rate plus 3.00% per annum.

"Roynat's Term Base Rate" means, at any time, the annual rate of interest which Roynat establishes at its principal office in Toronto as the reference rate of interest which Roynat will charge for closed fixed rate term loans in Canadian dollars made to its customers in Canada for varying durations and which it refers to as "Roynat's Term Base Rate", for that duration of loan.

SECURITY

This financing will be secured by:

- ✓ 1. Our standard Debenture providing:
 - a) A first charge on all fixed assets including land and building located at 4350 Harvester Road, Burlington, Ontario, equipment, vehicles and inventories of replacement parts, now owned or hereafter acquired
 - b) A first floating charge on all other assets which will permit you to deal with these assets in the ordinary course of business or give security to your Bankers by way of an assignment of Trade Accounts Receivable and Trade Inventories.
- ✓ 2. The joint and several guarantees on our standard form of Aaron Waxman and Jeremy Waxman for \$500,000.
- ✓ 3. The full guarantee on our standard form of Waxman Industrial Services Corp. supported by a General Security Agreement providing a fixed and floating charge on all assets including equipment, vehicles and inventories of replacement parts, now owned and acquired, subject to existing lenders priority. A detailed list of equipment to be provided. *behind existing S.I.*
- ✓ 4. An assignment of the lease(s) and proceeds thereof to be entered into by you with Waxman Industrial Services Corp. and third party tenants but all rentals under the lease shall continue to be paid to you so long as there is no default under the terms of the financing.
- 7 The lease will include an escalation clause ensuring that lease payments from Waxman Industrial Services Corp. will be adjusted as required so that debt service coverage of 1.2 times is maintained.

Such further and/or additional security, certificates of independent legal advice, officer's certificates, legal and title opinions, and other supporting documents as we, or our solicitors, shall require.

Upon acceptance, our Solicitor will contact your Solicitor to obtain the information necessary to prepare the security documents. Our Solicitor's fees and disbursements will be for your account.

INSURANCE

Insurance appropriate to the risks involved, will be maintained by you, with loss payable to either/or (as their interests may appear) Roynat Inc. and Roynat Capital Inc. as mortgagee. Certified copies of the policies are to be provided to us.

COMPANY TO BE INCORPORATED

Until incorporation of the company, the person who accept this Offer of Finance shall be deemed to have accepted it in his personal capacity. Upon adoption of this Offer of Finance by the Company, such person will cease to be bound.

ACCEPTANCE

By signing this Offer of Finance you confirm that the products and/or services offered to you herein will not be used for or on behalf of any individual or entity other than you and the other parties named in the Offer of Finance for whose benefit such products and services are intended unless information about such individuals or entities was previously disclosed to Roynat Inc / Roynat Capital Inc. on a Third Party Determination form.

This Offer of Finance and the attached schedules are open for acceptance until Friday July 30, 2010. If for any reason, you are unable to accept this Offer of Finance by this date, the Offer is cancelled, unless it is renegotiated on terms and conditions acceptable to us. The commitment fee of \$31,500 is earned and payable at the time of acceptance. We acknowledge receipt of \$10,000 which will be applied towards this commitment fee with the balance of \$21,500 now due.

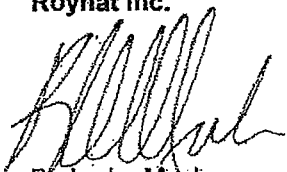
The undersigned may in its discretion arrange for the funding or assignment of all or part of the credit facilities provided for herein, either at the time of the initial disbursement or from time to time in the future, to an affiliate of the undersigned. Following such funding or assignment, the affiliated entity shall have all the rights, remedies and obligations in relation to the applicable credit facilities in lieu of the undersigned.

This Offer of Finance may be executed in any number of counterparts each of which when so executed shall be deemed to be an original and all of such counterparts taken together shall be deemed to constitute one and the same agreement. This Offer of Finance may be delivered, and be binding on the parties, upon the provision of telefaxed execution pages. The party delivering such telefaxed execution pages shall as soon as possible thereafter (and in any event within five days) deliver to the other party an originally executed copy.

Thank you for the opportunity to participate in your long-term financing requirements. We appreciate your business and look forward to receiving your acceptance.

Yours truly,

Roynat Inc.



Barbara Mech
Director & District Manager

ACCEPTANCE**Land Hold Co TBI**

Per: [Signature]
 Name: WAXMAN REALTY COMPANY INC.
 Title: 002251139 ONTARIO INC.
 Date: _____

GUARANTOR'S ACCEPTANCES**Waxman Industrial Services Corp.**

Per: [Signature]
 Name: AARON WAXMAN
 Title: PRESIDENT
 Date: July 30 2010

Guarantor
 Signature: [Signature]
 Name: Aaron Waxman
 Date: July 30 2010

Witness
 Signature: _____
 Name: _____
 Date: _____

Guarantor
 Signature: [Signature]
 Name: Jeremy Waxman
 Date: July 30 2010

Witness
 Signature: _____
 Name: _____
 Date: _____

SCHEDULE "A"

To Offer of Finance dated July 26, 2010

in the amount of \$3,165,000

made by Roynat Inc. to Land Hold-Co TBI

WARRANTY

By your acceptance of this offer of Finance, you warrant that all information which you furnish is true and correct.

DISBURSEMENT

1. Our funds are to be disbursed not later than October 15, 2010 and extension of that date is subject to our approval.
2. Our funds will be disbursed after:
 - a) Roynat is fully satisfied with the quality, value and eligibility of all assets to be financed.
 - b) Satisfaction of insurance requirements.
 - c) Completion of legal documentation satisfactory to Roynat.
 - d) The other funds, if any, required to finance the Program have been provided and that these funds are not borrowed money with charges on any of the Land Hold-Co TBI or Guarantor assets.
 - e) You and your affiliated company Waxman Industrial Services Corp. provide your authority to Roynat by way of the attached Canada Revenue Agency Business Consent Form permitting the release of information to Roynat Inc.
 - f) Satisfaction of the following contingent conditions:
 - i In the case of any real property being subject to a charge or mortgage of ours, those conditions set forth in the attached Schedule C.
 - ii Most recent month end financial statements of Waxman Industrial Services Corp., satisfactory to Roynat Inc.
 - *** iii Written confirmation of the movement of your Account at RBC from the Special Accounts Group or evidence of a new LOC of \$5,000,000 from another Chartered Bank on Terms and Conditions, satisfactory to Roynat Inc.
3. Disbursement may be withheld if, in our opinion, a material adverse change in risk has occurred.

Recommend we replace F)iii : as -6- attached as SCHEDULE "F"

STANDBY FEE

A standby fee of 2% per annum on the amount undischursed will be calculated and payable on the 15th day of each month commencing October 15, 2010. We may, at our option, deduct these fees from our disbursements.

PREPAYMENT

- ✓ Prepayment in whole or in part may be made at any time upon payment of 3 months' interest or 3% of the principal amount prepaid, whichever is greater, provided the funds used for the prepayment have been internally generated from normal course business operations. If the funds are from any other source, then the prepayment penalty shall be 6 months' interest on the principal amount prepaid. Partial prepayment will be applied in reverse order of scheduled repayment.

However, you may prepay without penalty in each year, on the anniversary date of the loan, an amount not exceeding 10% of the balance outstanding at the date of prepayment, non-cumulative, providing the loan remains on a floating rate basis and that funds are internally generated.

NON-COMPLETION FEE

- ✱✱ This Offer of Finance when accepted by you will be a binding contract. This Offer of Finance, when accepted by you and approved by our Investment Committee, will be a binding contract. You will pay to us a non-completion fee equal to \$94,950 as well as any other accrued fees or charges if you:

- fail to complete the funding provided for herein and complete all or a portion of it with another lender;
- otherwise choose not to proceed with this financing save and except no non-completion fee is payable if the financing is intended to finance a purchase transaction and the financing does not proceed as a result of the seller's default;
- have failed to disclose to Roynat a material matter prior to the date hereof; or
- do not proceed diligently, in good faith and in a commercially reasonable manner towards satisfaction of the conditions of this financing and its funding.

✱✱ THE NON-COMPLETION FEE SHALL NOT BE APPLICABLE IF ROYNAT DOES NOT EXECUTE THE FUNDING BASED ON THE NON-SATISFACTION OF "DISBURSEMENT 2.F)(ii) (THE WRITTEN CONFIRMATION CLAUSE) AS IT IS CURRENTLY WRITTEN. *Am*

CONVERSION OPTION

We shall, within 5 days of receipt of your written request to convert this financing to a fixed interest rate, confirm to you:

1. The rate that will apply.
2. The effective date of the conversion.
3. Any extension of the term of the financing that we may require.
4. The prepayment conditions that will apply following conversion.

If you wish to proceed with the conversion on these terms, you must accept our Amending Letter. If you do not accept our Amending Letter your conversion request will be considered as withdrawn.

Following conversion, interest at the fixed rate will be calculated and payable on the 15th day of each month. A fee of \$500 will be applicable to the conversion.

UNDERLYING CONDITIONS

- ✓ 1. You and your associated company, namely Waxman Industrial Services Corp. will maintain combined working capital at not less than a ratio of 1.0:1.
- ✓ 2. You will maintain a debt service coverage ratio of 1.20:1 measured annually at fiscal year end.

Debt Service Coverage is defined as:

(Net profit + deferred taxes + depreciation + after tax shareholder bonus (as permitted) + interest on long term debt + shareholder advances)

Divided by

(Royrat Principal & interest + payments under capital leases + unfunded capital expenditures + principal and interest payments of other third party long term lenders) + dividends + reimbursed Shareholder loan + other shareholder draws.

- ✓ 3. Aaron Waxman will postpone repayment of his loan totaling \$535,000 and interest thereon; however, provided there is no default, interest at the rate of 5% per annum may be paid
- ✓ 4. Jeremy Waxman will postpone repayment of his loan totaling \$535,000 and interest thereon; however, provided there is no default, interest at the rate of 5% per annum may be paid
- ✓ 5. The shareholders of Waxman Industrial Services Corp will postpone repayment of their loans totaling \$1,006,000 and interest thereon; however, provided there is no default, interest at the rate of 5% per annum may be paid. *notwithstanding above payments will be allowed subject to concurrence from Royrat*

- ✓ 6. Voting control of Land Hold-Co TBI to be vested equally in Aaron Waxman and Jeremy Waxman, may only change with our prior written approval.
- ✓ 7. Voting control Waxman Industrial Services Corp., now vested in Aaron Waxman (75%) and Jeremy Waxman (25%), may only change with our prior written approval.
- ✓ 8. On request, you will provide Roynat with evidence (on a semi-annual basis, or more frequently if requested), confirming all superpriority remittances are current. Superpriorities include all statutory remittances including but not limited to source deductions for income tax, CPP, and Employment Insurance Premiums.

ENVIRONMENTAL POLICY

You undertake to have our Standard Environmental Agreements executed and, during the term of this financing, to comply with all applicable environmental laws and regulations; to notify Roynat promptly of any claims, requests or violation notices received concerning any of your property or the business carried out thereon; and to indemnify and save harmless Roynat against any losses or costs arising from any breach by you of the environmental laws, which is claimed against Roynat.

PROPERTY TAXES

- ✓ You will pay on the 15th day of each month commencing September 15, 2010 an amount equal to 1/12th of your annual property taxes. These payments will be adjusted annually. You will provide us with your tax notification billing 30 days prior to each due date. We shall use these funds to pay your property taxes as they fall due. Should the funds we hold not be sufficient to make full payment, you undertake to pay to us any shortfall prior to the property tax due date. Otherwise the shortfall will be added to the pre-authorized payment of the month following with interest at the loan rate. You will not hold us responsible for any penalties, interest, etc. assessed because your property taxes are not fully paid on the due date. We shall credit you with interest at Roynat's Floating Base Rate minus 2% per annum on the funds we hold on deposit.

Roynat's Floating Base Rate for the monthly period will be the arithmetic average of the 1 month rate applicable to Canadian Dollar bankers' acceptances on each Business Day during the monthly period, plus .50%.

Notwithstanding the foregoing, in the event of default in payments of principal or interest due under your loan obligations with Roynat, you hereby acknowledge and agree that Roynat may, in its absolute discretion, apply any monies held by it on account of property taxes to principal, interest or monies due under your loan obligations with Roynat.

FINANCIAL REPORTING

Your annual financial statements, which must be prepared on a Notice To Reader basis by ~~a firm of licensed public accountants~~, must be provided within 90 days after the end of each fiscal year and your unaudited semi-annual financial statements within 45 days after the end of each half-year. We may require audited annual financial statements and you will provide them on all subsequent year-ends after receipt of our written request. All unaudited financial statements will be approved by the signature of an Officer of the Company.

*Wm H. + em. Carter
C/M A*

AW

You will also cause 1340923 Ontario Inc. to provide its financial statements on the same basis.

You will cause Waxman Industrial Services Corp. to provide its financial statements as follows:

Your annual financial statements, which must be prepared on a non-audit review basis by a firm of licensed public accountants, must be provided within 90 days after the end of each fiscal year and your unaudited semi-annual financial statements within 45 days after the end of each half-year. We may require audited annual financial statements and you will provide them on all subsequent year-ends after receipt of our written request. All unaudited financial statements will be approved by the signature of an Officer of the Company.

PRE-AUTHORIZED DEBIT

By your acceptance of this Offer of Finance, you authorize Roynat and the financial institution designated below (or any other financial institution you may designate at any future time) to begin deductions of amounts sufficient to cover all regularly scheduled payments owing in connection with the financing provided for herein. Regular monthly payments of principal and fixed or variable interest, or blended payments of principal and interest, all as provided for in this Offer of Finance, will be debited from your specified account on the 15th day of each month. In the case of a variable interest rate, Roynat is authorized to calculate the amount and debit the account below for any amount required to adjust the required monthly interest payment to take into account increases or decreases in the applicable variable interest rate. Notwithstanding this Pre-Authorized Debit arrangement, if Roynat requests payment by cheque of amounts due to it, you agree to pay those amounts by cheque.

This authority is to remain in effect until Roynat has received written notification from you of its change or termination. This notification must be received at least fifteen (15) days before the next debit is scheduled. You may obtain a sample cancellation form or further information on your right to cancel this authorization either from your financial institution or by visiting www.cdnpay.ca. You have certain recourse rights if any debit does not comply with this agreement. For example, you have the right to receive reimbursement for any debit that is not authorized or is not consistent with this agreement. To obtain more information on your recourse rights, you may contact your financial institution or visit www.cdnpay.ca.

You expressly waive the right to receive any form of pre-notification of the amount(s) to be debited, any adjustments to the amount of interest to be debited in the case of a variable interest rate and any change in the date(s) of such debiting.



WAXMAN INDUSTRIAL SERVICES CORP
 143 ADAMS BLVD
 BRANTFORD, ON N3S 7V8

ROYAL BANK OF CANADA
 LYNDEN ROAD BRANCH
 35 LYNDEN RD.
 BRANTFORD, ON N3R 7J9

017476

PAY

TO THE
 ORDER
 OF

VOID



WAXMAN INDUSTRIAL SERVICES CORP

PER _____
 PER _____

We confirm this is a Business Pre-Authorized Debit arrangement. Please attach your cheque marked "VOID" to this Offer of Finance. You also agree to provide Roynat with written notice of any change to the bank, branch or account specified below.


For this authorization, your bank is:

Bank: Royal Bank of Canada
 Address: 95 Lynden Rd. Brantford, ON N3R 7J9
 Branch: 01312 5 digits Institution: 003 3 digits Account Number: 1028679

Roynat's contact information for the purposes of inquiries, information or recourse in respect of this Pre-Authorized Debit arrangement is:

Address: 5500 North Service Road, Suite 207
Burlington, Ontario
L7L 6W6
 Attention: Tricia Scarpelli, Administrative Services Ass.
 Facsimile: 905-335-4298

ATTACH A SAMPLE CHEQUE MARKED "VOID"

	WAXMAN INDUSTRIAL SERVICES CORP 143 ADAMS BLVD. BRANTFORD, ON N3S 7V8	ROYAL BANK OF CANADA LYNDEN ROAD BRANCH 95 LYNDEN RD. BRANTFORD ON N3R 7J9	017476
PAY TO THE ORDER OF	<div style="text-align: center; font-size: 4em; opacity: 0.5;">VOID</div>		WAXMAN INDUSTRIAL SERVICES CORP
		PER _____ PER _____	

⑈017476⑈ ⑆01312⑈003⑈ 1028679⑈

We confirm this is a Business Pre-Authorized Debit arrangement. Please attach your cheque marked "VOID" to this Offer of Finance. You also agree to provide Roynat with written notice of any change to the bank, branch or account specified below.

For this authorization, your bank is:

Bank: Royal Bank of Canada
 Address: 95 Lynden Rd. Brantford, ON N3R 7J9
 Branch: 01312 Institution: 003 Account Number: 1028679
 5 digits 3 digits

Roynat's contact information for the purposes of inquiries, information or recourse in respect of this Pre-Authorized Debit arrangement is:

Address: 5500 North Service Road, Suite 207
Burlington, Ontario
L7L 6W6
 Attention: Tricia Scarpelli, Administrative Services Ass.
 Facsimile: 905-335-4298

ATTACH A SAMPLE CHEQUE MARKED "VOID"

SCHEDULE "B"

To Offer of Finance dated July 26, 2010
made by Roynat Inc. to Land Hold-Co TBI
Assets owned by Land Hold-Co TBI

REAL ESTATE**LAND AND BUILDING**

Land and building approx. (96,302 sq.ft.) located at 4350 Harvester Road, Burlington, Ontario

FIRST CHARGE

SCHEDULE "C"

To Offer of Finance dated July 26, 2010

in the amount of \$3,165,000

made by Roynat Inc. to Land Hold-Co TBI

The following conditions, amongst others, shall be satisfactory to us and our solicitors prior to the advance of funds:

1. Title to any real property subject to any charge of mortgage of ours (the "Real Property"), the legal description of the Real Property and all other matters relating to the Real Property must be satisfactory to us.
2. The properties taken as security herein and the improvements thereon and the uses thereof shall comply with all zoning and building bylaws, ordinances, and restrictions and any other governmental regulations. We shall have received a current certificate of occupancy for those improvements and such other evidence thereof as we may require.
3. There shall be no material outstanding work orders registered or deficiencies against the properties taken as security herein.
4. All levies, impost fees, local improvement charges, realty taxes and other charges due and owing shall be paid to the date of the first advance of funds.
5. The borrower will provide Roynat with a survey of the properties by a Land Surveyor dated a recent date prior to such advance and showing the current location of all buildings now existing on the properties and indicating no encroachments, easements or rights of way, save those which Roynat may specifically accept.

OR

You shall furnish to us a title insurance policy in the amount of the loan naming us as mortgagee and otherwise in form and substance satisfactory to us.

SCHEDULE "D"

**To Offer of Finance dated July 26, 2010
in the amount of \$3,165,000
made by Roynat Inc. to Land Hold-Co TBI**

Please complete the attached Canada Revenue Agency Business Consent Form.

SCHEDULE "E"

To Offer of Finance dated July 26, 2010

in the amount of \$3,165,000

made by Roynat Inc. to Land Hold-Co TBI

PRIVACY CONSENT

Information

You and [the undersigned], your individual principals, key employees and agents, shareholders and/or guarantors and persons otherwise connected with this Agreement (each, a "Principal") agree that in the process of providing services under this Agreement, we may collect, use and disclose certain personal and business information ("Information") from and about you and your Principals. Information may be collected from and disclosed to our agents, affiliates, third party service providers, credit bureaus, credit reporting agencies, other credit grantors, any person you and your Principals have or propose to have financial relations with as well as third parties who wish to become involved in the syndication of a loan, lease or other investment in which your Information is relevant, or who are involved in risk assessment, risk management or due diligence in the context of a financial transaction or proposed financial transaction.

Authorization

You and your Principals do therefore authorize any person whom we contact in this regard to provide such Information to us. You and your Principals acknowledge that we may transfer your information to other offices within Roynat where we do business. As a result, Information may be accessible to regulatory authorities in accordance with the laws of those jurisdictions. We may collect, use and disclose your and your Principals' Social Insurance Number or other personal identifiers to verify and report credit information to credit bureaus or credit reporting agencies as well as to confirm your and your Principals' identities.

We may give Information to other members of the Scotiabank Group so that these companies may tell you and your Principals directly about their products and services. Consent to this is not a condition of doing business with us and such consent may be withdrawn by you at any time.

Consent

By choosing to provide us with Information, you and your Principals are consenting to its use in accordance with the principles set out in the Roynat Group of Companies Privacy Agreement, a copy of which may be viewed and obtained at any time at roynat.com.

Individual
Signature

Name:

ARON WARMAN

Date:

July 20 2010

SCHEDULE "F"

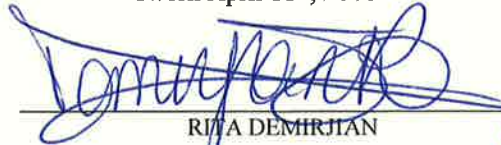
Replace

F) iii RBC will provide written confirmation that RBC has the intention of moving the "Waxman" account to the mainstream based on the satisfaction of certain conditions with respect to the insurance of our U.S. receivables.



TAB D

This is Exhibit "D" referred to in the
Affidavit of Kamila Wirpszo
sworn April 11th, 2018


RITA DEMIRJIAN



JOINT VENTURE AGREEMENT

THIS AGREEMENT made as of the 14th day of December, 2012.

A M O N G:

WAXMAN REALTY COMPANY INC.

(hereinafter sometimes called "WRI ")

OF THE FIRST PART

- and -

AMERICAN IRON & METAL LP

(hereinafter sometimes called "AIM LP")

OF THE SECOND PART

- and -

AMERICAN IRON & METAL GP INC.

(hereinafter sometimes called "AIM GP")

OF THE THIRD PART

WHEREAS WRI is the beneficial owner of the Property (as hereinafter defined) and has agreed to sell a fifty percent (50%) interest in the Property to AIM LP on the terms set forth in the Purchase Agreement (as hereinafter defined);

AND WHEREAS AIM GP is the general partner of AIM LP and is acting on behalf of AIM LP in acquiring registered title to the Property, while beneficial ownership is being acquired by AIM LP;

AND WHEREAS WRI and AIM LP intend to hold the Property, as tenants in common, with each of them holding a fifty percent (50%) undivided interest, for the sole purpose of leasing the Property to Waxman Industrial Services Corp. ("WIS") on a net-net-net basis and in accordance with the provisions of the Lease (as hereinafter defined);

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT in consideration of the mutual promises and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby covenant and agree, intending to be legally bound, as follows:

ARTICLE 1 – INTERPRETATION

1.1 Definitions

Unless the subject matter or context otherwise requires:

"**Accountants**" means such firm of chartered accountants as may be appointed by the Co-Owners from time to time.

"**Accounting Period**" means the period of twelve (12) months ending on the last day of December in each calendar year except for the first Accounting Period for the Property which shall be the period from and including the date in which the transaction provided for in the Purchase Agreement is completed and ending December 31, 2012.

"**Affiliate**" of a Co-Owner means any Person that directly or indirectly (through one or more intermediaries) controls, is controlled by or is under common control with that Co-Owner. For purposes of this Agreement, the term "**control**" (including the terms "**controlled by**" and "**under common control with**") means the possession, directly or indirectly, of the power to direct or cause the direction of the management, decision making and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"**Agreement**", "**this Agreement**", "**the Agreement**", "**hereto**", "**hereof**", "**herein**", "**hereby**", "**hereunder**" and similar expressions mean or refer to this Agreement as amended from time to time and any indenture, agreement or instrument supplemental or ancillary hereto or in implementation hereof, and the expressions "**Article**" and "**Section**" followed by a number or letter mean and refer to the specified Article or Section of this Agreement.

"**Applicable Laws**" means, with respect to any Person, property, transaction or event, all laws, by-laws, rules, regulations, orders, judgments, decrees, decisions or other requirements having the force of law, all codes, directives, policies or guidelines of any Authority having the force of law and all common law relating to or applicable to such Person, property, transaction or event (and includes all Environmental Laws).

"**Approved by the Co-Owners**" or "**Approval of the Co-Owners**" means approved by each Co-Owner in accordance with the provisions of ARTICLE 3.

"**Approved Obligations**" means any and all debts, obligations, duties, agreements, liabilities and Expenditures in connection with the Property which have been Approved by the Co-Owners or which have been assumed by the Co-Owners and those Expenditures which are reasonably necessary to implement decisions Approved by the Co-Owners.

"**Arbitration Notice**" has the meaning attributed to such term in Section 8.2.

"**Arm's Length**" has the meaning attributed to such term in the *Income Tax Act* (Canada).

"**Authorities**" means the City or any and all other municipal, regional, provincial or federal government or governmental departments, commissions, boards, regulatory authorities or agencies having jurisdiction over the Property, or the parties in connection with the Property; and "**Authority**" has a corresponding meaning.

"**Buildings**" means the buildings, structures and improvements currently situate or hereinafter to be constructed by or on behalf of the Co-Owners on the Property, all as shall be determined by the Co-Owners from time to time; and "**Building**" means any one of the Buildings.

"**Business Day**" means any day other than a Saturday, Sunday or day which is a statutory holiday in the Province of Ontario.

"City" means the City of Burlington, in the Province of Ontario.

"Closing Date" means the date of the successful acquisition of a 50% interest in the Property by AIM GP, acting on behalf of AIM LP, pursuant to the Purchase Agreement.

"Contributing Co-Owner" has the meaning attributed to such term in Section 4.6(a).

"Co-Owner" means each of WRI and AIM LP and any assignee of a Co-Owner's Interest from time to time made pursuant to and in accordance with this Agreement, but does not include any Person after it has sold all of its Co-Owner's Interest pursuant to and in accordance with this Agreement; and "Co-Owners" means both of the Co-Owners.

"Co-Owner's Interest" means, with respect to a Co-Owner, the respective undivided interest of such Co-Owner from time to time in the Property and the Gross Receipts or other proceeds derived therefrom; and "Co-Owners' Interests" means the Co-Owner's Interest of both of the Co-Owners collectively.

"Co-Ownership Proportion" means, with respect to each Co-Owner, the proportion which the Co-Owner's Interest of that Co-Owner is to the aggregate of all the Co-Owners' Interests, at the time of determination, expressed as a percentage; at the date of this Agreement the respective Co-Ownership Proportions of the Co-Owners are as follows:

WRI	50%
AIM LP	<u>50%</u>
	100%

"Co-Owner Representative" has the meaning attributed to such term in Section 3.1.

"Deadlock Matter" has the meaning attributed to such term in Section 8.1(a).

"Defaulting Co-Owner" has the meaning attributed to such term in Section 6.1.

"Demand" has the meaning attributed to it in Section 4.4(b).

"Disposition" has the meaning attributed to such term in Section 5.2.

"Dispute Resolution Notice" has the meaning attributed to such term in Section 8.1(a).

"Emergency" has the meaning attributed to it in Section 4.5(d).

"Encumbrancer" means any Person in whose favour an Encumbrance exists or is made and includes a Lender.

"Encumbrances" means all mortgages, pledges, charges, liens, debentures, hypothecs, trust deeds, assignments by way of security, security interests, conditional sales contracts or other title retention agreements, judgements, or similar interests or instruments (whether created or arising out of agreement, Applicable Laws or otherwise) charging, or creating a security interest in, attaching to, or against title to a Person's property, interest or rights or any part thereof or interest therein, and any agreements, leases, options, easements, rights of way, restrictions, encroachments, executions or other charges or encumbrances (including notices or other registrations in respect of any of the foregoing) creating a

security interest in, attaching to or made against title to a Person's property, interest or rights or any part thereof or interest therein; and "Encumbrance" and "Encumber" shall have a corresponding meaning.

"**Environmental Laws**" means any laws, including written policies and guidelines and directives, administrative rulings or interpretations, that are in effect and applicable to the Property from time to time, as well as any judicial or administrative order, consent decree or judgment that is in effect and applicable to the Property from time to time, that relates to pollution or the protection of the environment or which concern discharges to the air, soil, surface water or ground water or which concern refining, generating, handling, storing, treating, transferring, releasing, producing, processing, transporting or disposing of hazardous substances including, without limitation, the *Environmental Protection Act* (Ontario), the *Canada Environmental Protection Act 1991*, and the regulations and guidelines promulgated pursuant thereto or issued by any Authority in respect thereof, and equivalent or similar local and provincial ordinances, and statutory programs and the regulations and guidelines promulgated pursuant thereto.

"**Event of Default**" means a Co-Owner:

- (a) failing to contribute or pay any amount of money which by reason of this Agreement such Co-Owner is bound to contribute or pay and such failure shall continue beyond the period provided for in the applicable Section of this Agreement creating the obligation to contribute, or
- (b) failing to observe, perform or keep any of their respective covenants, agreements or obligations under this Agreement (excluding monetary covenants of a Co-Owner which is as provided for in paragraph (a) above) and such Co-Owner shall not have remedied such failure within twenty (20) Business Days of written notice, provided that if the nature of the event of non-compliance is of a nature or circumstance that can be remedied but requires more than twenty (20) Business Days, then such Co-Owner shall not have commenced in good faith to cure such failure within twenty (20) Business Days of written notice, or following such commencement shall not have, within a reasonable time thereafter (which period shall in no event extend beyond forty (40) Business Days regardless of the nature or circumstance of the failure) having due regard to the nature and extent of such failure, prosecuted to completion, with diligence and continuity, the curing of such failure; or
- (c) permitting or doing, or omitting to do, anything that results in an Event of Insolvency with respect to such Co-Owner; or
- (d) making or permitting a Disposition that is not permitted pursuant to the terms of this Agreement that is not unwound, reversed, terminated, released and/or discharged within ten (10) Business Days of the occurrence thereof.

"**Event of Insolvency**" means, with respect to any Co-Owner, the occurrence of any one or more of the following events:

- (a) if, other than as expressly permitted hereby, the Co-Owner shall:
 - (i) be wound up, dissolved or liquidated, or become subject to the provisions of the *Winding-Up Act* (Canada), as amended or re-enacted from time to time, or have its existence terminated or have any resolution passed therefor;

- (ii) file a Notice of Intention, make a general assignment for the benefit of its creditors or a proposal under the *Bankruptcy and Insolvency Act* (Canada), as amended or re-enacted from time to time, or seek to be declared bankrupt or insolvent; or
 - (iii) propose a compromise or arrangement under the *Companies' Creditors Arrangement Act* (Canada) or any similar legislation, from time to time, or shall file any petition or answer seeking any re-organization, arrangement, composition, re-adjustment, liquidation, dissolution or similar relief for itself under any present or future *Bankruptcy and Insolvency Act* (Canada) or any other present or future law relative to bankruptcy, insolvency or other relief for debtors; or
- (b) if a court of competent jurisdiction shall enter an order, judgment or decree approving a petition filed against the Co-Owner seeking any reorganization, arrangement, composition, re-adjustment, liquidation, dissolution, winding up, termination of existence, declaration of bankruptcy or insolvency or similar relief under any present or future law relating to companies' bankruptcy, insolvency or other relief for or against debtors, and such Co-Owner shall acquiesce in the entry of such order, judgment or decree or such order, judgment or decree shall remain unvacated and unstayed for an aggregate of twenty (20) Business Days from the day of entry thereof; or if any trustee in bankruptcy, receiver, receiver and manager, liquidator or any other officer with similar powers shall be appointed for the Co-Owner or of all or any substantial part of its property or its Co-Owner's Interest with the consent or acquiescence of such Co-Owner or such appointment shall remain unvacated and unstayed for an aggregate of twenty (20) Business Days; or
- (c) if, other than as expressly permitted in this Agreement, an Encumbrancer takes possession of the Co-Owner's Interest or takes possession of any substantial part thereof, or if a distress or execution or any similar process be levied or enforced upon or against such Co-Owner's Interest, and the same remains unsatisfied for the shorter of a period of twenty (20) Business Days or such period as would permit the same to be sold; or
- (d) if the Co-Owner shall be insolvent.

"Expenditures" means the aggregate of all costs and expenses of the Joint Venture incurred from and after the date of this Agreement with respect to the financing, leasing, ownership, remediation, maintenance, repair, development, construction, operations, marketing and sale of the Property, determined in accordance with GAAP, including without limitation and without duplication:

- (a) brokerage fees and commissions, initial or periodic guarantee fees or premiums to any Person other than a Co-Owner; and standby fees, accommodation fees, legal fees and contingency fees and all other costs (including interest payments) in connection with any Financing;
- (b) the aggregate net carrying costs incurred with respect to the Property including without limitation realty taxes, building management, maintenance and repair costs, security costs, insurance premiums, interest on any Financing Approved by the Co-Owners, and any amount payable in connection with an Encumbrance Approved by the Co-Owners;

- (c) all costs required to remediate the environmental condition of the Property in compliance with Environmental Laws;
- (d) all costs of all Insurance that the Co-Owners may be required or which may be Approved by the Co-Owners from time to time in connection with the Property;
- (e) generally, but without duplication, any and all costs and expenses of the Joint Venture.

"Financing" means any and all loans, advances, credit facilities, bonds, letters of credit and guarantees, financing and other credit availment that may be provided to the Co-Owners for the purpose of financing the acquisition, holding, improvement or expansion of the Property, including without limitation, the current financing with RoyNat Inc. and advances being made by AIM LP or an affiliate of AIM LP to fund the carrying out of improvements.

"Financing Security" means the Encumbrances granted, charged, provided and assigned by the Co-Owners to and in favour of the Lender as security and/or in support of a Financing.

"GAAP" means generally accepted accounting principles and practices applicable to the real estate development industry in Canada and applied on a consistent basis, provided that if Approved by the Co-Owners, the Co-Owners may adopt the accounting principles and standards established by the International Accounting Standards Board and currently known as the International Financial Reporting Standards.

"Gross Receipts" means all rents, interest, revenue, damages, operating cost and realty tax recoveries, rebates, credits, commissions, royalties, bonuses, insurance or expropriation proceeds, net proceeds of any sale, exchange or other disposition of the Property or any interest therein, net proceeds of any Financing or refinancing, and all other revenues and receipts of any kind or nature whatsoever received by the Co-Owners as a right, incident or benefit of ownership of the Property.

"HST" means harmonized sales tax imposed under the *Excise Tax Act* (Canada).

"Immediate Family" has the meaning attributed to such term in Section 5.2(d).

"including" (and variations thereof) means "including without limitation" and shall not be construed to limit any general statement which it follows to the specific or similar items or matters immediately following it.

"Insurance" means all insurance Approved by the Co-Owners from time to time in connection with the Property.

"Joint Venture" means the joint venture and co-ownership established by the Co-Owners under Section 2.1 of this Agreement.

"Lease" means the Lease agreement entered into between WRI and WIS, with respect to which a 50% interest has been assigned by WRI to AIM LP as of the Closing Date pursuant to the Purchase Agreement, as amended, and all further amendments, revisions, alterations, modifications, amendments, changes, extensions, renewals, replacements or substitutions thereto or therefor which may hereafter be effected or entered into.

"Lender" means any lender (domestic or foreign), providing Financing to the Co-Owners; and **"Lenders"** mean collectively, two or more of them.

"Net Cash Flow" for any applicable period determined by the Co-Owners means the Gross Receipts for that period after deducting all Expenditures paid during that period and any amount held on account of reserves; provided that Net Cash Flow shall not be reduced by depreciation, amortization or similar non-cash items, and shall be increased by any reduction of previously established reserves Approved by the Co-Owners.

"Non-Advancing Co-Owner" has the meaning attributed to such term in Section 4.6(a).

"Non-Defaulting Co-Owner" has the meaning attributed to such term in Section 6.1.

"Person" shall be broadly interpreted and includes an individual, a partnership (whether general, limited or limited liability), a corporation (with or without share capital), a limited liability company, an unlimited liability company, an Authority, a trust, any unincorporated organization and the heirs, executors, administrators, estate trustees or other legal representatives of an individual.

"Prime Rate" means the prime rate of interest announced from time to time by The Toronto-Dominion Bank.

"Principal" means the natural Person or Persons that, directly or indirectly controls a Co-Owner, currently being as follows:

- (a) WRI – Aaron Waxman and Jeremy Waxman; and
- (b) AIM LP – Herbert Black and Ronald Black.

"Property" means the lands legally described in Schedule "A" to this Agreement and all the buildings, structures, improvements, fixtures and equipment situate thereon, as such description may be amended, varied or re-described from time to time.

"Purchase Agreement" means the agreement pursuant to which AIM GP, acting on behalf of AIM LP, has acquired a fifty percent (50%) ownership interest in the Property.

"Transfer Documents" has the meaning attributed to such term in Section 7.1(c).

"Unavoidable Delay" means any prevention, delay, stoppage or interruption in the performance of any obligation due to strike, lock out, labour dispute, act of God, force majeure, act of any Co-Owner which prevents any other Co-Owner from performing its obligations, inability to obtain labour or materials, application of Applicable Laws, or the occurrence of enemy or hostile action, civil commotion, fire or other casualty, condition or cause beyond the reasonable control of the Co-Owner obligated to perform (but shall not include any inability to perform because of any lack of funds or any financial condition of the Co-Owner relying on Unavoidable Delay).

1.2 Interpretation Not Affected by Headings, etc.

Grammatical variations of any terms defined herein have similar meanings, and words shall be adjusted for number or gender as the context shall require. The division of this Agreement into separate Articles and Sections, and the insertion of headings and references are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.3 Severability

If any covenant, obligation or agreement of this Agreement, or the application thereof to any Person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such covenant, obligation or agreement to Persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each covenant, obligation and agreement of this Agreement shall be separately valid and enforceable to the fullest extent permitted by law. To the extent permitted by Applicable Laws, the parties hereto waive any provision of Applicable Laws which renders any provision of this Agreement invalid or unenforceable in any respect. The parties hereto shall engage in good faith negotiations to replace any provision which is declared invalid or unenforceable with a valid and enforceable provision, the economic effect of which comes as close as possible to that of the invalid or unenforceable provision which it replaces.

1.4 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of Ontario and the federal laws of Canada from time to time in force in the Province of Ontario. The parties hereto irrevocably attorn to and submit to the jurisdiction of the courts of the Province of Ontario to resolve any dispute which may arise between them concerning this Agreement or the Property.

1.5 Currency

All dollar amounts stated herein are deemed to be references to Canadian dollars.

1.6 Accounting Principles

All calculations made or referred to herein shall be made in accordance with GAAP, except where otherwise indicated or permitted herein.

1.7 Statutes

Any reference to a statute will include and will be deemed to be a reference to the statute and the regulations made pursuant thereto, with all amendments made thereto and in force from time to time, and to any statute or regulation that may be passed which has the effect of supplementing or superseding the statute so referred to or the regulations made pursuant thereto.

1.8 Schedules

The following Schedule forms part of this Agreement:

Schedule "A" - Legal Description of the Property

ARTICLE 2 – RELATIONSHIP BETWEEN CO-OWNERS

2.1 Ownership of Property

- (a) The Co-Owners hereby acknowledge that as of the Closing Date, they are the beneficial owners of the Property, holding their beneficial interests in the Property as tenants-in-common, with each of the Co-Owners having an ownership interest equal to its Co-Ownership Proportion. Legal title to AIM LP's interest in the Property is held in the name of AIM GP.

- (b) The parties hereto agree that the provisions of this Agreement shall hereafter govern and define their respective rights, proceeds, revenues, benefits, liabilities, interests, powers and obligations as between themselves with respect their holding of the Property as tenants-in-common, in accordance with their respective Co-Ownership Proportions.

2.2 Purposes

The Co-Owners agree that the Property shall be owned and held by them for investment purposes and that the Property shall be managed, maintained, remediated, repaired, serviced, leased and operated by the Co-Owners in accordance with the provisions of this Agreement, and in accordance with the provisions of the Lease.

2.3 Disclaimer of Partnership

The Co-Owners hereby disclaim any intention to create a partnership or to constitute any of them the agent of or other fiduciary for the other Co-Owner. Nothing in this Agreement shall constitute the Co-Owners partners or, except as may be expressly provided herein, constitute any Co-Owner the agent of the other Co-Owner. Each Co-Owner expressly declares its intention to rely on the provisions of *Partnerships Act* (Ontario), as amended or re-enacted from time to time, and of any similar legislation of the Province of Ontario to the effect, inter alia, that tenancy-in-common, common property or part ownership does not of itself create a partnership. Except as otherwise expressly and specifically provided herein, no Co-Owner shall be, or by reason of any provision herein contained be deemed to be, the agent or legal representative of or otherwise a fiduciary for the other Co-Owner, whether for the purposes of this Agreement or otherwise, nor shall any Co-Owner have any power or authority to act for or assume any obligation or responsibility on behalf of the other Co-Owner.

2.4 Rights of Competition

In view of the exclusive and limited purposes of this Agreement, nothing herein, except as otherwise specifically provided herein or in any non-competition or non-solicitation agreements or undertakings entered into between the Co-Owners and/or their respective Affiliates and/or Principals, shall be deemed to restrict in any way the freedom of either Co-Owner to hold any investment or to conduct any business or activity whatsoever, including the acquisition, leasing, sale, operation and management of any real property, whether proximate to the Property or not, without any accountability to the other Co-Owner. No Co-Owner, by reason of this Agreement, shall have any interest in any other property owned by the other Co-Owner or any Affiliate of the other Co-Owner or any other business or venture engaged in by the other Co-Owner or any Affiliate of the other Co-Owner whether or not similar or proximate to the Property, save and except as regards the property which is subject to the joint venture agreement between 1340923 Ontario Inc., AIM LP and AIM GP, having a municipal address of 143 Adams Boulevard, Brantford, Ontario.

2.5 Control of Co-Owners

The individual Persons who, directly or indirectly, control each of WRI and AIM LP as at the date of this Agreement are as set out in the definition of "Principal" in Section 1.1 of this Agreement. Subject to Section 5.2, WRI covenants and agrees to and in favour of AIM LP, that so long as it or its Affiliate holds a Co-Owner's Interest, it shall continue to be controlled by Aaron Waxman and Jeremy Waxman. Subject to Section 5.2, AIM LP covenants and agrees to and in favour of WRI, that so long as it or its Affiliate holds a Co-Owner's Interest, it shall continue to be controlled by Herbert Black and Ronald Black. Each of WRI and AIM LP shall forthwith notify the other Co-Owner of any change in control.

The terms of this Section 2.6 shall not limit or restrict the transfer rights provisions set out in Section 5.2 of this Agreement.

2.6 Term of Agreement

This Agreement shall commence as of the date hereof and shall continue in effect until the earliest of:

- (a) the sale of all of the Property by the Co-Owners and completion of all matters between the Co-Owners under this Agreement, including the distribution in full of all Net Cash Flow from the proceeds of any such sale;
- (b) the date upon which one (1) Co-Owner or its Affiliate becomes the owner of all of the Co-Owners' Interests; or
- (c) the date upon which the parties agree in writing to terminate this Agreement.

ARTICLE 3 – CO-OWNERS' DECISIONS AND APPROVALS

3.1 Decisions of Co-Owners

Subject to the other provisions of this Agreement, all decisions and determinations required to be made by the Co-Owners in respect of the Property shall be Approved by the Co-Owners. Such approval shall be given by Aaron or Jeremy Waxman or such other person as is named, from time to time, by WRI together with Herbert or Ronald Black or such other person as is named, from time to time, by AIM LP (each, a "Co-Owner's Representative" and collectively, the "Co-Owners Representatives").

3.2 Execution of Agreements

The Co-Owners agree that all agreements, contracts, expenditures, purchase orders, commitments and cheques: (i) in an amount not exceeding Five Thousand Dollars (\$5,000.00) or such higher amount as is agreed to from time to time between the Co-Owners may be executed by any one Co-Owner Representative or such person or persons as may be appointed from time to time by the Co-Owners; and (ii) in an amount exceeding Five Thousand Dollars (\$5,000.00) or such higher amount as is agreed to from time to time between the Co-Owners shall be required to be executed by one (1) Co-Owner Representative of WRI and one (1) Co-Owner Representative of AIM LP or such person or persons as may be appointed from time to time by the Co-Owners.

3.3 Remuneration of Co-Owner Representatives

No fees, salaries, commissions or other compensation shall be paid to the Co-Owner Representatives, as such, unless otherwise Approved by the Co-Owners.

3.4 Implementation of Decisions Approved by the Co-Owners

Approval by the Co-Owners of any decision in connection with the Property also constitutes Approval by the Co-Owners of any steps reasonably necessary to implement, perform or carry out such decision, and each of the Co-Owners shall do all things and execute any and all deeds, transfers, agreements, leases and other documents reasonably required to carry out any such decision. The execution of any agreement or document pertaining to the Property by the Co-Owners constitutes the Approval by the Co-Owners of that agreement or document and all of its terms and provisions.

3.5 Non-Arm's Length Contracts

Subject to any provisions of this Agreement to the contrary, any decision by the Co-Owners to enter into, amend, assign, terminate, claim under, enforce or waive rights with respect to the Lease or any other contract, lease or other agreement with either Co-Owner or any other Person not at Arm's Length with either Co-Owner or any Affiliate of either Co-Owner, or any officer, director, employee, partner or shareholder thereof, shall notwithstanding such conflict, be made by the Co-Owners in good faith, promptly (time to be of the essence), reasonably and in the best interests of the Joint Venture and strictly upon the merits of the conflicted matter. Each Co-Owner agrees to notify the other Co-Owner promptly after the occurrence of any circumstances or the date that it becomes aware of any facts giving rise to any circumstances set out in the preceding sentence.

3.6 Claims

Each Co-Owner shall notify the other Co-Owner of any claim, demand, right or cause of action asserted, threatened or instituted against it (other than by the other Co-Owner) which involves the performance of this Agreement or the assets or business of the Co-Owners in respect of the Property. Any negotiation or litigation of any such claim, demand, right or cause of action shall be conducted by the Co-Owners against which such claim, demand, right or cause of action shall be asserted, threatened or instituted, with the other Co-Owner having the right to be kept reasonably advised as to the status of and to participate in such negotiations or litigation if its interests hereunder or in the Property are involved or adversely affected in a material way. No such claim or litigation affecting the Property or the Co-Owners' Interests of all the Co-Owners shall be settled without the Approval of all the Co-Owners. Amounts incurred, expended or paid in such negotiations, litigation or settlement or in discharge of judgments in respect thereof shall be the liability of the Co-Owners if arising out of an Approved Obligation, and shall otherwise be borne by the party incurring, expending or paying the same. Notwithstanding the foregoing, AIM LP acknowledges that it has been made aware of the Lawsuit (as defined in the Share Purchase Agreement entered into between American Iron & Metal Company Inc, as purchaser, and Aaron and Jeremy Waxman, as vendors, regarding the shares of WIS).

ARTICLE 4 – FINANCIAL MATTERS

4.1 Receipts and Expenditures

Subject to the other terms of this Agreement, each Co-Owner shall be entitled to receive its Co-Ownership Proportion of Net Cash Flow, if any, and each Co-Owner shall pay its Co-Ownership Proportion of all Expenditures, it being agreed that the intention is that no Expenditures will be authorized, incurred or expended until they have been Approved by the Co-Owners or required by the terms of this Agreement to be Approved by the Co-Owners (for example, an Emergency advance under Section 4.5), and that each Co-Owner shall apply its Co-Ownership Proportion of all Gross Receipts first to pay its Co-Ownership Proportion of all Expenditures. Income or losses of the Joint Venture shall likewise, for accounting and income tax purposes, be allocated between the Co-Owners in accordance with their respective Co-Ownership Proportions. The Co-Owners agree that, subject to compliance with GAAP and all applicable tax laws, they shall each be entitled to calculate and report their Co-Ownership Proportions of any income or loss from the Joint Venture in the manner in which they see fit.

4.2 Administration

For ease of administration, the Co-Owners may decide, from time to time, to appoint one of the Co-Owners (or a third party manager) to act on behalf of both of the Co-Owners for purposes of

administering and collecting rent under the Lease and attending to payment of the Expenditures, in which case the Person so appointed shall attend to such administration in good faith and in the best interest if both Co-Owners, subject at all times to the terms and conditions of this Agreement. Any amounts received by a Co-Owner from the tenant under the Lease shall be held in trust for both Co-Owners, in accordance with their Co-Ownership Proportions. Either Co-Owner may at any time request that the administration by one Co-Owner be terminated, by notice in writing to the other Co-Owner, in which event such administration shall cease as at the end of the month during which such notice is sent.

4.3 The Lease

It is acknowledged that the terms of the Lease provide that WIS is responsible for the payment, as additional rent, of all costs and expenses related to the operation, maintenance and repair of the Property, as well as all real estate taxes, utilities and other similar charges, and that the base rent is meant to be in an amount required to fund all amounts payable in respect of Financing, but no more, such that the Net Cash Flow derived from the leasing of the Property to WIS will initially be zero. Once the Financing is paid in full and/or it is otherwise agreed to at any time between the Co-Owners, the base rent charged to WIS shall be equal to the fair market rent charged for similar properties in the same geographic area as the Property which utilize a similar use as carried on by WIS.

4.4 Additional Funds Required by the Co-Owners

- (a) It is the responsibility of each Co-Owner to arrange and provide its Co-Ownership Proportion of the funds required from time to time for the Approved Obligations out of firstly, its Co-Ownership Proportion of Gross Receipts, if any; secondly, from Financing Approved by the Co-Owners, if any; and the balance of such funds shall be provided out of the separate funds of the Co-Owners in accordance with and subject to Section 4.4(b) below. Financing may be obtained upon such terms, rates of interest and Encumbrances as may be Approved by the Co-Owners from time to time; however, if a Lender is willing to provide Financing on such terms (and the terms of any such Financing is not materially adversely affected by increased interest, charges, fees, terms, guarantees and/or Encumbrances), it is the intention that any obligations of the Co-Owners thereunder shall be several in accordance with their respective Co-Ownership Proportions and not joint or joint and several and, if attainable, the recourse of the Lender under such Financing shall be limited to the respective Co-Owner's Interests of the Co-Owners in the Property. Each Co-Owner agrees with the other Co-Owner that it shall at all times comply with all of its obligations under any Financing Approved by the Co-Owners. If any Financing is not obtained on a non-recourse and several basis as contemplated above, or if any of the Approved Obligations are on a joint or joint and several basis, then the obligations of the Co-Owners thereunder as between themselves will be subject to cross-indemnification in a form to be settled at that time to the end that the ultimate liabilities of each of them will always be limited as though such obligations were several in accordance with their respective Co-Ownership Proportions.
- (b) Each Co-Owner severally agrees to make available as hereinafter provided sufficient funds and to pay when due its Co-Ownership Proportion of all the Approved Obligations from time to time upon receipt of a written demand (hereinafter called a "**Demand**") from the other Co-Owner who is not then a Defaulting Co-Owner in accordance with the following provisions:
 - (i) the Demand shall state:

- (A) the total amount of funds required to be paid;
 - (B) the purposes in summary form for which such funds are required;
 - (C) that the same are Approved Obligations; and
 - (D) the amount required to be paid by each of the Co-Owners in accordance with their respective Co-Ownership Proportions of the total funds required;
- (ii) the Demand shall state the date, which shall not be less than fifteen (15) Business Days following the date of receipt of the Demand, on or before which the funds specified to be paid by the Co-Owners shall be paid and the Demand shall also state the name or names of the Person or Persons to whom the funds are to be made payable;
 - (iii) each Co-Owner shall pay to the payee named in the Demand the amount required to be paid by it at or prior to the date specified in the Demand, and all amounts so paid shall be applied by the payee thereof to the purpose as specified in the Demand; and
 - (iv) delivery of any one Demand does not preclude the issuance of another Demand by either Co-Owner.

4.5 Emergencies

- (a) If either Co-Owner determines that an Emergency exists, such Co-Owner shall notify the other Co-Owner as soon as possible of the existence and nature of the Emergency.
- (b) Either Co-Owner, in the case of Emergency, acting reasonably and in good faith having regard to the best interests of the Co-Owners may, but shall not be required to, advance monies on behalf of both Co-Owners to deal with any such Emergency.
- (c) If either Co-Owner shall have advanced monies on behalf of both Co-Owners to deal with an Emergency, the Co-Owner which has not advanced such monies shall repay to the other Co-Owner an amount equal to the non-advancing Co-Owner's Co-Ownership Proportion of the amounts so advanced, but collection thereof shall not be subject to the specific recourse provided for at Section 6.1(d); to the extent that any such amounts are not repaid, the advancing Co-Owner shall have a security interest in the non-advancing Co-Owner's Co-Ownership Interest and shall be entitled to be repaid out of the first distributions of Net Cash Flow in accordance with Section 4.7(b). For the sake of clarity and subject to the terms and conditions of this Section 4.5(c), the non-advancing Co-Owner shall not have triggered an Event of Default and shall not be subject to the loss of right to participate provided for at Section 6.2.
- (d) For the purposes of this Agreement, "**Emergency**" means any matter arising which: (1) is a serious threat to the health, safety or lives of a Person or Persons and related to the Property; (2) is required to avert a demand for repayment or the enforcement of Financing or Financing Security by a Lender; (3) is a serious threat to the Property, with material adverse financial consequences to the Joint Venture; (4) may cause criminal liability to the Co-Owners, the Co-Owner Representatives or the directors, officers,

shareholders, partners or trustees of the Co-Owners and/or AIM GP; or (5) which may result in material civil liability to the Co-Owners, the Co-Owner Representatives or the directors, officers, shareholders, partners or trustees of the Co-Owners and/or AIM GP.

4.6 Shortfall Loans

- (a) If a Co-Owner does not pay any amount required to be paid or advanced pursuant to Section 4.4(a) or 4.4(b) within the time period set forth therein, it shall be deemed and shall hereinafter be referred to as a **"Non-Advancing Co-Owner"** and the other Co-Owner who has paid the amount required to be paid or advanced pursuant to such Sections (the **"Contributing Co-Owner"**), upon notice to the Non-Advancing Co-Owner, shall have all the remedies available to it pursuant to Section 6.1, and, in addition, shall be entitled (but shall not be obligated) to advance the amount so payable or to be advanced by the Non-Advancing Co-Owner for the purpose for which it is required.
- (b) If a Contributing Co-Owner pays or advances all or any portion of the amount to be paid or advanced pursuant to Sections 4.4 or 4.5 by the Non-Advancing Co-Owner, the Non-Advancing Co-Owner shall reimburse the Contributing Co-Owner for the amount so advanced by the Contributing Co-Owner and that was required to be paid or advanced by the Non-Advancing Co-Owner pursuant to Sections 4.4 or 4.5 within fifteen (15) Business Days.
- (c) If a Contributing Co-Owner pays or advances an amount as aforesaid on behalf of a Non-Advancing Co-Owner, such amount shall be deemed to be a demand loan made by the Contributing Co-Owner to the Non-Advancing Co-Owner which the Contributing Co-Owner has been irrevocably directed to pay and advance for and on behalf of the Non-Advancing Co-Owner and which the Non-Advancing Co-Owner hereby covenants and agrees to repay, with interest at the rate herein provided, forthwith on demand. Such demand loan shall bear interest as between the Contributing Co-Owner and the Non-Advancing Co-Owner at the rate of interest equal to the Prime Rate plus five percent (5%) per annum, calculated daily and compounded monthly, from the date of payment or advance by the Contributing Co-Owner to the date of repayment in full. The Non-Advancing Co-Owner, upon the occurrence of a payment or advance pursuant to this subsection shall be deemed to grant, create a security interest in, assign, pledge, hypothecate, mortgage and charge as and by way of a fixed and specific mortgage and charge to and in favour of the Contributing Co-Owner in the amount of the funds so advanced at the rate of interest equal to the Prime Rate plus five percent (5%) per annum. The Contributing Co-Owner shall also be entitled to register a charge specifying the above terms against the Co-Owner's Interest of the Non-Advancing Co-Owner, and the Property, in order to secure the repayment of the loan. The Non-Advancing Co-Owner constitutes and appoints the Contributing Co-Owner to be its attorney with full power of substitution to register the abovementioned charge on the Non-Advancing Co-Owner's, including to do, make and execute all such agreements, deeds, acts, matters or things, with the right to use the name of the Non-Advancing Co-Owner, whenever and wherever it deems necessary or expedient and to carry out the registration. Such power of attorney, being granted by way of security and coupled with an interest, is irrevocable.
- (d) In addition to any other rights that a Contributing Co-Owner may have under this Agreement, the Contributing Co-Owner shall also have the right to set off the amount payable by a Non-Advancing Co-Owner to a Contributing Co-Owner against amounts payable by such Contributing Co-Owner to the Non-Advancing Co-Owner and the

Contributing Co-Owner shall also have the right, on written notice to the Joint Venture, to direct the Joint Venture to pay funds otherwise payable to the Non-Advancing Co-Owner to be paid to the Contributing Owner, and this shall be the sole and exclusive authority for the Joint Venture so doing.

4.7 Distribution of Net Cash Flow

Net Cash Flow shall be applied and distributed in the following order of priority, and no distribution shall be made in any category set forth below unless and until the preceding category has been satisfied in full, unless the Co-Owners unanimously otherwise agree in writing:

- (a) The payment of all Expenditures in connection with or on account of the Property;
- (b) The repayment of any moneys loaned or advanced pursuant to Sections 4.6, 4.7 and/or 4.8 to a Contributing Co-Owner until repaid; and
- (c) To the Co-Owners in accordance with their respective Co-Ownership Proportions.

4.8 Access to Records

Each Co-Owner shall furnish to the other Co-Owner such information in respect of the Property as may reasonably be required by such other Co-Owner, and each Co-Owner shall have the right at all reasonable times during usual business hours to audit, examine and make copies of extracts from the Property books and records. Such right may be exercised through any agent or employee of such Co-Owner designated by it or by an outside independent chartered accountant designated by such Co-Owner. Each Co-Owner shall bear all expenses incurred in any such examination made for its account.

4.9 Financial Reporting Requirements

The Co-Owners agree that they shall, from time to time, provide such reports and information as they reasonably require concerning the operational and financial aspects of the Property and their statutory and other obligations in respect thereof. Unless otherwise required by a Lender, the Accountants shall prepare unaudited "Review Engagement" financial statements of the Joint Venture and the Accountants shall provide copies thereof to each of the Co-Owners within ninety (90) days after the end of such financial year.

ARTICLE 5 – TRANSFERS OF CO-OWNER'S INTERESTS

5.1 Partition

No Co-Owner shall make an application to any Court or commence any action for the partition or sale of the Property. Upon any breach of this Section by a Co-Owner, the other Co-Owner, in addition to all other rights and remedies provided herein and at law and in equity, shall be entitled to a decree or order restraining and enjoining such breach and the Co-Owner in breach shall not plead in defence thereto that there would be an adequate remedy at law, it being recognized and agreed that the injury and damage resulting from such breach would be impossible to measure monetarily.

5.2 Transfers of Interests

- (a) No Co-Owner's Interest (or any part thereof) nor this Agreement (or any interest herein) may be sold, exchanged, conveyed, gifted, donated, assigned, transferred, disposed of,

Encumbered, and no Encumbrance may be created or permitted or suffered to be created in respect of a Co-Owner's Interest and no agreement may be made to do any of the same (any such transaction being herein referred to as a "**Disposition**") save and except on the basis of any one of the following cases:

- (i) with the prior written consent of the other Co-Owner, which consent may be arbitrarily or unreasonably withheld; or
- (ii) pursuant to and in accordance with another specific term or provision of this Agreement,

and any attempt to do so otherwise shall be void.

- (b) No interest in a Co-Owner, whether directly or indirectly, by a Disposition of the shares, securities, units or other ownership interests of a Co-Owner or any Person holding such a direct or indirect interest in a Co-Owner shall be permitted, allowed and no agreement to effect such a Disposition of any direct or indirect interest in a Co-Owner shall be permitted or allowed, except on the basis of any one of the following cases:

- (i) with the prior consent of the Co-Owners, which consent may be arbitrarily or unreasonably withheld;
- (ii) pursuant to and in accordance with another specific term or provision of this Agreement;
- (iii) notwithstanding anything contained in this Agreement to the contrary, but subject to the terms of Section 5.2(d), in the case of WRI, any Disposition shall be permitted so long as any one or both of Aaron and Jeremy Waxman controls WRI and continues to hold, directly or indirectly, greater than fifty percent (50%) of the equity or ownership interest of WRI; or
- (iv) notwithstanding anything contained in this Agreement to the contrary, but subject to the terms of Section 5.2(d), in the event of AIM LP, any Disposition shall be permitted so long as any one or both of Herbert and Ronald Black controls AIM LP and continues to hold, directly or indirectly, greater than fifty percent (50%) of the equity or ownership interest of AIM LP,

and any attempt to do so otherwise shall be void.

- (c) It is acknowledged and agreed that, each of the current Principals of WRI shall be permitted to Dispose of their respective direct or indirect interests in WRI to each other provided that the terms of Section 5.2(b)(iii) are complied with and the current Principals of AIM LP shall be permitted to Dispose of their respective direct or indirect interests in AIM LP to each other provided that the terms of Section 5.2(b)(iv) are complied with.
- (d) Notwithstanding anything to the contrary contained in this Agreement, the Principals of each Co-Owner shall have the right to Dispose of its direct or indirect ownership interest in the Co-Owner to a member or members of the Immediate Family (as hereinafter defined) of the Principal or Principals of each Co-Owner; or to a Person controlled by a member or members of the Immediate Family of a Principal or Principals of a Co-Owner. For the purposes of this Section 5.2(d), "**Immediate Family**" shall mean and include any

one or more or all of the spouses, issue, brothers, sisters, brothers-in-law and sisters-in-law, of any Principal or Principals of a Co-Owner.

The disposing Principal of a Co-Owner shall be liable for all reasonable third party costs, including, legal fees and disbursements actually and properly incurred by the other Co-Owner arising from the Disposition of a Principal's direct or indirect ownership interest in the Co-Owner.

5.3 Transfers to Affiliates

A Co-Owner that is not then a Defaulting Co-Owner shall be entitled to transfer all (but not less than all) of its Co-Owner's Interest to an Affiliate, provided that contemporaneously with such transfer and as a condition thereto:

- (a) the transferee shall enter into an agreement with the remaining Co-Owner on the terms of this Agreement whereby the transferee shall assume and be bound by and entitled to the benefits and the obligations and rights under this Agreement;
- (b) the transferee and the transferor shall agree in writing with the remaining Co-Owner that the transferee will remain an Affiliate of the transferor so long as the transferee is a Co-Owner, in form satisfactory to counsel for the remaining Co-Owner, acting reasonably; and
- (c) notwithstanding any such transfer, the transferor Co-Owner shall remain jointly and severally liable with the transferee Co-Owner for all obligations and liabilities arising out of this Agreement.

ARTICLE 6 – DEFAULT

6.1 Default

Upon a Co-Owner committing an Event of Default, (being herein referred to as the "**Defaulting Co-Owner**") and the other Co-Owner being herein referred to as a "**Non-Defaulting Co-Owner**"), the Non-Defaulting Co-Owner shall have the right to give the Defaulting Co-Owner notice specifying the Event of Default as well as the details or particulars constituting the Event of Default, whereupon the Non-Defaulting Co-Owner shall have the following rights and remedies:

- (a) bring any proceedings in the nature of specific performance, injunction or other equitable remedy, it being acknowledged by each of the Co-Owners that damages at law may be an inadequate remedy for the Event of Default; and/or
- (b) remedy the Event of Default (other than an Event of Insolvency) whereupon the Non-Defaulting Co-Owner shall be entitled on demand to be reimbursed by the Defaulting Co-Owner for any monies expended to remedy such Event of Default and any other expenses (including legal fees on a solicitor and its own client basis) incurred by the Non-Defaulting Co-Owner (and to bring any legal proceedings for the recovery thereof), together with interest at a rate equal to the Prime Rate plus 5% per annum; and/or
- (c) bring any action at law as may be necessary or desirable in order to recover damages; and/or

- (d) arrange upon written notice to the Defaulting Co-Owner as contemplated in Section 6.1 hereof for a determination by an appraiser of the fair market value of the Co-Owner's Interest of the Defaulting Co-Owner, and either contemporaneously therewith or within sixty (60) days after such determination give, if it so desires, written notice (the "**Purchase Notice**") to the Defaulting Co-Owner that such Non-Defaulting Co-Owner elects to purchase the Co-Owner's Interest of the Defaulting Co-Owner (such interest being hereinafter referred to as the "**Defaulting Co-Owner's Interest**") at a purchase price equal to eighty percent (80%) of the fair market value of such interest as so determined. (other than for an Event of Insolvency described in Sections (a) and (d) in the definition of "Event of Insolvency", in which case, the purchase price shall equal one hundred percent (100%) of the fair market value of the Co-Owner's Interest of a Defaulting Co-Owner) and to purchase such interest at such purchase price, in which case, the Defaulting Co-Owner shall sell and the Non-Defaulting Co-Owner shall purchase such interest on the terms set out in ARTICLE 7 hereof (it being acknowledged that the Non-Defaulting Co-Owner need not give a Purchase Notice pursuant to this Section entitling it to purchase the interest of the Defaulting Co-Owner unless it elects, at its option, to do so); there shall be deducted from the purchase price any amounts owing by the Defaulting Co-Owner to the Non-Defaulting Co-Owner hereunder and the amounts necessary to reimburse the Non-Defaulting Co-Owner for remedying the said defaults together with interest at the aforesaid rate; any such purchase is intended to be a purchase and not by way of security and does not constitute a foreclosure or give rise to any equitable rights of redemption. An amount equal to thirty-five percent (35%) of the purchase price, so determined, shall be payable on the closing date of the purchase transaction, by wire transfer of immediately available funds and the balance of the purchase price shall be paid over a period of two (2) years from the closing date, without interest, by equal monthly payments, the first such monthly payment to be made one (1) month after the closing date and consecutively monthly thereafter with the final monthly payment to be due and payable on the third anniversary of the closing date.

6.2 Decisions of the Co-Owners

After a material Event of Default and until the same is remedied by the Defaulting Co-Owner, the Defaulting Co-Owner shall not have the right to participate in decisions relating to the Property and all decisions shall be made and approvals given by the Non-Defaulting Co-Owner.

ARTICLE 7 – CLOSING

7.1 Closing

- (a) The provisions contained in this Section 7.1 shall be applicable to a sale of a Co-Owner's Interest in the Property by one Co-Owner to the other Co-Owner, pursuant to ARTICLE 6 unless a contrary provision is expressly provided in this Agreement.
- (b) The closing ("**Closing**") of any sale of a Co-Owner's Interest in the Property by one Co-Owner to another Co-Owner pursuant to Sections 6.1(d) shall be held at the address of the lawyer or law firm retained by the selling Co-Owner, and failing the retainer of any such lawyer or law firm, at the address of the selling Co-Owner for service of notices provided for herein at 10:00 o'clock in the morning (Toronto time) on the date stipulated herein therefor or such earlier or later date as may be mutually agreed upon by the parties to the transaction.

- (c) At the Closing, the selling Co-Owner shall execute and deliver to the purchasing Co-Owner a transfer of all the Co-Owner's Interest of the selling Co-Owner, a transfer and assignment of all rights of the selling Co-Owner under any instruments, agreements, orders and other documents relating to and the Property which have been Approved by the Co-Owners (such transfers, instruments, agreements, orders and other documents to be satisfactory to counsel for the purchasing Co-Owner and herein collectively called the "**Transfer Documents**"), warranting good and marketable title free from all claims and Encumbrances other than those Approved by the Co-Owners, as a condition of payment by the purchasing Co-Owner of the purchase price (subject to a right of set off as hereinafter provided). The Transfer Documents shall include all those which may be necessary or desirable to effectuate the sale and transfer of such Co-Owner's Interest and shall be legally sufficient to convey to the purchasing Co-Owner the entire Co-Owner's Interest of the selling Co-Owner.
- (d) Subject to Section 6.1(d), at the Closing, the purchase price (subject to a right of set-off as hereinafter provided) shall be paid to the selling Co-Owner. The purchase price shall be subject to usual closing adjustments as may be necessary and appropriate. On Closing, the balance of the purchase price shall be paid by wire transfer of immediately available funds to the selling Co-Owner. Where the liabilities to be assumed by the purchasing Co-Owner as contemplated below exceed the purchase price of the Co-Owner's Interest of the selling Co-Owner, such excess shall be paid in cash by the selling Co-Owner to the purchasing Co-Owner at the Closing. In the event that there are any sales or transfer taxes payable as an incident to the transfer at the Closing, such taxes shall be paid by the purchasing Co-Owner.
- (e) At the Closing, the purchasing Co-Owner shall assume all Approved Obligations of the selling Co-Owner in connection with the Co-Owner's Interest being acquired, and shall agree to indemnify the selling Co-Owner thereafter from any and all manner of claims and causes of action thereafter arising out of the Co-Owner's Interest of the selling Co-Owner in and the Property.
- (f) On Closing, the selling Co-Owner shall deliver to the purchasing Co-Owner a release by the selling Co-Owner of all of its claims against the purchasing Co-Owner, with respect to any matter or thing relating to the Joint Venture up to and including the closing date but excluding any claims for payment of the balance, if any, of the purchase price for its Co-Owner's Interest.
- (g) If the selling Co-Owner is not represented at Closing or is represented but fails for any reason whatsoever to produce and to execute and deliver the Transfer Documents to the purchasing Co-Owner, then the purchase price (or the portion of the purchase price required to be paid on the closing date) may be deposited by the purchasing Co-Owner into a special account at a branch of the bank used by the Co-Owners in respect of the Property in the name of the selling Co-Owner. Such deposit shall constitute valid and effective payment of the purchase price to the selling Co-Owner even though the selling Co-Owner has in breach of this Agreement voluntarily Encumbered or Disposed of any of its Co-Owner's Interest and notwithstanding the fact that a conveyance or conveyances or assignment or assignments for any of such Co-Owner's Interest may have been delivered. If the purchase price (or the portion of the purchase price required to be paid on the closing date) is deposited as aforesaid, then from and after the date of such deposit, and even though the Transfer Documents have not been delivered to the purchasing Co-Owner, the purchase of the Co-Owner's Interest shall be deemed to have been fully

completed and all right, title, benefit and interest, both in law and in equity, in and to the Co-Owner's Interest of the selling Co-Owner shall be conclusively deemed to have been transferred and assigned to and become vested in the purchasing Co-Owner, and all right, title, benefit and interest, both in law and in equity, of the selling Co-Owner or of any transferee, assignee or any other Person having any interest, legal or equitable, therein or thereto shall cease and determine, provided, however, that the selling Co-Owner shall be entitled to receive the purchase price (or the portion of the purchase price required to be paid on the closing date) so deposited, without interest, upon execution and delivery to the purchasing Co-Owner of the Transfer Documents.

- (h) The selling Co-Owner hereby irrevocably constitutes and appoints the purchasing Co-Owner as its true and lawful attorney-in-fact and agent for, in the name of and on behalf of the selling Co-Owner to execute and deliver in the name of the selling Co-Owner all such assignments, transfers, resignations, deeds or instruments as may be necessary effectively to transfer and assign the Co-Owner's Interest being sold to the purchasing Co-Owner and which the selling Co-Owner shall have failed to execute and deliver in breach of its obligations under this Agreement. Such appointment and power of attorney, being coupled with an interest, shall not be revoked by an event of insolvency or bankruptcy of the selling Co-Owner and the selling Co-Owner hereby ratifies and confirms and agrees to ratify and confirm all that the purchasing Co-Owner may lawfully do or cause to be done by virtue of the provisions hereof. The selling Co-Owner hereby irrevocably consents to the transfer of its Co-Owner's Interest made pursuant to the provisions of this Section.

ARTICLE 8 – DETERMINATION BY MEDIATION AND ARBITRATION

8.1 Mediation

- (a) In the event that the Co-Owners are unable to agree upon a matter which is required to be exercised (the "**Deadlock Matter**") and a Co-Owner, acting in good faith and in the best interest of the Joint Venture: (i) considers the determination of such matter to be of significance to the Joint Venture and the Property; and (ii) the Deadlock Matter deals with a matter or issue capable of being determined by an expert, then either Co-Owner may refer the Deadlock Matter for determination to an expert by delivery of written notice electing to exercise such right to the other Co-Owner (the "**Dispute Resolution Notice**") within ten (10) Business Days of the date in which it can reasonably be determined that the Co-Owners cannot agree upon the Deadlock Matter.
- (b) Within ten (10) Business Days of the delivery of the Dispute Resolution Notice, the Co-Owners shall attempt to agree upon the appointment of a skilled and experienced commercial mediator to assist the Parties to reach an agreement through mediation on the Deadlock Matter. If the Parties fail to timely agree on a mediator within such ten (10) Business Days, at the request of any Co-Owner such mediator shall be appointed by ADR Chambers Inc. (including its successor). The mediation shall be conducted in Toronto, Ontario or such other location as the Parties may agree, in the English language. The cost of mediation shall be shared equally by the Co-Owners (except that each Co-Owner shall be responsible for payment of its own legal fees). Any settlement reached by mediation shall be reduced to writing, shall be signed by the Co-Owners and shall be final and binding on them. If dispute is not resolved to the mutual satisfaction of the Parties within twenty (20) Business Days following the appointment of the mediator, any Co-Owner

may by Arbitration Notice to the other Co-Owner under Section 8.2 require the Deadlock to be resolved by arbitration as set out below.

8.2 Arbitration

In the event of any dispute, claim, question or difference between or among any parties hereto relating to any matter, covenant, commitment or agreement provided for in this Agreement or arising between the Co-Owners relating to the Co-Ownership which the parties are unable to resolve by discussion and negotiation and mediation as set out in Section 8.1, any Co-Owner may by written notice (an "**Arbitration Notice**") to the other Co-Owner, require same to be settled by arbitration pursuant to and in accordance with the following provisions:

- (a) the arbitration tribunal shall consist of one arbitrator appointed by mutual agreement of the Co-Owners who is qualified by education and training to pass upon the particular matter to be decided, or in the event of failure to agree within ten (10) Business Days from the giving of the Arbitration Notice, either Co-Owner may apply to a Judge of the Ontario Superior Court of Justice to appoint an arbitrator;
- (b) the arbitrator shall be instructed that time is of the essence in proceeding with his/her determination of any dispute, claim, question or difference and, in any event, the arbitration award must be rendered within thirty (30) days of the submission of such dispute to arbitration;
- (c) the arbitration shall take place in the City of Toronto, Ontario;
- (d) the law to be applied in connection with the arbitration shall be the laws of Ontario, including its conflict of law rules;
- (e) in its arbitration award, the arbitrator may award any remedy for any breach of this Agreement that might have been awarded by the Ontario Superior Court of Justice except where the remedy for such breach has been expressly limited by this Agreement;
- (f) the arbitration award shall be given in writing, and shall be final and binding on the parties and not subject to any appeal on a matter of law, a matter of fact, or a matter of mixed fact and law;
- (g) the arbitration award shall deal with the question of costs of arbitration and all matters related thereto;
- (h) judgment upon the award rendered may be entered in any court of competent jurisdiction, or, application may be made to such court for a judicial recognition of the award or an order of enforcement thereof, as the case may be;
- (i) nothing herein will prevent the Co-Owner who gave the Arbitration Notice from applying for injunctive relief pending such arbitration proceeding; and
- (j) any arbitration hereunder shall be conducted in accordance with the provisions of the *Arbitration Act*, 1991 (Ontario) (as it may be amended or re-enacted from time to time) except as varied or excluded by the provisions of this Section 8.2.

ARTICLE 9 GENERAL PROVISIONS

9.1 Notices

Any notice required or permitted to be given hereunder to a party shall be in writing and shall be effectively given or delivered personally or by overnight courier with a reputable courier service addressed to:

In the case of WRI:

172 Hillcrest Avenue
Hamilton, Ontario
L8P 2X4

Att: Aaron Waxman

awaxman@waxmanindustrial.ca

and in the case of AIM LP or AIM GP:

9100 Henri-Bourassa Est
Montréal (Québec)
H1E 2S4

Att: Herbert Black

hblack@scrapmetal.net

or to such other address of a party as it shall specify to the other party by written notice given in the manner aforesaid. Any such notice personally delivered or delivered by courier between the hours of 9:00 a.m. and 5:00 p.m. on a Business Day shall be deemed to have been validly and effectively given and received on the date of such delivery.

9.2 Waiver

No consent or waiver, express or implied, by a party to or of any breach or default by the other party in the performance by such other party of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by such other party of the same or any other obligations of such other party hereunder. Failure on the part of a party to complain of any act or failure to act of the other party or to declare the other party in default hereunder, irrespective of how long such failure continues, shall not constitute a waiver by such first mentioned party of its rights hereunder.

9.3 Amendments

This Agreement may not be modified or amended except with the written consent of the parties hereto.

9.4 Successors and Assigns

All of the terms and provisions of this Agreement shall be binding upon the parties and their respective successors and assigns, but shall enure to the benefit of and be enforceable by the successors and assigns

of any Co-Owner only to the extent that they are permitted successors and assigns pursuant to the terms hereof. No party may assign its rights hereunder except as herein expressly permitted.

9.5 Further Assurances

The parties hereto agree that they will from time to time at the reasonable request of either of them execute and deliver such assignments, instruments and conveyances and take such further action as may be required to accomplish the purposes of this Agreement.

9.6 Entire Agreement

This Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, of the parties and there are no warranties, representations or other agreements between the parties in connection with the subject matter hereof except as specifically set forth herein.

9.7 Rights of Co-Owners Independent

The rights available to the Co-Owners under this Agreement and at law shall be deemed to be several and not dependent on each other and each such right shall be accordingly construed as complete in itself and not by reference to any other such right. Any one or more and/or any combination of such rights may be exercised by a Co-Owner from time to time and no such exercise shall exhaust the rights or preclude any other Co-Owner from exercising any one or more of such rights or combination thereof from time to time thereafter or simultaneously.

9.8 Certificates

The Co-Owners each agree at any time and from time to time so long as this Agreement shall remain in effect, upon not less than ten (10) Business Days prior request by the other Co-Owner, to execute and deliver to the other Co-Owner or as the requesting party may direct, a statement in writing certifying whether this Agreement is modified or unmodified (and if modified, stating the modifications), whether this Agreement is in full force and effect, whether the Co-Owner giving such statement knows of any default by the other Co-Owner (and if so, stating the default) and the status of any other matters related to this Agreement as may specifically be requested of it, it being intended that any such statement delivered pursuant to this Section may be relied upon by any prospective purchaser or mortgagee of the Property or of a Co-Owner's Interest.

9.9 Unavoidable Delay

If any act or thing to be done or performed by a party (except as otherwise provided herein) is subject to Unavoidable Delay, then the time for the doing or performance thereof shall be extended for a period equal to the delay or the period for which such Unavoidable Delay operates to prevent the act or thing required to be done or performed from being done or performed, and the party obligated to do or perform such act or thing shall not be deemed to be in default until the expiration of such time as so extended. Each party shall promptly notify the other of the occurrence of any Unavoidable Delay which might prevent or delay the doing or performance of acts or things required to be done or performed by such party. The aforesaid provisions do not in any way affect any obligations to pay monies. Save as herein provided, time shall be of the essence in this Agreement.

9.10 Counterparts and Formal Date

This Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original, and such counterparts together shall constitute one and the same instrument and notwithstanding the date of execution shall be deemed to bear date as of the date written at the beginning of this Agreement.

9.11 Confidentiality

All matters pertaining to this Agreement and the transactions contemplated herein shall be held in confidence and no public announcement with respect to this Agreement shall be made by any of the parties hereto without the prior written approval of each of the parties hereto (which consent shall not be unreasonably withheld), except to the extent required by applicable law or as may be required to enforce the terms hereof. Notwithstanding the foregoing, the parties shall be permitted to disclose this Agreement to their respective agents, advisors, auditors, accountants, legal counsel, appraisers, bankers, lenders, trustees, directors and partners and to prospective purchasers of a Co-Owner's Interest. Notwithstanding anything to the contrary in this Agreement or at law, any disclosure by a party hereto resulting in a breach of this Section 8.12 shall give rise only to damages and/or an injunction with respect to such disclosure and will not give rise to any other remedies.

BALANCE OF PAGE INTENTIONALLY LEFT BLANK

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed by their proper officers duly authorized in that behalf.

WAXMAN REALTY COMPANY INC.

Per: _____

Name: Aaron Waxman
Title: President

I have authority to bind the Corporation

**AMERICAN IRON & METAL LP, per
AMERICAN IRON & METAL GP INC., its
general partner**

Per: _____

Name: Herbert Black
Title: President

I have authority to bind the Corporation

AMERICAN IRON & METAL GP INC.

Per: _____

Name: Herbert Black
Title: President

I have authority to bind the Corporation

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed by their proper officers duly authorized in that behalf.

WAXMAN REALTY COMPANY INC.

Per: _____

Name: Aaron Waxman
Title: President

I have authority to bind the Corporation

**AMERICAN IRON & METAL LP, per
AMERICAN IRON & METAL GP INC., its
general partner**

Per: _____

Name: ~~Herbert Black~~ *Ronald Black*
Title: ~~President~~ *Vice-President*
Executive

I have authority to bind the Corporation

AMERICAN IRON & METAL GP INC.

Per: _____

Name: ~~Herbert Black~~ *Ronald Black*
Title: ~~President~~ *Executive Vice-President*

I have authority to bind the Corporation

SCHEDULE "A"**LEGAL DESCRIPTION**

PIN: 07034-0014(LT)

PCL 7-8, SEC N12; PT LT 7, CON 3 SOUTH OF DUNDAS STREET, PT 1 20R4669. EXCEPT PT 9
20R9466; CITY OF BURLINGTON

TAB E

This is Exhibit "E" referred to in the
Affidavit of Kamila Wirpszo
sworn April 11th, 2018


RITA DEMIRJIAN



LRO # 20 Charge/Mortgage

Received as HR1070901 on 2012 12 13 at 16:42

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

yyyy mm dd Page 1 of

Properties

PIN 07034 - 0014 LT Interest/Estate Fee Simple
 Description PCL 7-8, SEC N12; PT LT 7, CON 3 SOUTH OF DUNDAS STREET, PT 1 20R4669,
 EXCEPT PT 9 20R9466.; CITY OF BURLINGTON
 Address 4350 HARVESTER RD
 BURLINGTON

Chargor(s)

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

Name WAXMAN REALTY COMPANY INC.
 Address for Service 143 Adams Boulevard
 Brantford, Ontario
 NS3 7V8

I, Aaron Waxman, Director, Secretary, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

Chargee(s)

Capacity

Share

Name AMERICAN IRON & METAL GP INC.
 Address for Service c/o American Iron & Metal LP
 9100 Henri Bourassa Boulevard East
 Montréal, Quebec
 H1E 2S4

Statements

Schedule: See Schedules

Provisions

Principal \$ 3,000,000.00 Currency CDN
 Calculation Period
 Balance Due Date On Demand
 Interest Rate 25.0%
 Payments
 Interest Adjustment Date
 Payment Date See Attached
 First Payment Date
 Last Payment Date
 Standard Charge Terms
 Insurance Amount full insurable value
 Guarantor

LRO # 20 Charge/Mortgage

Received as HR1070901 on 2012 12 13 at 16:42

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

yyyy mm dd

Page 2 of 2

Signed By

Fred Gjoka

181 Bay Street, Suite 4400,
Brookfield Place
Toronto
M5J 2T3acting for
Chargor(s)

Signed

2012 12 13

Tel 4168657094

Fax 4168657048

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

Submitted By

MCMILLAN LLP

181 Bay Street, Suite 4400,
Brookfield Place
Toronto
M5J 2T3

2012 12 13

Tel 4168657094

Fax 4168657048

Fees/Taxes/Payment

Statutory Registration Fee \$60.00

Total Paid \$60.00

File Number

Chargee Client File Number :

211822

DEBENTURE

WAXMAN REALTY COMPANY INC.,
incorporated under the laws of Ontario

CAD\$3,000,000

Due: On Demand

THIS DEBENTURE is issued the 12th day of October, 2012 by **WAXMAN REALTY COMPANY INC** (the "**Chargor**"), whose principal office or place of business in the Province of Ontario is located at 143 Adams Boulevard, Brantford, Ontario, NS3 7V8, to **AMERICAN IRON & METAL GP INC.**, in its capacity as general partner of **AMERICAN IRON & METAL LP**, located at 9100 Boul Henri-Bourassa E, Montreal, Quebec, (together with its successors and assigns, the "**Holder**").

FOR VALUABLE CONSIDERATION (the receipt and sufficiency of which are hereby acknowledged), the Chargor covenants, acknowledges, represents and warrants to and in favour of the Holder as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

Each word and phrase defined or given an extended meaning in Schedule 1.1 is used in this Debenture with the respective defined or extended meaning assigned to it in Schedule 1.1.

1.2 Statutes

Each reference in this Debenture to any code, statute, regulation, official interpretation, directive or other legislative enactment of any Canadian or foreign jurisdiction (including any political subdivision of any thereof) at any time shall be construed so as to include such code, statute, regulation, official interpretation, directive or enactment and each change thereto made at or before that time.

1.3 Agreements

Each reference in this Debenture to any agreement (including this Debenture and any other term defined in Schedule 1.1 that is an agreement), document or instrument at any time shall be construed so as to include such agreement (including any attached schedules, appendices and exhibits), document or instrument and each change thereto at or before that time.

1.4 Headings

The division of this Debenture into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Debenture. The article and section headings in this Debenture are included

solely for convenience, are not intended to be full or accurate descriptions of the article or section to which they pertain and shall not be considered part of this Debenture.

1.5 Number and Gender

In this Debenture, words (including defined terms) in the singular include the plural and vice-versa (the necessary changes being made to fit the context) and words in one gender include all genders.

1.6 Severable

Wherever possible, each provision of this Debenture shall be interpreted in such a manner as to be effective and valid under Applicable Law, but if any provision of this Debenture or any party thereof shall be prohibited by or invalid or unenforceable under Applicable Law, such provision shall be ineffective to the extent of such prohibition or invalidity or unenforceability, without invalidating the remainder of such provision or part thereof or the remaining provisions of this Debenture and for greater certainty, the remainder of such provision or part thereof or the remaining provisions of this Debenture shall remain valid and enforceable.

ARTICLE 2 PROMISE TO PAY

2.1 The Chargor hereby acknowledges itself indebted and promises to pay to or to the order of the Holder, **ON DEMAND** made in accordance with the terms hereof, or on such earlier date as the principal monies hereby secured may become payable in accordance with the terms hereof, the principal sum of **THREE MILLION DOLLARS (\$3,000,000)** in lawful currency of Canada and all other amounts now or hereafter payable hereunder as and when they become due and payable (the "**Principal Sum**") at the office of the Holder described at the commencement of this Debenture, or at such other place as the Holder may designate at any time and from time to time by notice to the Chargor, and shall pay interest thereon from the date hereof at the nominal rate of twenty-five per cent (25%) per annum calculated yearly not in advance both before and after maturity, default or judgment together with interest on overdue interest at the same rate.

ARTICLE 3 SECURITY

3.1 Security Interest

As general and continuing collateral security, without impairment or novation, for the due payment and performance of the Secured Obligations, and subject to the exceptions in Sections 3.5 and 3.6, the Chargor hereby:

- (a) grants, creates a security interest in, assigns, pledges, conveys, hypothecates, mortgages and charges as and by way of a fixed and specific mortgage and charge to and in favour of the Holder:

- (i) all freehold, real or immovable property in which the Chargor now or hereafter has Rights, including, without limitation, the Lands, together with all buildings, erections and fixtures now or hereafter constructed, erected or installed thereon, including in each and all cases any greater or other right, title and interest therein or in any part thereof which the Chargor may acquire and hold during the currency of this Debenture;
- (ii) by way of demise and sub-lease, all leasehold real or immovable property in which the Chargor now or hereafter has Rights, together with all buildings, erections and fixtures now or hereafter constructed, erected or installed thereon, including, without limitation, the Leased Premises, together with all buildings, erections and fixtures now or hereafter constructed, erected or installed thereon;
- (iii) any and all existing or future leases relating to the whole or any part or parts of the Lands or the Leased Premises or any other freehold or leasehold real or immovable property and all existing or future licenses or concessions whereby any person, is given the right by the Chargor (other than an easement or a right in the nature of an easement) to use or occupy the whole or any part or parts of the Lands or the Leased Premises or any other freehold or leasehold real or immovable property and all extensions, amendments, renewals or substitutions thereof or therefore which may hereafter be effected or entered into, and all benefits, powers and advantages of the Chargor to be derived therefrom and all covenants, obligations and agreements of the tenants thereunder;
- (iv) all rents and other moneys now due and payable or hereafter to become due and payable under any and all leases relating to the whole or any part or parts of the Lands or the Leased Premises or any other freehold or leasehold real or immovable property, and each guarantee of or indemnity in respect of the obligations of the tenants thereunder with full power to demand, sue for recovery, receive and give receipts for all such rents and other moneys and otherwise to enforce the rights of the Chargor thereto in the name of the Chargor;
- (v) any and all existing or future agreements, contracts, licences, permits, plans and specifications, bonds, letters of credit, letters of guarantee or other documents or instruments affecting or relating to the Lands or the Leased Premises or any other freehold or leasehold real or immovable property in which the Chargor now or hereafter has Rights or any part or parts thereof and all extensions, amendments, renewals or substitutions thereof or therefore which may hereafter be effected or entered into and all benefit, power and advantage of the Chargor to be derived therefrom;
- (vi) any and all existing or future agreements of purchase and sale, options to purchase and mortgages, affecting or relating to the Lands, the Leased Premises or any other freehold or leasehold real or immovable property in

which the Chargor now or hereafter has Rights or any part or parts thereof and all proceeds and other moneys now due and payable or hereafter to become due and payable thereunder and all benefit, power and advantage of the Chargor to be derived therefrom;

- (vii) any and all existing or future insurance policies pertaining to the Lands or the Leased Premises or any other freehold or leasehold real or immovable property in which the Chargor now or hereafter has Rights or any parts or parts thereof and the proceeds therefrom and all proceeds of expropriation or similar taking of the Lands and the Leased Premises or any part or parts thereof and all benefit, power and advantage of the Chargor to be derived therefrom;
 - (viii) all Rights to the property referred to in clauses (i) and (vii) inclusive above and related benefits, easements, franchises, immunities, licenses, privileges, rights-of-ways, undersurface rights, servitudes, and other interests appertaining thereto or connected therewith; and
 - (ix) all Proceeds and Replacements of or to property referred to in clauses (i) through (viii) inclusive above, including all Rights thereto;
- (b) grants, assigns, pledges, conveys, hypothecates, mortgages and charges the following property as and by way of a floating charge to and in favour of the Holder:
- (i) all freehold and leasehold real and immovable property, in which the Chargor now or hereafter has Rights, together with all buildings, erections and fixtures now or hereafter constructed, erected, or installed thereon, save and except such property and assets as are validly and effectively subject to the fixed and specific security created by paragraph (a) above;
 - (ii) all Rights of the Chargor to the property referred to in clause (i) above; and
 - (iii) all Proceeds and Replacements of or to property referred to in clauses (i) and (ii) above, including all Rights thereto.

And for better securing to the Holder the payment in the manner set out above of the Principal Sum and interest (and other amount hereby secured), the Chargor hereby mortgages to the Holder all the Chargor's estate and interest in the Lands.

3.2 **Habendum**

The Holder shall have and hold the Charged Property for its benefit but subject to the provisions of this Debenture.

License requires the consent of any Person which has not been obtained or the grant of such Security in the agreement, Right or License would contravene Applicable Law, that agreement or License (each, an "Excluded Agreement") shall not be subject to the Security (save to the extent provided below) unless and until such agreements, consents, waivers and approvals as may be required to avoid such illegality or loss and expense have been obtained ("Required Approvals"). The Security shall nonetheless immediately attach to any Rights of the Chargor arising under, by reason of, or otherwise in respect of such agreement, Right or License, such as the Right to receive payments thereunder and all Proceeds and Replacements of the agreement, Right or License ("Related Rights"), at the option of the Holder, on the occurrence and continuance of an Event of Default.

- (b) To the extent permitted by Applicable Law, the Chargor will hold in trust for the Holder and provide the Holder with the benefits of each Excluded Agreement

5

3.3 Attachment

The Chargor acknowledges that value has been given, that the Chargor and the Holder have not agreed to postpone the time for attachment of the Security and that the Security is intended to attach, as to all of the Charged Property in which the Chargor now has Rights, when the Chargor executes this Debenture, and, as to all Charged Property in which the Chargor only has Rights after the execution of this Debenture, when the Chargor first has such Rights. For certainty, the Chargor confirms and agrees that the Security is intended to attach to all present and future Charged Property of the Chargor and each Successor of the Chargor.

3.4 Proceeds Held in Trust

After any Default occurs, the Chargor shall receive and hold all Proceeds in trust, separate and apart from other monies, instruments or property, and shall forthwith endorse as necessary and pay over or deliver them to the Holder to be held by the Holder in accordance with the terms and conditions of this Debenture.

3.5 Leases

- (a) The last day of the term of any lease, oral or written, or any agreement therefor (including, without limitation, the leases referred to in Section 3.1(a)(ii) and Section 3.1(a)(iii)), now held or hereafter acquired by the Chargor shall be excepted from the Security and shall not form part of the Charged Property but the Chargor shall stand possessed of such last day remaining and shall hold it in trust to assign and dispose of the same as the Holder directs. If any such lease or agreement therefor contains a provision which provides in effect that such lease or agreement may not be assigned, sub-leased, charged or made the subject of any Security Interest without the consent of the lessor, the application of the Security to any such lease or agreement shall be conditional upon such consent being obtained. At the request of the Holder in writing, the Chargor shall forthwith use commercially reasonable best efforts to obtain, as soon as reasonably practicable, such consent.
- (b) Upon any sale by the Holder or any Receiver of any leasehold interest pursuant to this Debenture, the Holder or any Receiver, for the purpose of vesting the one day residue of the term or renewal thereof in any purchaser or purchasers, shall be entitled by deed or writing to appoint such purchaser or purchasers or any other Person or Persons as new trustee or trustees of the aforesaid residue of any such term or renewal thereof in the place and stead of the Chargor and to vest the same accordingly in the new trustee or trustees so appointed free from any Obligation respecting the same.

3.6 Agreements and Licenses

- (a) Notwithstanding anything to the contrary contained herein, if the Chargor cannot lawfully grant the Security in any agreement, Right or License comprised in the Charged Property in which it now or hereafter has Rights because the agreement, Right or License prohibits or restricts such Security, the agreement, Right or

or vary any contract for the disposition of any Charged Property and may dispose of any Charged Property again without being answerable for any loss occasioned thereby. Any such disposition may take place whether or not the Receiver has taken possession of the Charged Property. The exercise by the Receiver of any power of sale does not preclude the Receiver from further exercise of its power of sale in accordance with this clause.

- (c) *Carrying on Business.* Any Receiver may carry on, or concur in the carrying on of, any of the business or undertaking of the Chargor and may, to the exclusion of all others, including the Chargor, enter upon, occupy and use any of the premises, buildings, plant and undertaking of or occupied or used by the Chargor and may use any of the equipment of the Chargor located thereon for such time and such purposes as the Receiver sees fit. No Receiver shall be liable to the Chargor for any negligence in so doing or in respect of any rent, charges, costs, depreciation or damages in connection with any such action.
- (d) *Discharge of Security Interest.* Any Receiver may pay any liability secured by any actual or threatened Security Interest against any Charged Property. A Receiver may borrow money for the maintenance, preservation or protection of any Charged Property or for carrying on any of the business or undertaking of the Chargor and may grant Security Interest in any Charged Property in priority to the Security as security for the money so borrowed. The Chargor will forthwith on demand reimburse the Receiver for all such payments and borrowings, together with interest thereon as provided for in Section 9.20.
- (e) *Dealing with Collateral.* Any Receiver may seize, collect, realize, dispose of, enforce, release to third parties or otherwise deal with any Charged Property in such manner, upon such terms and conditions and at such time as it deems advisable without notice to the Chargor (except as otherwise required by Applicable Law), and may charge on its own behalf and pay to others its costs and expenses (including legal, Receiver's and accounting fees and expenses on a full indemnity basis) incurred in connection with such actions. The Chargor will forthwith upon demand reimburse the Receiver for all such costs or expenses.
- (f) *Powers with respect to Charged Property.* Any Receiver may have, enjoy and exercise all of the Rights of and enjoyed by the Chargor with respect to the Charged Property or incidental, ancillary, attaching or deriving from the ownership by the Chargor of the Charged Property, including the Right to enter into agreements pertaining to Charged Property, the Right to commence or continue Litigation to preserve or protect Charged Property and the Right to grant or agree to Security Interests and grant or reserve *profits à prendre*, easements, rights-of-ways, rights in the nature of easements and licenses over or pertaining to the whole or any part of the Charged Property.
- (g) *Retain Services.* Any Receiver may retain the services of such real estate brokers and agents, lawyers, accountants, appraisers and other consultants as the Receiver may deem necessary or desirable in connection with anything done or to be done

by the Receiver or with any of the Rights of the Receiver set out herein and pay their commissions, fees and disbursements (which payment shall constitute part of the Receiver's disbursements reimbursable by the Chargor hereunder). The Chargor shall forthwith on demand reimburse the Receiver for all such payments.

- (h) *Complete Construction.* Any Receiver may complete any unfinished construction upon or in the Charged Property including the power to:
- (i) appoint and engage superintendents, architects, engineers, miners, geologists, consultants, contractors, managers, advisors and such other personnel which, in the discretion of the Receiver, may be required to construct, furnish or operate the Charged Property;
 - (ii) enter into contracts for the supply of materials and services which the Receiver deems necessary to complete or operate the Charged Property;
 - (iii) enter into and enforce and take the benefit of Licenses, agreements and other arrangements in respect of the Charged Property which provide loans, grants or Licenses, from municipal or other Governmental Bodies or from any other source whatsoever;
 - (iv) enter into, enforce, use and take the benefit of construction contracts, contracts for services or materials, performance bonds, insurance contracts, development agreements, plans, studies, reports, information or any other matter, material or arrangement in respect of the Charged Property; and
 - (v) terminate any Licenses, agreements, Rights or other arrangements made by the Chargor in connection with the Charged Property on such terms as the Receiver deems reasonable.

8.4 Right to have Court Appoint a Receiver

The Holder may, at any time, apply to a court of competent jurisdiction for the appointment of a Receiver, or other official, who may have powers the same as, greater or lesser than, or otherwise different from, those capable of being granted to a Receiver appointed by the Holder pursuant to this Debenture.

8.5 Holder may exercise Rights of a Receiver

In lieu of, or in addition to, exercising its Rights under Sections 8.3 and 8.4, the Holder has, and may exercise, any of the Rights which are capable of being granted to a Receiver appointed by the Holder pursuant to this Debenture.

8.6 Retention of Charged Property

If the Security becomes enforceable, the Holder may elect to retain any Charged Property in satisfaction of the Secured Obligations. The Holder may designate any part of the

Secured Obligations to be satisfied by the retention of particular Charged Property which the Holder considers to have a net realizable value approximating the amount of the designated part of the Secured Obligations, in which case only the designated part of the Secured Obligations shall be deemed to be satisfied by the retention of the particular Charged Property.

8.7 Limitation of Liability

Neither the Holder nor any Receiver shall be liable or accountable for any failure of the Holder or any Receiver to seize, collect, realize, dispose of, enforce or otherwise deal with any Charged Property nor shall any of them be bound to institute Litigation for any such purposes or for the purpose of preserving any Rights of the Holder, the Chargor or any other Person in respect of any Charged Property. Neither the Holder nor any Receiver shall be liable or responsible for any loss and expense whatever which may accrue in consequence of any such failure resulting from any negligence of the Holder, any Receiver or any of their respective Representatives or otherwise, except to the extent determined by a final judgment to have been directly caused by the gross negligence or wilful misconduct of any Receiver, the Holder or their respective Representatives. If any Receiver or the Holder takes possession of any Charged Property, neither the Holder nor any Receiver shall have any liability as a mortgagee in possession or be accountable for anything except actual receipts.

8.8 Extensions of Time

The Holder and any Receiver may grant renewals, extensions of time and other indulgences, take and give up Security Interests, accept compositions, grant releases and discharges, perfect or fail to perfect any Security Interests, release any Charged Property to third parties and otherwise deal or fail to deal with the Chargor, debtors of the Chargor, guarantors, sureties and others and with any Charged Property and other Security Interests as the Holder may see fit, all without prejudice to the liability of the Chargor to the Holder or the Rights of the Holder and any Receiver under this Debenture.

8.9 Set-off, Combination of Accounts and Crossclaims

The Secured Obligations will be paid by the Chargor without regard to any equities between the Chargor and the Holder or any other person, or any Right of Set-off or cross-claim in favour of or by the Chargor as against any other person. Any indebtedness owing by the Holder to the Chargor, direct or indirect, extended or renewed, actual or contingent, mutual or not, may be set off or applied against, or combined with, the Secured Obligations by the Holder at any time either before or after maturity, without demand upon or notice to anyone.

8.10 Deficiency

If the proceeds of the realization of any Charged Property are insufficient to repay all liquidated Secured Obligations, the Chargor shall forthwith pay or cause to be paid to the Holder such deficiency.

8.11 Validity of Sale

No Person dealing with the Holder or any Receiver or with any Representative of the Holder or any Receiver shall be concerned to inquire whether the Security has become enforceable, whether any Right of the Holder or any Receiver has become exercisable, whether any Secured Obligations remain outstanding or otherwise as to the propriety or regularity of any dealing by the Holder or any Receiver with any Charged Property or to see to the application of any money paid to the Holder or any Receiver, and in the absence of fraud on the part of such Person such dealings shall be deemed, as regards such Person, to be within the Rights hereby conferred and to be valid and effective accordingly.

8.12 Holder or Receiver may Perform

If the Chargor fails to perform any Secured Obligations, without limiting any other provision hereof, the Holder or any Receiver may perform those Secured Obligations as attorney for the Chargor in accordance with Section 9.19. The Chargor shall remain liable under each agreement, Right and License to which it is party or by which it or any of its assets are bound and shall perform all of its Obligations thereunder, and shall not be released from any of its Obligations under any such agreement, Right or License by the exercise of any Rights by the Holder or any Receiver. Neither the Holder nor any Receiver shall have any Obligation under any such agreement, Right or License, by reason of this Debenture, nor shall the Holder or any Receiver be Obligated to perform any of the Obligations of the Chargor thereunder or to take any action to collect or enforce any claim made subject to the security of this Debenture. The Rights conferred on the Holder and any Receiver under this Debenture are for the purpose of protecting the Security in the Charged Property and shall not impose any Obligation upon the Holder or any Receiver to exercise any such Rights.

8.13 Effect of Appointment of Receiver

As soon as the Holder takes possession of any Charged Property or appoints a Receiver over any Charged Property, all Rights of each of the Representatives of the Chargor with respect to that Charged Property shall cease, unless specifically continued by the written consent of the Holder or the Receiver.

8.14 Time for Payment

If the Holder demands payment of any Secured Obligations in accordance with the terms thereof, or if any Secured Obligations are otherwise due by maturity or acceleration, it shall be deemed reasonable for the Holder to exercise its Rights under this Debenture immediately if such payment is not made within a reasonable time of demand, in the case of Secured Obligations payable on demand, or when due in all other cases, and any days of grace or any time for payment which might otherwise be required to be afforded to the Chargor by any agreement or Applicable Law is hereby irrevocably waived to the extent permitted by law.

8.15 Rights in Addition

The Rights conferred by this Article 8 are in addition to, and not in substitution for, any other Rights the Holder may have under this Debenture, at law, in equity or by or under

Applicable Law or any Loan Document or other agreement. The Holder may proceed by way of any action, suit or other proceeding at law or in equity including (a) the Right to take proceedings in any court of competent jurisdiction for the sale or foreclosure of the Charged Property and (b) filing proofs of claim and other documentation to establish the claims of the Holder in any Litigation relating to the Chargor. No Right of the Holder or any Receiver shall be exclusive of or dependent on any other. Any such Right may be exercised separately or in combination, and at any time. The exercise by the Holder or any Receiver of any Right hereunder does not preclude the Holder or any Receiver from further exercise of such Right in accordance with this Debenture.

ARTICLE 9 GENERAL

9.1 Holder Exclusively Entitled

The holder of this Debenture from time to time will be regarded as exclusively entitled to the benefit of this Debenture and all Persons may act accordingly.

9.2 Security in Addition

The Security does not replace or otherwise affect any existing or future Security Interest held by the Holder. Neither the taking of any Litigation, judicial or extra-judicial, nor the refraining from so doing, nor any dealing with any other security for any Secured Obligations shall release or affect the Security except in the case of Payment in Full. Neither the taking of any Litigation, judicial or extra-judicial, pursuant to this Debenture, nor the refraining from so doing, nor any dealing with any Charged Property shall release or affect any of the other Security Interests held by the Holder for the payment or performance of the Secured Obligations.

9.3 No Merger

This Debenture shall not operate by way of a merger of the Secured Obligations or of any guarantee or agreement or other document or Instrument by which the Secured Obligations now or at any time hereafter may be represented or evidenced. Neither the taking of any judgment nor the exercise of any power of seizure or disposition shall extinguish the liability of the Chargor to pay and perform the Secured Obligations nor shall the acceptance of any payment or alternate security constitute or create any novation. No covenant, representation or warranty of the Chargor herein shall merge in any judgment.

9.4 Notices

Unless otherwise specified, any notice or other communication required or permitted to be given to a party under this Debenture shall be in given in writing and delivered personally or by courier, sent by prepaid registered mail or transmitted by fax to the party at the address noted in the preamble to this Debenture. Any notice or other communication:

- (a) delivered personally or by courier on a Business Day will be deemed to have been given on that Business Day;

- (b) transmitted by fax on a Business Day and (i) for which the sending party has received confirmation of transmission before 5:00 p.m. on that Business Day, will be deemed to have been given on that Business Day, or (ii) for which the sending party has received confirmation of transmission after 5:00 p.m. on that Business Day, will be deemed to have been given on the next Business Day;
- (c) delivered personally or by courier, or transmitted by fax, on a day that is not a Business Day, will be deemed to have been given on the next Business Day; and
- (d) sent by prepaid registered mail will be deemed to have been given on the fifth Business Day after the date of mailing.

9.5 Disruption of Postal Service

If a notice has been sent by prepaid registered mail and before the fifth Business Day after the mailing there is a discontinuance or interruption of regular postal service so that the notice cannot reasonably be expected to be delivered within five Business Days after the mailing, the notice will be deemed to have been given when it is actually received.

9.6 Time of the Essence

Time is and shall remain of the essence with respect to this Debenture and each of its provisions.

9.7 Governing Law

This Debenture shall be governed by, and interpreted in accordance with, the laws in force in the Province of Ontario, including the federal laws of Canada applicable therein (excluding any conflict of laws rule or principle which might refer such construction to the laws of another jurisdiction). Such choice of law shall, however, be without prejudice to or limitation of any other Rights available to the Holder under the laws of any other jurisdiction where Collateral may be located. The Chargor irrevocably attorns to and submits to the non-exclusive jurisdiction of the courts of the Province of Ontario located at Toronto with respect to any matter arising hereunder or related hereto. The Chargor agrees that the courts of that province are the most appropriate and convenient courts to settle disputes and will not argue to the contrary. However, the Holder shall not be prevented from taking proceedings relating to a dispute in any other courts with jurisdiction. To the extent allowed by law, the Holder may take concurrent proceedings in any number of jurisdictions.

9.8 Security Effective Immediately

Neither the issuance nor registration of, or any filings with respect to, this Debenture, nor any partial advance or extension of credit by the Holder, shall bind the Holder to advance any amounts, grant any credit or supply any financial services to the Chargor, but the Security shall take effect forthwith upon the issuance of this Debenture by the Chargor with respect to Charged Property in which the Chargor has Rights as of the date hereof.

9.9 Entire Agreement

There are no representations, warranties, covenants, agreements or acknowledgments whether direct or collateral, express or implied, that form part of or affect this Debenture or any Charged Property, other than as expressed herein. The execution of this Debenture has not been induced by, nor does the Chargor rely upon or regard as material, any representations, warranties, conditions, other agreements or acknowledgments not expressly made in this Debenture or in the other written agreements and other documents to be delivered pursuant hereto or contemporaneously herewith.

9.10 Invalidity

If any provision of this Debenture is found to be invalid or unenforceable, by a court of competent jurisdiction from which no further appeal Right lies, that provision shall be deemed to be severed herefrom and the remaining provisions of this Debenture shall not be affected thereby but shall remain valid and enforceable.

9.11 Successors and Assigns

This Debenture shall enure to the benefit of the Holder and any Receiver and their respective Successors and permitted assigns and any subsequent holder of this Debenture and shall be binding on the Chargor, its legal representatives (including Receivers) and its Successors. Each reference to the Chargor in this Debenture shall be construed so as to include the Successors of the Chargor to the extent the context so admits.

9.12 Debenture Lost or Stolen

If this Debenture is mutilated, lost, stolen or destroyed, the Chargor shall, upon being furnished with evidence satisfactory to it of such mutilation, loss, theft or destruction, issue and deliver a new Debenture of like date and tenor as the one mutilated, lost, stolen or destroyed, in exchange for, in place of and upon cancellation of the mutilated Debenture, or in lieu of or in substitution for the lost, stolen or destroyed Debenture.

9.13 Statutory Waivers

To the fullest extent permitted by Applicable Law, the Chargor waives all of the Rights, benefits and protections given by the provisions of any existing or future statute which imposes limitations upon the Rights of a secured party or upon the methods of realization of security, including any seize or sue or anti-deficiency statute or any similar provisions of any other statute. In particular, the Chargor agrees with the Holder to vary the limitation period under the *Limitations Act*, 2002 (Ontario) otherwise applicable to this Debenture and any claim hereunder to be the maximum limitation period permitted by that Act (currently 15 years as established under Section 15 of that Act).

9.14 Land Registration

- (a) Covenants 1.v and 1.vi deemed to be included in a charge by subsection 7(1) of the *Land Registration Reform Act* (Ontario) are expressly excluded.

- (b) Covenant 1.vii deemed to be included in a charge by subsection 7(1) of the *Land Registration Reform Act* (Ontario) is expressly varied by providing that the Chargor or its Successors and assigns will, before and after default, execute such assurances of the property herein described and do such other acts, at the Chargor's expense, as may be reasonably required by the Holder.

9.15 Currency

All references in this Debenture to monetary amounts, unless specifically provided, are to lawful currency of Canada. All sums of money payable under this Debenture shall be paid in the currency in which such sums are incurred or expressed as due hereunder.

9.16 Amendment

Subject to Section 1.3, no agreement purporting to change this Debenture shall be binding upon either the Chargor or the Holder unless that agreement is in writing and signed by the Chargor or the Holder, respectively.

9.17 Information

At any time the Holder may provide to any Person that claims an interest in Charged Property copies of this Debenture or information about it or about the Charged Property or the Secured Obligations. In particular, the Chargor hereby authorized the Holder to provide information to any Person who requested information under Applicable Law and the Holder will not be required to investigate whether or not the inquiring Person is in fact a Person entitled to request information pursuant to Applicable Law.

9.18 Pledge

Notwithstanding the provisions hereof, this Debenture at any time and from time to time may be assigned, transferred, pledged, hypothecated, lodged, deposited or delivered by the Chargor to the Holder as security for advances or loans to or for indebtedness or other Obligations or liabilities of the Chargor to the Holder and/or such other parties as the Holder and the Chargor may in writing agree and in such event this Debenture shall not be deemed to have been discharged or redeemed or the amounts payable hereunder to have been satisfied or reduced by reason of the account of the Chargor having ceased to be in debit while this Debenture remained so assigned, transferred, pledged, hypothecated, lodged, deposited or delivered.

9.19 Further Assurances

The Chargor shall at all times do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered all such further acts, deeds, transfers, mortgages, pledges and charges, security agreements, assignments, agreements, debentures and assurances as the Holder may reasonably require in order to give effect to the provisions of this Debenture and for the better securing or perfecting the Security and the priority accorded to the Security intended under this Debenture. Upon the request of the Holder, the Chargor shall specifically mortgage, pledge, charge, grant a security interest in, or assign in favour of the Holder any property which the Chargor now or hereafter has Rights other than property and assets expressly

excluded hereunder and shall execute all documents reasonably required by the Holder in connection therewith. The Chargor constitutes and appoints the Holder acting by any officer for the time being of the Holder located at its address for notices prescribed by Section 9.4 to be its attorney with full power of substitution to do on the Chargor's behalf anything that the Chargor can lawfully do by an attorney, including to do, make and execute all such agreements, deeds, acts, matters or things, with the Right to use the name of the Chargor, whenever and wherever it deems necessary or expedient and to carry out the Chargor's Obligations under this Debenture. Such power of attorney, being granted by way of security and coupled with an interest, is irrevocable until Payment in Full of the Secured Obligations. Such power of attorney shall not be exercisable by the Holder (a) unless a Default has occurred and is continuing or (b) unless the Holder has requested the Chargor to take any action required pursuant to this Section 9.19 and (absent a commercially reasonable and justified explanation) the Chargor has failed to do so within a reasonable time after being so requested in writing.

9.20 Reimbursements as Secured Obligations

All amounts for which the Chargor is required hereunder to reimburse the Holder or any Receiver shall, from the date of disbursement until the date the Holder or such Receiver receives reimbursement, be deemed advanced to the Chargor by the Holder or such Receiver, as the case may be, on the faith and security of this Debenture shall be deemed to be Secured Obligations secured by the Security and shall bear interest from the date of disbursement, compounded and payable monthly, both before and after demand, default and judgment, until payment of such amount is paid in full at the interest rate specified in this Debenture.

9.21 Discharge and Continuing Security

- (a) The Holder shall have a reasonable time after the later of (i) Payment in Full of the amounts secured by this Debenture and the termination of any and all commitments of the Holder to extend credit or accommodation to the Chargor, or (ii) full and final satisfaction of all Secured Obligations, to deliver for registration a discharge and all legal and other expenses for preparation, execution and registration, as applicable to such discharge shall be paid by the Chargor.
- (b) Subject to the below, if the Chargor, its Successors or assigns shall Pay in Full or cause to be Paid in Full to the Holder the monies secured by this Debenture and shall otherwise observe and perform the terms hereof, then this Debenture and the Rights hereby granted shall cease and be void and thereupon the Holder shall at the request and at the expense of the Chargor, its Successors or assigns, cancel and discharge the mortgage and charge of this Debenture and execute and deliver to the Chargor, its Successors or assigns, such deeds and other instruments as shall be requisite to cancel and discharge the mortgage and charge hereby constituted; provided however that this Debenture shall not be deemed to have been discharged or redeemed by reason of the account of the Chargor having ceased to be in debit at any time or times prior to such cancellation and discharge. No postponement or partial release or discharge of the charge in respect of all or any part of the Property shall in any way operate or be construed so as to release and discharge the security hereby constituted in respect of the Property except as

therein specifically provided, or so as to release or discharge the Chargor from the Secured Obligations. Only the written cancellation and discharge the mortgage and charge of this Debenture executed and delivered to the Chargor, its Successors or assigns, as set forth above, shall have the effect of cancelling and discharging the mortgage and charge hereby constituted.

- (c) For greater certainty, this Debenture secures payment and performance by the Chargor to the Holder of all debts, liabilities and obligations, including revolving indebtedness, present or future, direct or indirect, absolute or contingent, matured or not, whether from time to time reduced and thereafter increased, or entirely extinguished and thereafter incurred again, now or at any time and from time to time due or owing by the Chargor to the Holder in any currency and whether incurred by the Chargor alone or with another or others and whether as principal or surety, and including without limitation, all interest, commissions, fees, (including receiver's fees), legal costs (on a substantial indemnity basis) and other costs, charges and expenses incurred by the Holder with respect to the debts, liabilities and obligations referred to above.

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TO WITNESS THIS AGREEMENT, the Chargor has caused this Debenture to be duly signed and sealed as a specialty Obligation.

WAXMAN REALTY COMPANY INC.

By: _____

Name: *Armen Waxman*

Title: *Director, Secretary*

By: _____

Name:

Title:

I/We have authority to bind the Chargor

SCHEDULE 1.1

DEFINITIONS

1. Unless the context otherwise requires, in this Debenture the following terms are used with their corresponding defined meanings:

"Applicable Law" means any international treaty, any treaty with first nations peoples, any domestic or foreign constitution or any multinational, federal, provincial, territorial, state, municipal, county or local statute, law, ordinance, code, rule, regulation or Order (including any consent decree or administrative Order), applicable to, or any guideline or policy or Authorization of any Governmental Body or arbitrator or other decision-making authority having jurisdiction with respect to any specified Person, property, transaction or event or any of such Person's assets, and any Award in any Litigation to which the Person in question is a party or by which such Person or any of its assets are bound.

"Authorizations" means any authorization, approval, consent, exemption, licence, permit, franchise or no-action letter from any Governmental Body having jurisdiction with respect to any specified Person, property, transaction or event or from any Person in connection with any easements or contractual Rights.

"Award" means any judgment, decree, injunction, rule, award or order of any Governmental Body, arbitrator or other decision-making authority of competent jurisdiction.

"Bankruptcy Proceeding" means, with respect to any Person, any proceeding contemplated by any application, petition, assignment, filing of notice or other means, whether voluntary or involuntary and whether or not under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *Winding-Up and Restructuring Act* (Canada), any governing corporate statute or any other like, equivalent or analogous legislation of any jurisdiction seeking any moratorium, reorganization, adjustment, composition, proposal, compromise, arrangement or other like or similar relief in respect of any or all of the Obligations of that Person, seeking the winding up, liquidation or dissolution of that Person or all or any part of its assets, seeking any Award declaring, finding or adjudging that Person insolvent or bankrupt, seeking the appointment (provisional, interim or permanent) of any Receiver or resulting, by operation of law, in the bankruptcy of that Person.

"Business Day" means a day which is not a Saturday or a Sunday on which banks and trust companies are generally open for business in Toronto, Canada.

"Charged Property" means all property made subject to security interests created under Section 3.1, wherever located, now or hereafter owned by the Chargor or in or to which the Chargor now or hereafter has Rights, including all such Rights, and (as the context so admits) any item or part thereof.

"Debenture" means this debenture. The terms **"this Debenture"**, **"hereof"**, **"hereunder"** and similar expressions refer to this Debenture and not to any particular

Article, Section, Subsection, paragraph, clause or other portion of this Debenture. Each reference to a "Schedule" in this Debenture is a reference to a Schedule attached to this Debenture which shall form an integral part hereof.

"Default" has the meaning ascribed thereto in Section 7.1.

"Event of Default" has the meaning ascribed thereto in Section 7.2.

"Governmental Body" means any international tribunal, agency, body, commission or other authority (including that of any union of nations), any government, executive, parliament, legislature or local authority, or any governmental body, ministry, department or agency or regulatory authority, court, tribunal, commission or board of or within Canada or any foreign jurisdiction, or any political subdivision of any thereof or any authority having jurisdiction therein.

"Holder" is used with the defined meaning given to it in the introduction to this Debenture.

"Lands" means the lands and premises described in Schedule 3.1(a)(i).

"Leased Premises" means the premises leased by the Chargor as tenant as more particularly described in Schedule 3.1(a)(ii).

"License" means (i) any Authorization from any Governmental Body having jurisdiction with respect to the Chargor or its assets, or (ii) any Authorization from any Person granting any easement or license with respect to any real or immovable property.

"Litigation" means any grievance, investigation, litigation, legal action, lawsuit, mediation, alternative dispute resolution proceeding or other proceeding (whether civil, administrative, quasi-criminal or criminal) by or before any Governmental Body, arbitrator or other decision-making authority.

"Obligations" shall be construed as indebtedness, obligations, promises, covenants, responsibilities, duties and liabilities (actual or contingent, direct or indirect, matured or unmatured, now existing or arising hereafter), whether arising by agreement or statute, at law, in equity or otherwise, and **"Obliged"**, **"Obligation"** and **"Obligated"** shall be construed in like manner.

"Order" means any order, directive, direction or request of any Governmental Body, arbitrator or other decision-making authority of competent jurisdiction.

"Other Property" means those lands and premises municipally known as 143 Adams Boulevard, Brantford, Ontario and legally described as Part of Lots 39-40, Concession 3, Brantford City, designated as Parts 1 & 2 on Plan 2R-6246, having PIN No. 32281-0152 (LT).

"Payment in Full" in relation to any Secured Obligations owing to the Holder means permanent, indefeasible and irrevocable payment in cash to the Holder in full of all

Secured Obligations owing to the Holder in accordance with this Debenture or to which the Holder is otherwise entitled to the benefits of, without regard to any compromise, reduction or disallowance of all or any item or part thereof by virtue of the application of any bankruptcy, insolvency or other similar such laws, any law affecting creditors' Rights generally or general principles of equity, and, if the Holder is a financial institution lending money or otherwise extending credit to the Chargor, the cancellation or expiry of all commitments by the Holder to lend or otherwise extend credit to or for the benefit or at the request of the Chargor, and "**Paid in Full**" and "**Pay in Full**" shall (to the extent the context so admits) be construed in like manner.

"Permitted Liens" means:

- (a) liens arising by operation of law for amounts not yet due or delinquent, minor imperfections in title to real property, restrictive covenants or encumbrances thereon such as easements, rights of way, agreements with municipalities and other public authorities or other similar rights in land or agreements which, individually or collectively, do not materially detract from the value of such property or affect its use for its intended purpose, and security given to municipalities and other public authorities when required by such authorities in connection with the operations of the Chargor in the ordinary course of business;
- (b) those instruments registered on title to the Charged Property immediately prior to the registration of this Debenture;
- (c) security in favour of the Holder.

"Person" means an individual, corporation, company (limited, unlimited, unlimited liability or other), limited liability corporation, other body corporate, estate, limited or general partnership, business trust, trustee, joint venture, other legal entity, unincorporated association or Governmental Body.

"Proceeds" means all proceeds and real or personal property in any form derived directly or indirectly from any disposal of or other dealing with any Charged Property, or that indemnifies or compensates for such Charged Property stolen, lost, destroyed or damaged, and proceeds of Proceeds whether or not of the same type, class or kind as the original Proceeds, and (as the context so admits) any item or part thereof.

"Receiver" means any Receiver for the Charged Property or any of the business, undertakings, property and assets of the Chargor appointed by the Holder pursuant to this Debenture or by a court on application by the Holder and shall be construed to include a privately appointed or court appointed Receiver or Receiver and manager, interim Receiver, liquidator, trustee-in-bankruptcy, administrator, administrative Receiver and any other like or similar official.

"Replacements" means all increases, additions and accessions to, and all substitutions for and replacements of, any item or part of the Charged Property, and any item or part thereof.

"Representative" of any Person means any director, officer, employee, agent, legal counsel, accountant, financial advisor, expert, manager, consultant or other representative appointed, engaged or employed by such Person.

"Rights" shall be construed as Rights, titles, benefits, interests, powers, authorities, discretions, privileges, immunities and remedies (actual or contingent, direct or indirect, matured or unmatured, now existing or arising hereafter), whether arising by agreement or statute, at law, in equity or otherwise, and **"Right"** shall be construed in like manner.

"Secured Obligations" means the aggregate amount outstanding from time to time of any and all advances by the Holder: (i) to the Chargor, and/or (ii) to any third party for work performed by third parties on the Charged Property and/or the Other Property; in each case as increased or decreased as a result of permitted prepayment, modification or otherwise (whether from time to time reduced and thereafter increased, or entirely extinguished and thereafter incurred again), and all accrued and unpaid interest thereon and all other Obligations, expenses, and liabilities due or to become due to the Holder under the Debenture or otherwise, including without limitation, all costs and expenses incurred by the Holder in enforcing and collecting amounts thereunder.

"Security" means any and all Security Interests granted by the Chargor to the Holder in this Debenture.

"Security Interest" means any mortgage, charge, lien, hypothec or encumbrance, whether fixed or floating on, or any security interest in, any property, whether real, personal or mixed, tangible or intangible, any pledge or hypothecation of any property, any deposit arrangement, priority agreement, conditional sale agreement, other title retention agreement or equipment trust, any capital lease or similar arrangement or other security arrangement of any kind.

"Set-off" means any Right or Obligation of set-off, compensation, offset, combination of accounts, netting, retention, withholding, reduction, deduction or any similar Right or Obligation, or (as the context requires) any exercise of any such Right or performance of such Obligation.

"Successor" of a Person (the **"Relevant Party"**) shall be construed so as to include (i) any amalgamated or other body corporate of which the Relevant Party or any of its successors is one of the amalgamating or merging body corporates, (ii) any body corporate resulting from any court approved arrangement of which the Relevant Party or any of its successors is party, (iii) any Person to whom all or substantially all the undertakings, property and assets of the Relevant Party is transferred, (iv) any body corporate resulting from the continuance of the Relevant Party or any successor of it under the laws of another jurisdiction of incorporation and (v) any successor (determined as aforesaid or in any similar or comparable procedure under the laws of any other

jurisdiction) of any Person referred to in clause (i), (ii), (iii) or (iv) of this definition. Each reference in this Debenture to any party hereto or any other Person shall (where the context so admits) include its successors.

SCHEDULE 3.1(a)(i)**LANDS****PIN 07034-0014 (LT)**

PCL 7-8, SEC N12; PT LT 7, CON 3 SOUTH OF DUNDAS STREET, PT 1 20R4669,
EXCEPT PT 9 20R9466.; CITY OF BURLINGTON

Municipally known as: 4350 Harvester Road, Burlington, Ontario

SCHEDULE 3.1(a)(ii)

LEASED PREMISES

Nil

TAB F

This is Exhibit "F" referred to in the
Affidavit of Kamila Wirpszo
sworn April 11th, 2018


RITA DEMIRJIAN





Montreal, November 6, 2013

Transmission by e-mail

Waxman Realty Company Inc.
172 Hillcrest Avenue
Hamilton, Ontario
L8P 2X4

Re: Joint Venture Agreement dated as of December 14, 2012 (the "JV Agreement") between Waxman Realty Company Inc. ("WRI"), American Iron & Metal LP ("AIM LP") and American Iron and Metal GP Inc. ("AIM GP") in respect of the property located in the City of Burlington and municipally described as 4350 Harvester Road (the "Property")

Dear Aaron

As you are aware, on July 31, 2013, AIM LP repaid 100% of the outstanding obligations in respect of the Property, following the payout request from ROYNAT, and the inability of WRI to repay its proportionate share of such obligations. WRI's 50% share of the payout amount is \$1,414,313.08 which is owed to AIM LP. AIM LP has agreed to finance WRI according to similar terms that were in effect with the ROYNAT loan prior the payout request; that is a remaining amortization period of 23 years as of August 1, 2013, and a fixed interest rate of 5% for three years, subject to being reviewed as at August 1, 2016.

In addition, as you are aware, over the last year, AIM LP has paid building and land improvements totalling \$1,277,827.06 for the Harvester Road property, as indicated in the detailed cost listing which we have previously shared with you. WRC's proportionate share (50%) of these investments total \$638,913.53, amount which is also owed to AIM LP. AIM LP has sent WRI a separate invoice for its proportionate share of these costs. AIM LP has agreed to finance these costs, before tax, under the same terms as WRI's share of the ROYNAT payout above. We however ask that WRI repay the HST amount immediately upon receipt of its sales tax refund for the period, but no later than February 28, 2014.

Consequently, the total amount owed by WRI to AIM LP is \$2,053,226.61 for the ROYNAT payout, and building and land improvements, as of August 31, 2013. Using an amortization term of 23 years, and an interest rate of 5%, the fixed monthly mortgage payments owed by WRI to AIM LP are \$12,481.01 per month for both principal and interest. As agreed, since the Property is leased by Waxman Industrial Services ("WIS") under a net net lease which should ensure cash



flow neutrality for the co-owners in consideration of any mortgage payments, the amount of these monthly mortgage payments owed by WRI will be invoiced by AIM LP to WIS as monthly rent for the Property. The total amount of the monthly rent charged to WIS will be twice this monthly mortgage payment to consider AIM LP's 50% share of the mortgage and Property improvements as well.

AIM LP will be acting on behalf of both co-owners in charging to and collecting the rent from WIS. Fifty percent (50%) of the monthly rent received from WIS will be applied against the loan and interest owed by WRI, as per the amortization schedule attached.

Please sign below, to confirm agreement with the above terms.

Sincerely

Sylvain Guenette, Vice-President Finance

I have read and understood the terms of the above, and sign below in confirmation of my agreement, until such term are modified in writing by both parties.

Waxman Realty Company Inc.

JAN. 21, 2014

Date

TAB G

This is Exhibit "G" referred to in the
Affidavit of Kamila Wirpszo
sworn April 11th, 2018


RITA DEMIRJIAN



JOINT VENTURE AGREEMENT

THIS AGREEMENT made as of the 14th day of December, 2012.

AMONG:

1340923 CANADA INC.

(hereinafter sometimes called "WaxmanCo")

OF THE FIRST PART

- and -

AMERICAN IRON & METAL LP

(hereinafter sometimes called "AIM LP")

OF THE SECOND PART

- and -

AMERICAN IRON & METAL GP INC.

(hereinafter sometimes called "AIM GP")

OF THE THIRD PART

WHEREAS WaxmanCo is the beneficial owner of the Property (as hereinafter defined) and has agreed to sell a fifty percent (50%) interest in the Property to AIM LP on the terms set forth in the Purchase Agreement (as hereinafter defined);

AND WHEREAS AIM GP is the general partner of AIM LP and is acting on behalf of AIM LP in acquiring registered title to the Property, while beneficial ownership is being acquired by AIM LP;

AND WHEREAS WaxmanCo and AIM LP intend to hold the Property, as tenants in common, with each of them holding a fifty percent (50%) undivided interest, for the sole purpose of leasing the Property to Waxman Industrial Services Corp. ("WIS") on a net-net-net basis and in accordance with the provisions of the Lease (as hereinafter defined);

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT in consideration of the mutual promises and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby covenant and agree, intending to be legally bound, as follows:

ARTICLE 1 – INTERPRETATION

1.1 Definitions

Unless the subject matter or context otherwise requires:

"Accountants" means such firm of chartered accountants as may be appointed by the Co-Owners from time to time.

"Accounting Period" means the period of twelve (12) months ending on the last day of December in each calendar year except for the first Accounting Period for the Property which shall be the period from and including the date in which the transaction provided for in the Purchase Agreement is completed and ending December 31, 2012.

"Affiliate" of a Co-Owner means any Person that directly or indirectly (through one or more intermediaries) controls, is controlled by or is under common control with that Co-Owner. For purposes of this Agreement, the term **"control"** (including the terms **"controlled by"** and **"under common control with"**) means the possession, directly or indirectly, of the power to direct or cause the direction of the management, decision making and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"Agreement", **"this Agreement"**, **"the Agreement"**, **"hereto"**, **"hereof"**, **"herein"**, **"hereby"**, **"hereunder"** and similar expressions mean or refer to this Agreement as amended from time to time and any indenture, agreement or instrument supplemental or ancillary hereto or in implementation hereof, and the expressions **"Article"** and **"Section"** followed by a number or letter mean and refer to the specified Article or Section of this Agreement.

"Applicable Laws" means, with respect to any Person, property, transaction or event, all laws, by-laws, rules, regulations, orders, judgments, decrees, decisions or other requirements having the force of law, all codes, directives, policies or guidelines of any Authority having the force of law and all common law relating to or applicable to such Person, property, transaction or event (and includes all Environmental Laws).

"Approved by the Co-Owners" or **"Approval of the Co-Owners"** means approved by each Co-Owner in accordance with the provisions of ARTICLE 3.

"Approved Obligations" means any and all debts, obligations, duties, agreements, liabilities and Expenditures in connection with the Property which have been Approved by the Co-Owners or which have been assumed by the Co-Owners and those Expenditures which are reasonably necessary to implement decisions Approved by the Co-Owners.

"Arbitration Notice" has the meaning attributed to such term in Section 8.2.

"Arm's Length" has the meaning attributed to such term in the *Income Tax Act* (Canada).

"Authorities" means the City or any and all other municipal, regional, provincial or federal government or governmental departments, commissions, boards, regulatory authorities or agencies having jurisdiction over the Property, or the parties in connection with the Property; and **"Authority"** has a corresponding meaning.

"Buildings" means the buildings, structures and improvements currently situate or hereinafter to be constructed by or on behalf of the Co-Owners on the Property, all as shall be determined by the Co-Owners from time to time; and **"Building"** means any one of the Buildings.

"Business Day" means any day other than a Saturday, Sunday or day which is a statutory holiday in the Province of Ontario.

"City" means the City of Brantford, in the Province of Ontario.

"Closing Date" means the date of the successful acquisition of a 50% interest in the Property by AIM GP, acting on behalf of AIM LP, pursuant to the Purchase Agreement.

"Contributing Co-Owner" has the meaning attributed to such term in Section 4.6(a).

"Co-Owner" means each of WaxmanCo and AIM LP and any assignee of a Co-Owner's Interest from time to time made pursuant to and in accordance with this Agreement, but does not include any Person after it has sold all of its Co-Owner's Interest pursuant to and in accordance with this Agreement; and "Co-Owners" means both of the Co-Owners.

"Co-Owner's Interest" means, with respect to a Co-Owner, the respective undivided interest of such Co-Owner from time to time in the Property and the Gross Receipts or other proceeds derived therefrom; and "Co-Owners' Interests" means the Co-Owner's Interest of both of the Co-Owners collectively.

"Co-Ownership Proportion" means, with respect to each Co-Owner, the proportion which the Co-Owner's Interest of that Co-Owner is to the aggregate of all the Co-Owners' Interests, at the time of determination, expressed as a percentage; at the date of this Agreement the respective Co-Ownership Proportions of the Co-Owners are as follows:

WaxmanCo	50%
AIM LP	<u>50%</u>
	100%

"Co-Owner Representative" has the meaning attributed to such term in Section 3.1.

"Deadlock Matter" has the meaning attributed to such term in Section 8.1(a).

"Defaulting Co-Owner" has the meaning attributed to such term in Section 6.1.

"Demand" has the meaning attributed to it in Section 4.4(b).

"Disposition" has the meaning attributed to such term in Section 5.2.

"Dispute Resolution Notice" has the meaning attributed to such term in Section 8.1(a).

"Emergency" has the meaning attributed to it in Section 4.5(d).

"Encumbrancer" means any Person in whose favour an Encumbrance exists or is made and includes a Lender.

"Encumbrances" means all mortgages, pledges, charges, liens, debentures, hypothecs, trust deeds, assignments by way of security, security interests, conditional sales contracts or other title retention agreements, judgements, or similar interests or instruments (whether created or arising out of agreement, Applicable Laws or otherwise) charging, or creating a security interest in, attaching to, or against title to a Person's property, interest or rights or any part thereof or interest therein, and any agreements, leases, options, easements, rights of way, restrictions, encroachments, executions or other charges or encumbrances (including notices or other registrations in respect of any of the foregoing) creating a

security interest in, attaching to or made against title to a Person's property, interest or rights or any part thereof or interest therein; and "Encumbrance" and "Encumber" shall have a corresponding meaning.

"**Environmental Laws**" means any laws, including written policies and guidelines and directives, administrative rulings or interpretations, that are in effect and applicable to the Property from time to time, as well as any judicial or administrative order, consent decree or judgment that is in effect and applicable to the Property from time to time, that relates to pollution or the protection of the environment or which concern discharges to the air, soil, surface water or ground water or which concern refining, generating, handling, storing, treating, transferring, releasing, producing, processing, transporting or disposing of hazardous substances including, without limitation, the *Environmental Protection Act* (Ontario), the *Canada Environmental Protection Act 1991*, and the regulations and guidelines promulgated pursuant thereto or issued by any Authority in respect thereof, and equivalent or similar local and provincial ordinances, and statutory programs and the regulations and guidelines promulgated pursuant thereto.

"**Event of Default**" means a Co-Owner:

- (a) failing to contribute or pay any amount of money which by reason of this Agreement such Co-Owner is bound to contribute or pay and such failure shall continue beyond the period provided for in the applicable Section of this Agreement creating the obligation to contribute, or
- (b) failing to observe, perform or keep any of their respective covenants, agreements or obligations under this Agreement (excluding monetary covenants of a Co-Owner which is as provided for in paragraph (a) above) and such Co-Owner shall not have remedied such failure within twenty (20) Business Days of written notice, provided that if the nature of the event of non-compliance is of a nature or circumstance that can be remedied but requires more than twenty (20) Business Days, then such Co-Owner shall not have commenced in good faith to cure such failure within twenty (20) Business Days of written notice, or following such commencement shall not have, within a reasonable time thereafter (which period shall in no event extend beyond forty (40) Business Days regardless of the nature or circumstance of the failure) having due regard to the nature and extent of such failure, prosecuted to completion, with diligence and continuity, the curing of such failure; or
- (c) permitting or doing, or omitting to do, anything that results in an Event of Insolvency with respect to such Co-Owner; or
- (d) making or permitting a Disposition that is not permitted pursuant to the terms of this Agreement that is not unwound, reversed, terminated, released and/or discharged within ten (10) Business Days of the occurrence thereof.

"**Event of Insolvency**" means, with respect to any Co-Owner, the occurrence of any one or more of the following events:

- (a) if, other than as expressly permitted hereby, the Co-Owner shall:
 - (i) be wound up, dissolved or liquidated, or become subject to the provisions of the *Winding-Up Act* (Canada), as amended or re-enacted from time to time, or have its existence terminated or have any resolution passed therefor;

- (ii) file a Notice of Intention, make a general assignment for the benefit of its creditors or a proposal under the *Bankruptcy and Insolvency Act* (Canada), as amended or re-enacted from time to time, or seek to be declared bankrupt or insolvent; or
 - (iii) propose a compromise or arrangement under the *Companies' Creditors Arrangement Act* (Canada) or any similar legislation, from time to time, or shall file any petition or answer seeking any re-organization, arrangement, composition, re-adjustment, liquidation, dissolution or similar relief for itself under any present or future *Bankruptcy and Insolvency Act* (Canada) or any other present or future law relative to bankruptcy, insolvency or other relief for debtors; or
- (b) if a court of competent jurisdiction shall enter an order, judgment or decree approving a petition filed against the Co-Owner seeking any reorganization, arrangement, composition, re-adjustment, liquidation, dissolution, winding up, termination of existence, declaration of bankruptcy or insolvency or similar relief under any present or future law relating to companies' bankruptcy, insolvency or other relief for or against debtors, and such Co-Owner shall acquiesce in the entry of such order, judgment or decree or such order, judgment or decree shall remain unvacated and unstayed for an aggregate of twenty (20) Business Days from the day of entry thereof; or if any trustee in bankruptcy, receiver, receiver and manager, liquidator or any other officer with similar powers shall be appointed for the Co-Owner or of all or any substantial part of its property or its Co-Owner's Interest with the consent or acquiescence of such Co-Owner or such appointment shall remain unvacated and unstayed for an aggregate of twenty (20) Business Days; or
- (c) if, other than as expressly permitted in this Agreement, an Encumbrancer takes possession of the Co-Owner's Interest or takes possession of any substantial part thereof, or if a distress or execution or any similar process be levied or enforced upon or against such Co-Owner's Interest, and the same remains unsatisfied for the shorter of a period of twenty (20) Business Days or such period as would permit the same to be sold; or
- (d) if the Co-Owner shall be insolvent.

"Expenditures" means the aggregate of all costs and expenses of the Joint Venture incurred from and after the date of this Agreement with respect to the financing, leasing, ownership, remediation, maintenance, repair, development, construction, operations, marketing and sale of the Property, determined in accordance with GAAP, including without limitation and without duplication:

- (a) brokerage fees and commissions, initial or periodic guarantee fees or premiums to any Person other than a Co-Owner; and standby fees, accommodation fees, legal fees and contingency fees and all other costs (including interest payments) in connection with any Financing;
- (b) the aggregate net carrying costs incurred with respect to the Property including without limitation realty taxes, building management, maintenance and repair costs, security costs, insurance premiums, capital and interest on any Financing, and any amount payable in connection with any Financing Security;

- (c) all costs required to remediate the environmental condition of the Property in compliance with Environmental Laws;
- (d) all costs of all Insurance that the Co-Owners may be required or which may be Approved by the Co-Owners from time to time in connection with the Property;
- (e) generally, but without duplication, any and all costs and expenses of the Joint Venture.

"Financing" means any and all loans, advances, credit facilities, bonds, letters of credit and guarantees, financing and other credit availment that may be provided to the Co-Owners for the purpose of financing the acquisition, holding, improvement or expansion of the Property, including without limitation, the current financing with Business Development Bank of Canada (BDC) and advances being made by AIM LP or an affiliate of AIM LP to fund the carrying out of improvements.

"Financing Security" means the Encumbrances granted, charged, provided and assigned by the Co-Owners to and in favour of the Lender as security and/or in support of a Financing.

"Full Advance Co-Owner" has the meaning attributed to such term in Section 4.6(e).

"GAAP" means generally accepted accounting principles and practices applicable to the real estate development industry in Canada and applied on a consistent basis, provided that if Approved by the Co-Owners, the Co-Owners may adopt the accounting principles and standards established by the International Accounting Standards Board and currently known as the International Financial Reporting Standards.

"Gross Receipts" means all rents, interest, revenue, damages, operating cost and realty tax recoveries, rebates, credits, commissions, royalties, bonuses, insurance or expropriation proceeds, net proceeds of any sale, exchange or other disposition of the Property or any interest therein, net proceeds of any Financing or refinancing, and all other revenues and receipts of any kind or nature whatsoever received by the Co-Owners as a right, incident or benefit of ownership of the Property.

"HST" means harmonized sales tax imposed under the *Excise Tax Act* (Canada).

"Immediate Family" has the meaning attributed to such term in Section 5.2(d).

"including" (and variations thereof) means "including without limitation" and shall not be construed to limit any general statement which it follows to the specific or similar items or matters immediately following it.

"Insurance" means all insurance Approved by the Co-Owners from time to time in connection with the Property.

"Joint Venture" means the joint venture and co-ownership established by the Co-Owners under Section 2.1 of this Agreement.

"Lease" means the Lease agreement being entered into between the Co-Owners and WIS concurrently herewith and all amendments, revisions, alterations, modifications, amendments, changes, extensions, renewals, replacements or substitutions thereto or therefor which may hereafter be effected or entered into.

"Lender" means any lender (domestic or foreign), providing Financing to the Co-Owners, including, without limitation and if applicable, one of the Co-Owners; and **"Lenders"** mean collectively, two or more of them.

"Net Cash Flow" for any applicable period determined by the Co-Owners means the Gross Receipts for that period after deducting all Expenditures paid during that period and any amount held on account of reserves; provided that Net Cash Flow shall not be reduced by depreciation, amortization or similar non-cash items, and shall be increased by any reduction of previously established reserves Approved by the Co-Owners.

"Non-Advancing Co-Owner" has the meaning attributed to such term in Section 4.6(a).

"Non-Defaulting Co-Owner" has the meaning attributed to such term in Section 6.1.

"Person" shall be broadly interpreted and includes an individual, a partnership (whether general, limited or limited liability), a corporation (with or without share capital), a limited liability company, an unlimited liability company, an Authority, a trust, any unincorporated organization and the heirs, executors, administrators, estate trustees or other legal representatives of an individual.

"Prime Rate" means the prime rate of interest announced from time to time by The Toronto-Dominion Bank.

"Principal" means the natural Person or Persons that, directly or indirectly controls a Co-Owner, currently being as follows:

- (a) WaxmanCo – Aaron Waxman and Jeremy Waxman; and
- (b) AIM LP – Herbert Black and Ronald Black.

"Property" means the lands legally described in Schedule "A" to this Agreement and all the buildings, structures, improvements, fixtures and equipment situate thereon, as such description may be amended, varied or re-described from time to time.

"Purchase Agreement" means the agreement pursuant to which AIM GP, acting on behalf of AIM LP, has acquired a fifty percent (50%) ownership interest in the Property.

"Transfer Documents" has the meaning attributed to such term in Section 7.1(c).

"Unavoidable Delay" means any prevention, delay, stoppage or interruption in the performance of any obligation due to strike, lock out, labour dispute, act of God, force majeure, act of any Co-Owner which prevents any other Co-Owner from performing its obligations, inability to obtain labour or materials, application of Applicable Laws, or the occurrence of enemy or hostile action, civil commotion, fire or other casualty, condition or cause beyond the reasonable control of the Co-Owner obligated to perform (but shall not include any inability to perform because of any lack of funds or any financial condition of the Co-Owner relying on Unavoidable Delay).

1.2 Interpretation Not Affected by Headings, etc.

Grammatical variations of any terms defined herein have similar meanings, and words shall be adjusted for number or gender as the context shall require. The division of this Agreement into separate Articles

and Sections, and the insertion of headings and references are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.3 Severability

If any covenant, obligation or agreement of this Agreement, or the application thereof to any Person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such covenant, obligation or agreement to Persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each covenant, obligation and agreement of this Agreement shall be separately valid and enforceable to the fullest extent permitted by law. To the extent permitted by Applicable Laws, the parties hereto waive any provision of Applicable Laws which renders any provision of this Agreement invalid or unenforceable in any respect. The parties hereto shall engage in good faith negotiations to replace any provision which is declared invalid or unenforceable with a valid and enforceable provision, the economic effect of which comes as close as possible to that of the invalid or unenforceable provision which it replaces.

1.4 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of Ontario and the federal laws of Canada from time to time in force in the Province of Ontario. The parties hereto irrevocably attorn to and submit to the jurisdiction of the courts of the Province of Ontario to resolve any dispute which may arise between them concerning this Agreement or the Property.

1.5 Currency

All dollar amounts stated herein are deemed to be references to Canadian dollars.

1.6 Accounting Principles

All calculations made or referred to herein shall be made in accordance with GAAP, except where otherwise indicated or permitted herein.

1.7 Statutes

Any reference to a statute will include and will be deemed to be a reference to the statute and the regulations made pursuant thereto, with all amendments made thereto and in force from time to time, and to any statute or regulation that may be passed which has the effect of supplementing or superseding the statute so referred to or the regulations made pursuant thereto.

1.8 Schedules

The following Schedule forms part of this Agreement:

Schedule "A" - Legal Description of the Property

ARTICLE 2 – RELATIONSHIP BETWEEN CO-OWNERS

2.1 Ownership of Property

- (a) The Co-Owners hereby acknowledge that of the Closing Date, they are the beneficial owners of the Property, holding their beneficial interests in the Property as tenants-in-

common, with each of the Co-Owners having an ownership interest equal to its Co-Ownership Proportion. Legal title to AIM LP's interest in the Property is held in the name of AIM GP.

- (b) The parties hereto agree that the provisions of this Agreement shall hereafter govern and define their respective rights, proceeds, revenues, benefits, liabilities, interests, powers and obligations as between themselves with respect their holding of the Property as tenants-in-common, in accordance with their respective Co-Ownership Proportions.

2.2 Purposes

The Co-Owners agree that the Property shall be owned and held by them for investment purposes and that the Property shall be managed, maintained, remediated, repaired, serviced, leased and operated by the Co-Owners in accordance with the provisions of this Agreement, and in accordance with the provisions of the Lease.

2.3 Disclaimer of Partnership

The Co-Owners hereby disclaim any intention to create a partnership or to constitute any of them the agent of or other fiduciary for the other Co-Owner. Nothing in this Agreement shall constitute the Co-Owners partners or, except as may be expressly provided herein, constitute any Co-Owner the agent of the other Co-Owner. Each Co-Owner expressly declares its intention to rely on the provisions of *Partnerships Act* (Ontario), as amended or re-enacted from time to time, and of any similar legislation of the Province of Ontario to the effect, inter alia, that tenancy-in-common, common property or part ownership does not of itself create a partnership. Except as otherwise expressly and specifically provided herein, no Co-Owner shall be, or by reason of any provision herein contained be deemed to be, the agent or legal representative of or otherwise a fiduciary for the other Co-Owner, whether for the purposes of this Agreement or otherwise, nor shall any Co-Owner have any power or authority to act for or assume any obligation or responsibility on behalf of the other Co-Owner.

2.4 Rights of Competition

In view of the exclusive and limited purposes of this Agreement, nothing herein, except as otherwise specifically provided herein or in any non-competition or non-solicitation agreements or undertakings entered into between the Co-Owners and/or their respective Affiliates and/or Principals, shall be deemed to restrict in any way the freedom of either Co-Owner to hold any investment or to conduct any business or activity whatsoever, including the acquisition, leasing, sale, operation and management of any real property, whether proximate to the Property or not, without any accountability to the other Co-Owner. No Co-Owner, by reason of this Agreement, shall have any interest in any other property owned by the other Co-Owner or any Affiliate of the other Co-Owner or any other business or venture engaged in by the other Co-Owner or any Affiliate of the other Co-Owner whether or not similar or proximate to the Property, save and except as regards the property which is subject to the joint venture agreement between Waxman Realty Company Inc., AIM LP and AIM GP, having a municipal address of 4350 Harvester Road, Burlington, Ontario.

2.5 Control of Co-Owners

The individual Persons who, directly or indirectly, control each of WaxmanCo and AIM LP as at the date of this Agreement are as set out in the definition of "Principal" in Section 1.1 of this Agreement. Subject to Section 5.2, WaxmanCo covenants and agrees to and in favour of AIM LP, that so long as it or its Affiliate holds a Co-Owner's Interest, it shall continue to be controlled by Aaron Waxman and Jeremy

Waxman. Subject to Section 5.2, AIM LP covenants and agrees to and in favour of WaxmanCo, that so long as it or its Affiliate holds a Co-Owner's Interest, it shall continue to be controlled by Herbert Black and Ronald Black. Each of WaxmanCo and AIM LP shall forthwith notify the other Co-Owner of any change in control. The terms of this Section 2.6 shall not limit or restrict the transfer rights provisions set out in Section 5.2 of this Agreement.

2.6 Term of Agreement

This Agreement shall commence as of the date hereof and shall continue in effect until the earliest of:

- (a) the sale of all of the Property by the Co-Owners and completion of all matters between the Co-Owners under this Agreement, including the distribution in full of all Net Cash Flow from the proceeds of any such sale;
- (b) the date upon which one (1) Co-Owner or its Affiliate becomes the owner of all of the Co-Owners' Interests; or
- (c) the date upon which the parties agree in writing to terminate this Agreement.

ARTICLE 3 – CO-OWNERS' DECISIONS AND APPROVALS

3.1 Decisions of Co-Owners

Subject to the other provisions of this Agreement, all decisions and determinations required to be made by the Co-Owners in respect of the Property shall be Approved by the Co-Owners. Such approval shall be given by Aaron or Jeremy Waxman or such other person as is named, from time to time, by WaxmanCo together with Herbert or Ronald Black or such other person as is named, from time to time, by AIM LP (each, a "Co-Owner's Representative" and collectively, the "Co-Owners Representatives").

3.2 Execution of Agreements

The Co-Owners agree that all agreements, contracts, expenditures, purchase orders, commitments and cheques: (i) in an amount not exceeding Five Thousand Dollars (\$5,000.00) or such higher amount as is agreed to from time to time between the Co-Owners may be executed by any one Co-Owner Representative or such person or persons as may be appointed from time to time by the Co-Owners; and (ii) in an amount exceeding Five Thousand Dollars (\$5,000.00) or such higher amount as is agreed to from time to time between the Co-Owners shall be required to be executed by one (1) Co-Owner Representative of WaxmanCo and one (1) Co-Owner Representative of AIM LP or such person or persons as may be appointed from time to time by the Co-Owners.

3.3 Remuneration of Co-Owner Representatives

No fees, salaries, commissions or other compensation shall be paid to the Co-Owner Representatives, as such, unless otherwise Approved by the Co-Owners.

3.4 Implementation of Decisions Approved by the Co-Owners

Approval by the Co-Owners of any decision in connection with the Property also constitutes Approval by the Co-Owners of any steps reasonably necessary to implement, perform or carry out such decision, and each of the Co-Owners shall do all things and execute any and all deeds, transfers, agreements, leases and other documents reasonably required to carry out any such decision. The execution of any agreement or

document pertaining to the Property by the Co-Owners constitutes the Approval by the Co-Owners of that agreement or document and all of its terms and provisions.

3.5 Non-Arm's Length Contracts

Subject to any provisions of this Agreement to the contrary, any decision by the Co-Owners to enter into, amend, assign, terminate, claim under, enforce or waive rights with respect to the Lease or any other contract, lease or other agreement with either Co-Owner or any other Person not at Arm's Length with either Co-Owner or any Affiliate of either Co-Owner, or any officer, director, employee, partner or shareholder thereof, shall notwithstanding such conflict, be made by the Co-Owners in good faith, promptly (time to be of the essence), reasonably and in the best interests of the Joint Venture and strictly upon the merits of the conflicted matter. Each Co-Owner agrees to notify the other Co-Owner promptly after the occurrence of any circumstances or the date that it becomes aware of any facts giving rise to any circumstances set out in the preceding sentence. It is acknowledged that prior to the date hereof, AIM LP has advanced funds for the improvement of the Property, the repayment of which is secured by a mortgage in favour of AIM LP, and that said advances and said mortgage constitute Financing and an Encumbrance which have been Approved by the Co-Owners.

3.6 Claims

Each Co-Owner shall notify the other Co-Owner of any claim, demand, right or cause of action asserted, threatened or instituted against it (other than by the other Co-Owner) which involves the performance of this Agreement or the assets or business of the Co-Owners in respect of the Property. Any negotiation or litigation of any such claim, demand, right or cause of action shall be conducted by the Co-Owners against which such claim, demand, right or cause of action shall be asserted, threatened or instituted, with the other Co-Owner having the right to be kept reasonably advised as to the status of and to participate in such negotiations or litigation if its interests hereunder or in the Property are involved or adversely affected in a material way. No such claim or litigation affecting the Property or the Co-Owners' Interests of all the Co-Owners shall be settled without the Approval of all the Co-Owners. Amounts incurred, expended or paid in such negotiations, litigation or settlement or in discharge of judgments in respect thereof shall be the liability of the Co-Owners if arising out of an Approved Obligation, and shall otherwise be borne by the party incurring, expending or paying the same. Notwithstanding the foregoing, AIM LP acknowledges that it has been made aware of the Lawsuit (as defined in the Share Purchase Agreement entered into between American Iron & Metal Company Inc, as purchaser, and Aaron and Jeremy Waxman, as vendors, regarding the shares of WIS).

ARTICLE 4 – FINANCIAL MATTERS

4.1 Receipts and Expenditures

Subject to the other terms of this Agreement, each Co-Owner shall be entitled to receive its Co-Ownership Proportion of Net Cash Flow, if any, and each Co-Owner shall pay its Co-Ownership Proportion of all Expenditures, it being agreed that the intention is that no Expenditures will be authorized, incurred or expended until they have been Approved by the Co-Owners or required by the terms of this Agreement to be Approved by the Co-Owners (for example, an Emergency advance under Section 4.5), and that each Co-Owner shall apply its Co-Ownership Proportion of all Gross Receipts first to pay its Co-Ownership Proportion of all Expenditures. Income or losses of the Joint Venture shall likewise, for accounting and income tax purposes, be allocated between the Co-Owners in accordance with their respective Co-Ownership Proportions. The Co-Owners agree that, subject to compliance with

GAAP and all applicable tax laws, they shall each be entitled to calculate and report their Co-Ownership Proportions of any income or loss from the Joint Venture in the manner in which they see fit.

4.2 Administration

For ease of administration, the Co-Owners may decide, from time to time, to appoint one of the Co-Owners (or a third party manager) to act on behalf of both of the Co-Owners for purposes of administering and collecting rent under the Lease and attending to payment of the Expenditures, in which case the Person so appointed shall attend to such administration in good faith and in the best interest if both Co-Owners, subject at all times to the terms and conditions of this Agreement. Any amounts received by a Co-Owner from the tenant under the Lease shall be held in trust for both Co-Owners, in accordance with their Co-Ownership Proportions. Either Co-Owner may at any time request that the administration by one Co-Owner be terminated, by notice in writing to the other Co-Owner, in which event such administration shall cease as at the end of the month during which such notice is sent.

4.3 The Lease

It is acknowledged that the terms of the Lease provide that WIS is responsible for the payment, as additional rent, of all costs and expenses related to the operation, maintenance and repair of the Property, as well as all real estate taxes, utilities and other similar charges, and that the base rent is meant to be in an amount required to fund all amounts payable in respect of Financing, but no more, such that the Net Cash Flow derived from the leasing of the Property to WIS will initially be zero. Once the Financing is paid in full and/or it is otherwise agreed to at any time between the Co-Owners, the base rent charged to WIS shall be equal to the fair market rent charged for similar properties in the same geographic area as the Property which utilize a similar use as carried on by WIS.

4.4 Additional Funds Required by the Co-Owners

- (a) It is the responsibility of each Co-Owner to arrange and provide its Co-Ownership Proportion of the funds required from time to time for the Approved Obligations out of firstly, its Co-Ownership Proportion of Gross Receipts, if any; secondly, from Financing Approved by the Co-Owners, if any; and the balance of such funds shall be provided out of the separate funds of the Co-Owners in accordance with and subject to Section 4.4(b) below. Financing may be obtained upon such terms, rates of interest and Encumbrances as may be Approved by the Co-Owners from time to time; however, if a Lender is willing to provide Financing on such terms (and the terms of any such Financing is not materially adversely affected by increased interest, charges, fees, terms, guarantees and/or Encumbrances), it is the intention that any obligations of the Co-Owners thereunder shall be several in accordance with their respective Co-Ownership Proportions and not joint or joint and several and, if attainable, the recourse of the Lender under such Financing shall be limited to the respective Co-Owner's Interests of the Co-Owners in the Property. Each Co-Owner agrees with the other Co-Owner that it shall at all times comply with all of its obligations under any Financing Approved by the Co-Owners. If any Financing is not obtained on a non-recourse and several basis as contemplated above, or if any of the Approved Obligations are on a joint or joint and several basis, then the obligations of the Co-Owners thereunder as between themselves will be subject to cross-indemnification in a form to be settled at that time to the end that the ultimate liabilities of each of them will always be limited as though such obligations were several in accordance with their respective Co-Ownership Proportions.

- (b) Notwithstanding the terms and conditions of Sections 4.4, 4.5 and 4.6, Sections 4.4, 4.5 and 4.6 shall only apply to WaxmanCo if both of the Co-Owners approving funds for the Approved Obligations and WaxmanCo fails to advance after agreeing to contribute its proportionate share of the funding. If the Co-Owners agree that additional funds are required for the Approved Obligations and WaxmanCo is in agreement that funds are required but advises that it is unable to contribute its portion of the funds, AIM may elect to contribute 100% of the funds required for the Approved Obligations and in such event, Section 4.6(e) shall be applicable in respect of such contribution.

For the sake of clarity and subject to the terms and conditions of Section 4.5, a Co-Owner shall not have triggered an Event of Default unless a Co-Owner agreed to advance funds for an Approved Obligation as contemplated pursuant to Section 4.4(a) and fails to do so after approving and agreeing to advance the funds and in such event shall be a Non-Advancing Co-Owner as defined in Section 4.6.

- (c) Each Co-Owner severally agrees to make available as hereinafter provided sufficient funds and to pay when due its Co-Ownership Proportion of all the Approved Obligations from time to time upon receipt of a written demand (hereinafter called a "**Demand**") from the other Co-Owner who is not then a Defaulting Co-Owner in accordance with the following provisions:
- (i) the Demand shall state:
 - (A) the total amount of funds required to be paid;
 - (B) the purposes in summary form for which such funds are required;
 - (C) that the same are Approved Obligations; and
 - (D) the amount required to be paid by each of the Co-Owners in accordance with their respective Co-Ownership Proportions of the total funds required;
 - (ii) the Demand shall state the date, which shall not be less than fifteen (15) Business Days following the date of receipt of the Demand, on or before which the funds specified to be paid by the Co-Owners shall be paid and the Demand shall also state the name or names of the Person or Persons to whom the funds are to be made payable;
 - (iii) each Co-Owner shall pay to the payee named in the Demand the amount required to be paid by it at or prior to the date specified in the Demand, and all amounts so paid shall be applied by the payee thereof to the purpose as specified in the Demand; and
 - (iv) delivery of any one Demand does not preclude the issuance of another Demand by either Co-Owner.

4.5 Emergencies

- (a) If either Co-Owner determines that an Emergency exists, such Co-Owner shall notify the other Co-Owner as soon as possible of the existence and nature of the Emergency.

- (b) Either Co-Owner, in the case of Emergency, acting reasonably and in good faith having regard to the best interests of the Co-Owners may, but shall not be required to, advance monies on behalf of both Co-Owners to deal with any such Emergency.
- (c) If either Co-Owner shall have advanced monies on behalf of both Co-Owners to deal with an Emergency, the Co-Owner which has not advanced such monies shall repay to the other Co-Owner an amount equal to the non-advancing Co-Owner's Co-Ownership Proportion of the amounts so advanced, but collection thereof shall not be subject to the specific recourse provided for at Section 6.1(d); to the extent that any such amounts are not repaid, the advancing Co-Owner shall have a security interest in the non-advancing Co-Owner's Co-Ownership Interest and shall be entitled to be repaid out of the first distributions of Net Cash Flow in accordance with Section 4.7(b). For the sake of clarity and subject to the terms and conditions of this Section 4.5(c), the non-advancing Co-Owner shall not have triggered an Event of Default and shall not be subject to the loss of right to participate provided for at Section 6.2
- (d) For the purposes of this Agreement, "**Emergency**" means any matter arising which: (1) is a serious threat to the health, safety or lives of a Person or Persons and related to the Property; (2) is required to avert a demand for repayment or the enforcement of Financing or Financing Security by a Lender; (3) is a serious threat to the Property, with material adverse financial consequences to the Joint Venture; (4) may cause criminal liability to the Co-Owners, the Co-Owner Representatives or the directors, officers, shareholders, partners or trustees of the Co-Owners and/or AIM GP; or (5) which may result in material civil liability to the Co-Owners, the Co-Owner Representatives or the directors, officers, shareholders, partners or trustees of the Co-Owners and/or AIM GP.

4.6 Shortfall Loans

- (a) If a Co-Owner does not pay any amount required to be paid or advanced pursuant to Section 4.4(a) or 4.4(b) within the time period set forth therein, it shall be deemed and shall hereinafter be referred to as a "**Non-Advancing Co-Owner**" and the other Co-Owner who has paid the amount required to be paid or advanced pursuant to such Sections (the "**Contributing Co-Owner**"), upon notice to the Non-Advancing Co-Owner, shall have all the remedies available to it pursuant to Section 6.1, and, in addition, shall be entitled (but shall not be obligated) to advance the amount so payable or to be advanced by the Non-Advancing Co-Owner for the purpose for which it is required.
- (b) If a Contributing Co-Owner pays or advances all or any portion of the amount to be paid or advanced pursuant to Sections 4.4 or 4.5 by the Non-Advancing Co-Owner, the Non-Advancing Co-Owner shall reimburse the Contributing Co-Owner for the amount so advanced by the Contributing Co-Owner and that was required to be paid or advanced by the Non-Advancing Co-Owner pursuant to Sections 4.4 or 4.5 within fifteen (15) Business Days.
- (c) If a Contributing Co-Owner pays or advances an amount as aforesaid on behalf of a Non-Advancing Co-Owner, such amount shall be deemed to be a demand loan made by the Contributing Co-Owner to the Non-Advancing Co-Owner which the Contributing Co-Owner has been irrevocably directed to pay and advance for and on behalf of the Non-Advancing Co-Owner and which the Non-Advancing Co-Owner hereby covenants and agrees to repay, with interest at the rate herein provided, forthwith on demand. Such demand loan shall bear interest as between the Contributing Co-Owner and the Non-

Advancing Co-Owner at a rate of interest equal to the Prime Rate plus five percent (5%) per annum, calculated daily and compounded monthly, from the date of payment or advance by the Contributing Co-Owner to the date of repayment in full. The Non-Advancing Co-Owner, upon the occurrence of a payment or advance pursuant to this subsection shall be deemed to grant, create a security interest in, assign, pledge, hypothecate, mortgage and charge its interest in the Property as and by way of a fixed and specific mortgage and charge to and in favour of the Contributing Co-Owner in the amount of the funds so advanced at a rate of interest equal to the Prime Rate plus five percent (5%) per annum. The Contributing Co-Owner shall also be entitled to register a charge specifying the above terms against the Co-Owner's Interest of the Non-Advancing Co-Owner, and the Property, in order to secure the repayment of the loan. The Non-Advancing Co-Owner constitutes and appoints the Contributing Co-Owner to be its attorney with full power of substitution to register the abovementioned charge on the Non-Advancing Co-Owner's interest in the Property, including to do, make and execute all such agreements, deeds, acts, matters or things, with the right to use the name of the Non-Advancing Co-Owner, whenever and wherever it deems necessary or expedient and to carry out the registration. Such power of attorney, being granted by way of security and coupled with an interest, is irrevocable.

- (d) In addition to any other rights that a Contributing Co-Owner may have under this Agreement, the Contributing Co-Owner shall also have the right to set off the amount payable by a Non-Advancing Co-Owner to a Contributing Co-Owner against amounts payable by such Contributing Co-Owner to the Non-Advancing Co-Owner and the Contributing Co-Owner shall also have the right, on written notice to the Joint Venture, to direct the Joint Venture to pay funds otherwise payable to the Non-Advancing Co-Owner to be paid to the Contributing Owner, and this shall be the sole and exclusive authority for the Joint Venture so doing.
- (e) If a Co-Owner pays or advances funds for an Approved Obligation pursuant to Section 4.4(b), such amount shall be deemed to be a demand loan by the Co-Owner who pays or advances the funds (the "**Full Advance Co-Owner**"). Such demand loan shall bear interest at a rate of interest equal to the Prime Rate plus five percent (5%) per annum, calculated daily and compounded monthly, from the date of payment or advance by the Full Advance Co-Owner to the date of repayment in full. WaxmanCo, upon the occurrence of a payment or advance pursuant to this subsection shall be deemed to grant, create a security interest in, assign, pledge, hypothecate, mortgage and charge as and by way of a fixed and specific mortgage and charge to and in favour of the Full Advance Co-Owner WaxmanCo's interest in the Property in the amount of the funds so advanced, plus interest thereon at a rate of interest equal to the Prime Rate plus five percent (5%) per annum, plus all costs and expenses of collection and enforcement. The Full Advance Co-Owner shall also be entitled to register a charge specifying the above terms against the Property, in order to secure the repayment of the loan. WaxmanCo constitutes and appoints the Full Advance Co-Owner to be its attorney with full power of substitution to register the abovementioned charge on the Property, including to do, make and execute all such agreements, deeds, acts, matters or things, with the right to use the name of WaxmanCo, whenever and wherever it deems necessary or expedient and to carry out the registration. Such power of attorney, being granted by way of security and coupled with an interest, is irrevocable.

4.7 Distribution of Net Cash Flow

Net Cash Flow shall be applied and distributed in the following order of priority, and no distribution shall be made in any category set forth below unless and until the preceding category has been satisfied in full, unless the Co-Owners unanimously otherwise agree in writing:

- (a) The payment of all Expenditures in connection with or on account of the Property;
- (b) The repayment of any moneys loaned or advanced pursuant to Sections 4.6, 4.7 and/or 4.8 to a Contributing Co-Owner until repaid; and
- (c) To the Co-Owners in accordance with their respective Co-Ownership Proportions.

4.8 Access to Records

Each Co-Owner shall furnish to the other Co-Owner such information in respect of the Property as may reasonably be required by such other Co-Owner, and each Co-Owner shall have the right at all reasonable times during usual business hours to audit, examine and make copies of extracts from the Property books and records. Such right may be exercised through any agent or employee of such Co-Owner designated by it or by an outside independent chartered accountant designated by such Co-Owner. Each Co-Owner shall bear all expenses incurred in any such examination made for its account.

4.9 Financial Reporting Requirements

The Co-Owners agree that they shall, from time to time, provide such reports and information as they reasonably require concerning the operational and financial aspects of the Property and their statutory and other obligations in respect thereof. Unless otherwise required by a Lender, the Accountants shall prepare unaudited "Review Engagement" financial statements of the Joint Venture and the Accountants shall provide copies thereof to each of the Co-Owners within ninety (90) days after the end of such financial year.

ARTICLE 5 – TRANSFERS OF CO-OWNER'S INTERESTS

5.1 Partition

No Co-Owner shall make an application to any Court or commence any action for the partition or sale of the Property. Upon any breach of this Section by a Co-Owner, the other Co-Owner, in addition to all other rights and remedies provided herein and at law and in equity, shall be entitled to a decree or order restraining and enjoining such breach and the Co-Owner in breach shall not plead in defence thereto that there would be an adequate remedy at law, it being recognized and agreed that the injury and damage resulting from such breach would be impossible to measure monetarily.

5.2 Transfers of Interests

- (a) No Co-Owner's Interest (or any part thereof) nor this Agreement (or any interest herein) may be sold, exchanged, conveyed, gifted, donated, assigned, transferred, disposed of, Encumbered, and no Encumbrance may be created or permitted or suffered to be created in respect of a Co-Owner's Interest and no agreement may be made to do any of the same (any such transaction being herein referred to as a "**Disposition**") save and except on the basis of any one of the following cases:

- (i) with the prior written consent of the other Co-Owner, which consent may be arbitrarily or unreasonably withheld; or
- (ii) pursuant to and in accordance with another specific term or provision of this Agreement,

and any attempt to do so otherwise shall be void.

- (b) No interest in a Co-Owner, whether directly or indirectly, by a Disposition of the shares, securities, units or other ownership interests of a Co-Owner or any Person holding such a direct or indirect interest in a Co-Owner shall be permitted, allowed and no agreement to effect such a Disposition of any direct or indirect interest in a Co-Owner shall be permitted or allowed, except on the basis of any one of the following cases:

- (i) with the prior consent of the Co-Owners, which consent may be arbitrarily or unreasonably withheld;
- (ii) pursuant to and in accordance with another specific term or provision of this Agreement;
- (iii) notwithstanding anything contained in this Agreement to the contrary, but subject to the terms of Section 5.2(d), in the case of WaxmanCo, any Disposition shall be permitted so long as any one or both of Aaron and Jeremy Waxman controls WaxmanCo and continues to hold, directly or indirectly, greater than fifty percent (50%) of the equity or ownership interest of WaxmanCo; or
- (iv) notwithstanding anything contained in this Agreement to the contrary, but subject to the terms of Section 5.2(d), in the event of AIM LP, any Disposition shall be permitted so long as any one or both of Herbert and Ronald Black controls AIM LP and continues to hold, directly or indirectly, greater than fifty percent (50%) of the equity or ownership interest of AIM LP,

and any attempt to do otherwise shall be void.

- (c) It is acknowledged and agreed that, each of the current Principals of WaxmanCo shall be permitted to Dispose of their respective direct or indirect interests in WaxmanCo to each other provided that the terms of Section 5.2(b)(iii) are complied with and the current Principals of AIM LP shall be permitted to Dispose of their respective direct or indirect interests in AIM LP to each other provided that the terms of Section 5.2(b)(iv) are complied with.
- (d) Notwithstanding anything to the contrary contained in this Agreement, the Principals of each Co-Owner shall have the right to Dispose of its direct or indirect ownership interest in the Co-Owner to a member or members of the Immediate Family (as hereinafter defined) of the Principal or Principals of each Co-Owner; or to a Person controlled by a member or members of the Immediate Family of a Principal or Principals of a Co-Owner. For the purposes of this Section 5.2(d), "Immediate Family" shall mean and include any one or more or all of the spouses, issue, brothers, sisters, brothers-in-law and sisters-in-law, of any Principal or Principals of a Co-Owner.

The disposing Principal of a Co-Owner shall be liable for all reasonable third party costs, including, legal fees and disbursements actually and properly incurred by the other Co-Owner arising from the Disposition of a Principal's direct or indirect ownership interest in the Co-Owner.

5.3 Transfers to Affiliates

A Co-Owner that is not then a Defaulting Co-Owner shall be entitled to transfer all (but not less than all) of its Co-Owner's Interest to an Affiliate, provided that contemporaneously with such transfer and as a condition thereto:

- (a) the transferee shall enter into an agreement with the remaining Co-Owner on the terms of this Agreement whereby the transferee shall assume and be bound by and entitled to the benefits and the obligations and rights under this Agreement;
- (b) the transferee and the transferor shall agree in writing with the remaining Co-Owner that the transferee will remain an Affiliate of the transferor so long as the transferee is a Co-Owner, in form satisfactory to counsel for the remaining Co-Owner, acting reasonably; and
- (c) notwithstanding any such transfer, the transferor Co-Owner shall remain jointly and severally liable with the transferee Co-Owner for all obligations and liabilities arising out of this Agreement.

ARTICLE 6 – DEFAULT

6.1 Default

Upon a Co-Owner committing an Event of Default, (being herein referred to as the "**Defaulting Co-Owner**" and the other Co-Owner being herein referred to as a "**Non-Defaulting Co-Owner**"), the Non-Defaulting Co-Owner shall have the right to give the Defaulting Co-Owner notice specifying the Event of Default as well as the details or particulars constituting the Event of Default, whereupon the Non-Defaulting Co-Owner shall have the following rights and remedies:

- (a) bring any proceedings in the nature of specific performance, injunction or other equitable remedy, it being acknowledged by each of the Co-Owners that damages at law may be an inadequate remedy for the Event of Default; and/or
- (b) remedy the Event of Default (other than an Event of Insolvency) whereupon the Non-Defaulting Co-Owner shall be entitled on demand to be reimbursed by the Defaulting Co-Owner for any monies expended to remedy such Event of Default and any other expenses (including legal fees on a solicitor and its own client basis) incurred by the Non-Defaulting Co-Owner (and to bring any legal proceedings for the recovery thereof), together with interest at a rate equal to the Prime Rate plus 5% per annum; and/or
- (c) bring any action at law as may be necessary or desirable in order to recover damages; and/or
- (d) arrange upon written notice to the Defaulting Co-Owner as contemplated in Section 6.1 hereof for a determination by an appraiser of the fair market value of the Co-Owner's Interest of the Defaulting Co-Owner, and either contemporaneously therewith or within

sixty (60) days after such determination give, if it so desires, written notice (the "**Purchase Notice**") to the Defaulting Co-Owner that such Non-Defaulting Co-Owner elects to purchase the Co-Owner's Interest of the Defaulting Co-Owner (such interest being hereinafter referred to as the "**Defaulting Co-Owner's Interest**") at a purchase price equal to eighty percent (80%) of the fair market value of such interest as so determined, (other than for an Event of Insolvency described in Sections (a) and (d) in the definition of "Event of Insolvency", in which case, the purchase price shall equal one hundred percent (100%) of the fair market value of the Co-Owner's Interest of a Defaulting Co-Owner) and to purchase such interest at such purchase price, in which case, the Defaulting Co-Owner shall sell and the Non-Defaulting Co-Owner shall purchase such interest on the terms set out in ARTICLE 7 hereof (it being acknowledged that the Non-Defaulting Co-Owner need not give a Purchase Notice pursuant to this Section entitling it to purchase the interest of the Defaulting Co-Owner unless it elects, at its option, to do so); there shall be deducted from the purchase price any amounts owing by the Defaulting Co-Owner to the Non-Defaulting Co-Owner hereunder and the amounts necessary to reimburse the Non-Defaulting Co-Owner for remedying the said defaults together with interest at the aforesaid rate; any such purchase is intended to be a purchase and not by way of security and does not constitute a foreclosure or give rise to any equitable rights of redemption. An amount equal to thirty-five percent (35%) of the purchase price, so determined, shall be payable on the closing date of the purchase transaction, by wire transfer of immediately available funds and the balance of the purchase price shall be paid over a period of two (2) years from the closing date, without interest, by equal monthly payments, the first such monthly payment to be made one (1) month after the closing date and consecutively monthly thereafter with the final monthly payment to be due and payable on the third anniversary of the closing date.

6.2 Decisions of the Co-Owners

After a material Event of Default and until the same is remedied by the Defaulting Co-Owner, the Defaulting Co-Owner shall not have the right to participate in decisions relating to the Property and all decisions shall be made and approvals given by the Non-Defaulting Co-Owner.

ARTICLE 7 – CLOSING

7.1 Closing

- (a) The provisions contained in this Section 7.1 shall be applicable to a sale of a Co-Owner's Interest in the Property by one Co-Owner to the other Co-Owner, pursuant to ARTICLE 6 unless a contrary provision is expressly provided in this Agreement.
- (b) The closing ("**Closing**") of any sale of a Co-Owner's Interest in the Property by one Co-Owner to another Co-Owner pursuant to Sections 6.1(d) shall be held at the address of the lawyer or law firm retained by the selling Co-Owner, and failing the retainer of any such lawyer or law firm, at the address of the selling Co-Owner for service of notices provided for herein at 10:00 o'clock in the morning (Toronto time) on the date stipulated herein therefor or such earlier or later date as may be mutually agreed upon by the parties to the transaction.
- (c) At the Closing, the selling Co-Owner shall execute and deliver to the purchasing Co-Owner a transfer of all the Co-Owner's Interest of the selling Co-Owner, a transfer and

assignment of all rights of the selling Co-Owner under any instruments, agreements, orders and other documents relating to and the Property which have been Approved by the Co-Owners (such transfers, instruments, agreements, orders and other documents to be satisfactory to counsel for the purchasing Co-Owner and herein collectively called the "**Transfer Documents**"), warranting good and marketable title free from all claims and Encumbrances other than those Approved by the Co-Owners, as a condition of payment by the purchasing Co-Owner of the purchase price (subject to a right of set off as hereinafter provided). The Transfer Documents shall include all those which may be necessary or desirable to effectuate the sale and transfer of such Co-Owner's Interest and shall be legally sufficient to convey to the purchasing Co-Owner the entire Co-Owner's Interest of the selling Co-Owner.

- (d) Subject to Section 6.1(d), at the Closing, the purchase price (subject to a right of set-off as hereinafter provided) shall be paid to the selling Co-Owner. The purchase price shall be subject to usual closing adjustments as may be necessary and appropriate. On Closing, the balance of the purchase price shall be paid by wire transfer of immediately available funds to the selling Co-Owner. Where the liabilities to be assumed by the purchasing Co-Owner as contemplated below exceed the purchase price of the Co-Owner's Interest of the selling Co-Owner, such excess shall be paid in cash by the selling Co-Owner to the purchasing Co-Owner at the Closing. In the event that there are any sales or transfer taxes payable as an incident to the transfer at the Closing, such taxes shall be paid by the purchasing Co-Owner.
- (e) At the Closing, the purchasing Co-Owner shall assume all Approved Obligations of the selling Co-Owner in connection with the Co-Owner's Interest being acquired, and shall agree to indemnify the selling Co-Owner thereafter from any and all manner of claims and causes of action thereafter arising out of the Co-Owner's Interest of the selling Co-Owner in and the Property.
- (f) On Closing, the selling Co-Owner shall deliver to the purchasing Co-Owner a release by the selling Co-Owner of all of its claims against the purchasing Co-Owner, with respect to any matter or thing relating to the Joint Venture up to and including the closing date but excluding any claims for payment of the balance, if any, of the purchase price for its Co-Owner's Interest.
- (g) If the selling Co-Owner is not represented at Closing or is represented but fails for any reason whatsoever to produce and to execute and deliver the Transfer Documents to the purchasing Co-Owner, then the purchase price (or the portion of the purchase price required to be paid on the closing date) may be deposited by the purchasing Co-Owner into a special account at a branch of the bank used by the Co-Owners in respect of the Property in the name of the selling Co-Owner. Such deposit shall constitute valid and effective payment of the purchase price to the selling Co-Owner even though the selling Co-Owner has in breach of this Agreement voluntarily Encumbered or Disposed of any of its Co-Owner's Interest and notwithstanding the fact that a conveyance or conveyances or assignment or assignments for any of such Co-Owner's Interest may have been delivered. If the purchase price (or the portion of the purchase price required to be paid on the closing date) is deposited as aforesaid, then from and after the date of such deposit, and even though the Transfer Documents have not been delivered to the purchasing Co-Owner, the purchase of the Co-Owner's Interest shall be deemed to have been fully completed and all right, title, benefit and interest, both in law and in equity, in and to the Co-Owner's Interest of the selling Co-Owner shall be conclusively deemed to have been

transferred and assigned to and become vested in the purchasing Co-Owner, and all right, title, benefit and interest, both in law and in equity, of the selling Co-Owner or of any transferee, assignee or any other Person having any interest, legal or equitable, therein or thereto shall cease and determine, provided, however, that the selling Co-Owner shall be entitled to receive the purchase price (or the portion of the purchase price required to be paid on the closing date) so deposited, without interest, upon execution and delivery to the purchasing Co-Owner of the Transfer Documents.

- (h) The selling Co-Owner hereby irrevocably constitutes and appoints the purchasing Co-Owner as its true and lawful attorney-in-fact and agent for, in the name of and on behalf of the selling Co-Owner to execute and deliver in the name of the selling Co-Owner all such assignments, transfers, resignations, deeds or instruments as may be necessary effectively to transfer and assign the Co-Owner's Interest being sold to the purchasing Co-Owner and which the selling Co-Owner shall have failed to execute and deliver in breach of its obligations under this Agreement. Such appointment and power of attorney, being coupled with an interest, shall not be revoked by an event of insolvency or bankruptcy of the selling Co-Owner and the selling Co-Owner hereby ratifies and confirms and agrees to ratify and confirm all that the purchasing Co-Owner may lawfully do or cause to be done by virtue of the provisions hereof. The selling Co-Owner hereby irrevocably consents to the transfer of its Co-Owner's Interest made pursuant to the provisions of this Section.

ARTICLE 8 – DETERMINATION BY MEDIATION AND ARBITRATION

8.1 Mediation

- (a) In the event that the Co-Owners are unable to agree upon a matter which is required to be exercised (the "**Deadlock Matter**") and a Co-Owner, acting in good faith and in the best interest of the Joint Venture: (i) considers the determination of such matter to be of significance to the Joint Venture and the Property; and (ii) the Deadlock Matter deals with a matter or issue capable of being determined by an expert, then either Co-Owner may refer the Deadlock Matter for determination to an expert by delivery of written notice electing to exercise such right to the other Co-Owner (the "**Dispute Resolution Notice**") within ten (10) Business Days of the date in which it can reasonably be determined that the Co-Owners cannot agree upon the Deadlock Matter.
- (b) Within ten (10) Business Days of the delivery of the Dispute Resolution Notice, the Co-Owners shall attempt to agree upon the appointment of a skilled and experienced commercial mediator to assist the Parties to reach an agreement through mediation on the Deadlock Matter. If the Parties fail to timely agree on a mediator within such ten (10) Business Days, at the request of any Co-Owner such mediator shall be appointed by ADR Chambers Inc. (including its successor). The mediation shall be conducted in Toronto, Ontario or such other location as the Parties may agree, in the English language. The cost of mediation shall be shared equally by the Co-Owners (except that each Co-Owner shall be responsible for payment of its own legal fees). Any settlement reached by mediation shall be reduced to writing, shall be signed by the Co-Owners and shall be final and binding on them. If dispute is not resolved to the mutual satisfaction of the Parties within twenty (20) Business Days following the appointment of the mediator, any Co-Owner may by Arbitration Notice to the other Co-Owner under Section 8.2 require the Deadlock to be resolved by arbitration as set out below.

8.2 Arbitration

In the event of any dispute, claim, question or difference between or among any parties hereto relating to any matter, covenant, commitment or agreement provided for in this Agreement or arising between the Co-Owners relating to the Co-Ownership which the parties are unable to resolve by discussion and negotiation and mediation as set out in Section 8.1, any Co-Owner may by written notice (an "**Arbitration Notice**") to the other Co-Owner, require same to be settled by arbitration pursuant to and in accordance with the following provisions:

- (a) the arbitration tribunal shall consist of one arbitrator appointed by mutual agreement of the Co-Owners who is qualified by education and training to pass upon the particular matter to be decided, or in the event of failure to agree within ten (10) Business Days from the giving of the Arbitration Notice, either Co-Owner may apply to a Judge of the Ontario Superior Court of Justice to appoint an arbitrator;
- (b) the arbitrator shall be instructed that time is of the essence in proceeding with his/her determination of any dispute, claim, question or difference and, in any event, the arbitration award must be rendered within thirty (30) days of the submission of such dispute to arbitration;
- (c) the arbitration shall take place in the City of Toronto, Ontario;
- (d) the law to be applied in connection with the arbitration shall be the laws of Ontario, including its conflict of law rules;
- (e) in its arbitration award, the arbitrator may award any remedy for any breach of this Agreement that might have been awarded by the Ontario Superior Court of Justice except where the remedy for such breach has been expressly limited by this Agreement;
- (f) the arbitration award shall be given in writing, and shall be final and binding on the parties and not subject to any appeal on a matter of law, a matter of fact, or a matter of mixed fact and law;
- (g) the arbitration award shall deal with the question of costs of arbitration and all matters related thereto;
- (h) judgment upon the award rendered may be entered in any court of competent jurisdiction, or, application may be made to such court for a judicial recognition of the award or an order of enforcement thereof, as the case may be;
- (i) nothing herein will prevent the Co-Owner who gave the Arbitration Notice from applying for injunctive relief pending such arbitration proceeding; and
- (j) any arbitration hereunder shall be conducted in accordance with the provisions of the *Arbitration Act*, 1991 (Ontario) (as it may be amended or re-enacted from time to time) except as varied or excluded by the provisions of this Section 8.2.

ARTICLE 9 GENERAL PROVISIONS

9.1 Notices

Any notice required or permitted to be given hereunder to a party shall be in writing and shall be effectively given or delivered personally or by overnight courier with a reputable courier service addressed to:

In the case of WaxmanCo:

172 Hillcrest Avenue
Hamilton, Ontario
L8P 2X4

Att: Aaron Waxman

awaxman@waxmanindustrial.ca

and in the case of AIM LP or AIM GP:

9100 Henri-Bourassa Est
Montréal (Québec)
H1E 2S4

Att: Herbert Black

hblack@scrapmetal.net

or to such other address of a party as it shall specify to the other party by written notice given in the manner aforesaid. Any such notice personally delivered or delivered by courier between the hours of 9:00 a.m. and 5:00 p.m. on a Business Day shall be deemed to have been validly and effectively given and received on the date of such delivery.

9.2 Waiver

No consent or waiver, express or implied, by a party to or of any breach or default by the other party in the performance by such other party of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by such other party of the same or any other obligations of such other party hereunder. Failure on the part of a party to complain of any act or failure to act of the other party or to declare the other party in default hereunder, irrespective of how long such failure continues, shall not constitute a waiver by such first mentioned party of its rights hereunder.

9.3 Amendments

This Agreement may not be modified or amended except with the written consent of the parties hereto.

9.4 Successors and Assigns

All of the terms and provisions of this Agreement shall be binding upon the parties and their respective successors and assigns, but shall enure to the benefit of and be enforceable by the successors and assigns

of any Co-Owner only to the extent that they are permitted successors and assigns pursuant to the terms hereof. No party may assign its rights hereunder except as herein expressly permitted.

9.5 Further Assurances

The parties hereto agree that they will from time to time at the reasonable request of either of them execute and deliver such assignments, instruments and conveyances and take such further action as may be required to accomplish the purposes of this Agreement.

9.6 Entire Agreement

This Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, of the parties and there are no warranties, representations or other agreements between the parties in connection with the subject matter hereof except as specifically set forth herein.

9.7 Rights of Co-Owners Independent

The rights available to the Co-Owners under this Agreement and at law shall be deemed to be several and not dependent on each other and each such right shall be accordingly construed as complete in itself and not by reference to any other such right. Any one or more and/or any combination of such rights may be exercised by a Co-Owner from time to time and no such exercise shall exhaust the rights or preclude any other Co-Owner from exercising any one or more of such rights or combination thereof from time to time thereafter or simultaneously.

9.8 Certificates

The Co-Owners each agree at any time and from time to time so long as this Agreement shall remain in effect, upon not less than ten (10) Business Days prior request by the other Co-Owner, to execute and deliver to the other Co-Owner or as the requesting party may direct, a statement in writing certifying whether this Agreement is modified or unmodified (and if modified, stating the modifications), whether this Agreement is in full force and effect, whether the Co-Owner giving such statement knows of any default by the other Co-Owner (and if so, stating the default) and the status of any other matters related to this Agreement as may specifically be requested of it, it being intended that any such statement delivered pursuant to this Section may be relied upon by any prospective purchaser or mortgagee of the Property or of a Co-Owner's Interest.

9.9 Unavoidable Delay

If any act or thing to be done or performed by a party (except as otherwise provided herein) is subject to Unavoidable Delay, then the time for the doing or performance thereof shall be extended for a period equal to the delay or the period for which such Unavoidable Delay operates to prevent the act or thing required to be done or performed from being done or performed, and the party obligated to do or perform such act or thing shall not be deemed to be in default until the expiration of such time as so extended. Each party shall promptly notify the other of the occurrence of any Unavoidable Delay which might prevent or delay the doing or performance of acts or things required to be done or performed by such party. The aforesaid provisions do not in any way affect any obligations to pay monies. Save as herein provided, time shall be of the essence in this Agreement.

9.10 Counterparts and Formal Date

This Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original, and such counterparts together shall constitute one and the same instrument and notwithstanding the date of execution shall be deemed to bear date as of the date written at the beginning of this Agreement.

9.11 Confidentiality

All matters pertaining to this Agreement and the transactions contemplated herein shall be held in confidence and no public announcement with respect to this Agreement shall be made by any of the parties hereto without the prior written approval of each of the parties hereto (which consent shall not be unreasonably withheld), except to the extent required by applicable law or as may be required to enforce the terms hereof. Notwithstanding the foregoing, the parties shall be permitted to disclose this Agreement to their respective agents, advisors, auditors, accountants, legal counsel, appraisers, bankers, lenders, trustees, directors and partners and to prospective purchasers of a Co-Owner's Interest. Notwithstanding anything to the contrary in this Agreement or at law, any disclosure by a party hereto resulting in a breach of this Section 8.12 shall give rise only to damages and/or an injunction with respect to such disclosure and will not give rise to any other remedies.

BALANCE OF PAGE INTENTIONALLY LEFT BLANK

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed by their proper officers duly authorized in that behalf.

1340923 CANADA INC

Per: _____

Name: Aaron Waxman
Title: President

I have authority to bind the Corporation

**AMERICAN IRON & METAL LP, per
AMERICAN IRON & METAL GP INC., its
general partner**

Per: _____

Name: Herbert Black
Title: President

I have authority to bind the Corporation

AMERICAN IRON & METAL GP INC.

Per: _____

Name: Herbert Black
Title: President

I have authority to bind the Corporation

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed by their proper officers duly authorized in that behalf.

1340923 CANADA INC.

Per: _____

Name: Aaron Waxman
Title: President

I have authority to bind the Corporation

**AMERICAN IRON & METAL LP, per
AMERICAN IRON & METAL GP INC., its
general partner**

Per: _____

Name: ~~Herbert Black~~
Title: ~~President~~

I have authority to bind the Corporation

AMERICAN IRON & METAL GP INC.

Per: _____

Name: ~~Herbert Black~~
Title: ~~President~~

I have authority to bind the Corporation


SCHEDULE "A"**LEGAL DESCRIPTION**

PIN No. 32281-0152 (LT)

Part of Lots 39-40, Concession 3, Brantford City, designated as Parts 1 & 2 on Plan 2R-6246
municipally known as 143 Adams Boulevard, Brantford, Ontario

TAB H

This is Exhibit "H" referred to in the
Affidavit of Kamila Wirpszo
sworn April 11th, 2018


RITA DEMIRJIAN



LRO # 2 Charge/Mortgage

Received as BC234044 on 2012 12 13 at 16:39

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

yyyy mm dd Page 1 of 2

Properties

PIN 32281 - 0152 LT *Interest/Estate* Fee Simple
Description PT LT 39-40 CON 3 BRANTFORD CITY PTS 1 & 2 ON 2R6246 ; CITY OF BRANTFORD
 , S/T EASEMENT IN FAVOUR OF THE CORPORATION OF THE CITY OF BRANTFORD
 OVER PT 2 ON 2R6246 AS IN BC32735
Address 143 ADAMS BOULEVARD
 BRANTFORD

Chargor(s)

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

Name 1340923 ONTARIO INC.
Address for Service 143 Adams Boulevard
 Brantford, Ontario
 NS3 7V8

I, Aaron Waxman, Director, Secretary, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

Chargee(s)*Capacity**Share*

Name AMERICAN IRON & METAL GP INC.
Address for Service c/o American Iron & Metal LP
 9100 Henri Bourassa Boulevard East
 Montréal, Quebec
 H1E 2S4

Statements

Schedule: See Schedules

Provisions

Principal \$ 3,000,000.00 *Currency* CDN
Calculation Period
Balance Due Date On Demand
Interest Rate 25.0%
Payments
Interest Adjustment Date
Payment Date See Attached
First Payment Date
Last Payment Date
Standard Charge Terms
Insurance Amount full insurable value
Guarantor

LRO # 2 Charge/Mortgage

Received as BC234044 on 2012 12 13 at 16:39

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

yyyy mm dd Page 2 of 29

Signed By

Fred Gjoka

181 Bay Street, Suite 4400,
Brookfield Place
Toronto
M5J 2T3acting for
Chargor(s)

Signed

2012 12 13

Tel 4168657094

Fax 4168657048

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

Submitted By

MCMILLAN LLP

181 Bay Street, Suite 4400,
Brookfield Place
Toronto
M5J 2T3

2012 12 13

Tel 4168657094

Fax 4168657048

Fees/Taxes/Payment

Statutory Registration Fee \$60.00

Total Paid \$60.00

File Number

Chargee Client File Number :

211822

DEBENTURE

1340923 ONTARIO INC.,
incorporated under the laws of Ontario

CAD\$3,000,000

Due: On Demand

THIS DEBENTURE is issued the 12th day of October, 2012 by **1340923 ONTARIO INC.** (the "**Chargor**"), whose principal office or place of business in the Province of Ontario is located at 143 Adams Boulevard, Brantford, Ontario, N3S 7V8, to **AMERICAN IRON & METAL GP INC.**, in its capacity as general partner of **AMERICAN IRON & METAL LP**, located at 9100 Boul Henri-Bourassa E, Montreal, Quebec, (together with its successors and assigns, the "**Holder**").

FOR VALUABLE CONSIDERATION (the receipt and sufficiency of which are hereby acknowledged), the Chargor covenants, acknowledges, represents and warrants to and in favour of the Holder as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

Each word and phrase defined or given an extended meaning in Schedule 1.1 is used in this Debenture with the respective defined or extended meaning assigned to it in Schedule 1.1.

1.2 Statutes

Each reference in this Debenture to any code, statute, regulation, official interpretation, directive or other legislative enactment of any Canadian or foreign jurisdiction (including any political subdivision of any thereof) at any time shall be construed so as to include such code, statute, regulation, official interpretation, directive or enactment and each change thereto made at or before that time.

1.3 Agreements

Each reference in this Debenture to any agreement (including this Debenture and any other term defined in Schedule 1.1 that is an agreement), document or instrument at any time shall be construed so as to include such agreement (including any attached schedules, appendices and exhibits), document or instrument and each change thereto at or before that time.

1.4 Headings

The division of this Debenture into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Debenture. The article and section headings in this Debenture are included

solely for convenience, are not intended to be full or accurate descriptions of the article or section to which they pertain and shall not be considered part of this Debenture.

1.5 Number and Gender

In this Debenture, words (including defined terms) in the singular include the plural and vice-versa (the necessary changes being made to fit the context) and words in one gender include all genders.

1.6 Severable

Wherever possible, each provision of this Debenture shall be interpreted in such a manner as to be effective and valid under Applicable Law, but if any provision of this Debenture or any party thereof shall be prohibited by or invalid or unenforceable under Applicable Law, such provision shall be ineffective to the extent of such prohibition or invalidity or unenforceability, without invalidating the remainder of such provision or part thereof or the remaining provisions of this Debenture and for greater certainty, the remainder of such provision or part thereof or the remaining provisions of this Debenture shall remain valid and enforceable.

ARTICLE 2 PROMISE TO PAY

2.1 The Chargor hereby acknowledges itself indebted and promises to pay to or to the order of the Holder, **ON DEMAND** made in accordance with the terms hereof, or on such earlier date as the principal monies hereby secured may become payable in accordance with the terms hereof, the principal sum of **THREE MILLION DOLLARS (\$3,000,000)** in lawful currency of Canada and all other amounts now or hereafter payable hereunder as and when they become due and payable (the "Principal Sum") at the office of the Holder described at the commencement of this Debenture, or at such other place as the Holder may designate at any time and from time to time by notice to the Chargor, and shall pay interest thereon from the date hereof at the nominal rate of twenty-five per cent (25%) per annum calculated yearly not in advance both before and after maturity, default or judgment together with interest on overdue interest at the same rate.

ARTICLE 3 SECURITY

3.1 Security Interest

As general and continuing collateral security, without impairment or novation, for the due payment and performance of the Secured Obligations, and subject to the exceptions in Sections 3.5 and 3.6, the Chargor hereby:

- (a) grants, creates a security interest in, assigns, pledges, conveys, hypothecates, mortgages and charges as and by way of a fixed and specific mortgage and charge to and in favour of the Holder:

- (i) all freehold, real or immovable property in which the Chargor now or hereafter has Rights, including, without limitation, the Lands, together with all buildings, erections and fixtures now or hereafter constructed, erected or installed thereon, including in each and all cases any greater or other right, title and interest therein or in any part thereof which the Chargor may acquire and hold during the currency of this Debenture;
- (ii) by way of demise and sub-lease, all leasehold real or immovable property in which the Chargor now or hereafter has Rights, together with all buildings, erections and fixtures now or hereafter constructed, erected or installed thereon, including, without limitation, the Leased Premises, together with all buildings, erections and fixtures now or hereafter constructed, erected or installed thereon;
- (iii) any and all existing or future leases relating to the whole or any part or parts of the Lands or the Leased Premises or any other freehold or leasehold real or immovable property and all existing or future licenses or concessions whereby any person, is given the right by the Chargor (other than an easement or a right in the nature of an easement) to use or occupy the whole or any part or parts of the Lands or the Leased Premises or any other freehold or leasehold real or immovable property and all extensions, amendments, renewals or substitutions thereof or therefore which may hereafter be effected or entered into, and all benefits, powers and advantages of the Chargor to be derived therefrom and all covenants, obligations and agreements of the tenants thereunder;
- (iv) all rents and other moneys now due and payable or hereafter to become due and payable under any and all leases relating to the whole or any part or parts of the Lands or the Leased Premises or any other freehold or leasehold real or immovable property, and each guarantee of or indemnity in respect of the obligations of the tenants thereunder with full power to demand, sue for recovery, receive and give receipts for all such rents and other moneys and otherwise to enforce the rights of the Chargor thereto in the name of the Chargor;
- (v) any and all existing or future agreements, contracts, licences, permits, plans and specifications, bonds, letters of credit, letters of guarantee or other documents or instruments affecting or relating to the Lands or the Leased Premises or any other freehold or leasehold real or immovable property in which the Chargor now or hereafter has Rights or any part or parts thereof and all extensions, amendments, renewals or substitutions thereof or therefore which may hereafter be effected or entered into and all benefit, power and advantage of the Chargor to be derived therefrom;
- (vi) any and all existing or future agreements of purchase and sale, options to purchase and mortgages, affecting or relating to the Lands, the Leased Premises or any other freehold or leasehold real or immovable property in

which the Chargor now or hereafter has Rights or any part or parts thereof and all proceeds and other moneys now due and payable or hereafter to become due and payable thereunder and all benefit, power and advantage of the Chargor to be derived therefrom;

- (vii) any and all existing or future insurance policies pertaining to the Lands or the Leased Premises or any other freehold or leasehold real or immovable property in which the Chargor now or hereafter has Rights or any parts or parts thereof and the proceeds therefrom and all proceeds of expropriation or similar taking of the Lands and the Leased Premises or any part or parts thereof and all benefit, power and advantage of the Chargor to be derived therefrom;
- (viii) all Rights to the property referred to in clauses (i) and (vii) inclusive above and related benefits, easements, franchises, immunities, licenses, privileges, rights-of-ways, undersurface rights, servitudes, and other interests appertaining thereto or connected therewith; and
- (ix) all Proceeds and Replacements of or to property referred to in clauses (i) through (viii) inclusive above, including all Rights thereto;
- (b) grants, assigns, pledges, conveys, hypothecates, mortgages and charges the following property as and by way of a floating charge to and in favour of the Holder:
 - (i) all freehold and leasehold real and immovable property, in which the Chargor now or hereafter has Rights, together with all buildings, erections and fixtures now or hereafter constructed, erected, or installed thereon, save and except such property and assets as are validly and effectively subject to the fixed and specific security created by paragraph (a) above;
 - (ii) all Rights of the Chargor to the property referred to in clause (i) above; and
 - (iii) all Proceeds and Replacements of or to property referred to in clauses (i) and (ii) above, including all Rights thereto.

And for better securing to the Holder the payment in the manner set out above of the Principal Sum and interest (and other amount hereby secured), the Chargor hereby mortgages to the Holder all the Chargor's estate and interest in the Lands.

3.2 Habendum

The Holder shall have and hold the Charged Property for its benefit but subject to the provisions of this Debenture.

3.3 Attachment

The Chargor acknowledges that value has been given, that the Chargor and the Holder have not agreed to postpone the time for attachment of the Security and that the Security is intended to attach, as to all of the Charged Property in which the Chargor now has Rights, when the Chargor executes this Debenture, and, as to all Charged Property in which the Chargor only has Rights after the execution of this Debenture, when the Chargor first has such Rights. For certainty, the Chargor confirms and agrees that the Security is intended to attach to all present and future Charged Property of the Chargor and each Successor of the Chargor.

3.4 Proceeds Held in Trust

After any Default occurs, the Chargor shall receive and hold all Proceeds in trust, separate and apart from other monies, instruments or property, and shall forthwith endorse as necessary and pay over or deliver them to the Holder to be held by the Holder in accordance with the terms and conditions of this Debenture.

3.5 Leases

- (a) The last day of the term of any lease, oral or written, or any agreement therefor (including, without limitation, the leases referred to in Section 3.1(a)(ii) and Section 3.1(a)(iii)), now held or hereafter acquired by the Chargor shall be excepted from the Security and shall not form part of the Charged Property but the Chargor shall stand possessed of such last day remaining and shall hold it in trust to assign and dispose of the same as the Holder directs. If any such lease or agreement therefor contains a provision which provides in effect that such lease or agreement may not be assigned, sub-leased, charged or made the subject of any Security Interest without the consent of the lessor, the application of the Security to any such lease or agreement shall be conditional upon such consent being obtained. At the request of the Holder in writing, the Chargor shall forthwith use commercially reasonable best efforts to obtain, as soon as reasonably practicable, such consent.
- (b) Upon any sale by the Holder or any Receiver of any leasehold interest pursuant to this Debenture, the Holder or any Receiver, for the purpose of vesting the one day residue of the term or renewal thereof in any purchaser or purchasers, shall be entitled by deed or writing to appoint such purchaser or purchasers or any other Person or Persons as new trustee or trustees of the aforesaid residue of any such term or renewal thereof in the place and stead of the Chargor and to vest the same accordingly in the new trustee or trustees so appointed free from any Obligation respecting the same.

3.6 Agreements and Licenses

- (a) Notwithstanding anything to the contrary contained herein, if the Chargor cannot lawfully grant the Security in any agreement, Right or License comprised in the Charged Property in which it now or hereafter has Rights because the agreement, Right or License prohibits or restricts such Security, the agreement, Right or

License requires the consent of any Person which has not been obtained or the grant of such Security in the agreement, Right or License would contravene Applicable Law, that agreement or License (each, an "**Excluded Agreement**") shall not be subject to the Security (save to the extent provided below) unless and until such agreements, consents, waivers and approvals as may be required to avoid such illegality or loss and expense have been obtained ("**Required Approvals**"). The Security shall nonetheless immediately attach to any Rights of the Chargor arising under, by reason of, or otherwise in respect of such agreement, Right or License, such as the Right to receive payments thereunder and all Proceeds and Replacements of the agreement, Right or License ("**Related Rights**"), at the option of the Holder, on the occurrence and continuance of an Event of Default.

- (b) To the extent permitted by Applicable Law, the Chargor will hold in trust for the Holder, and provide the Holder with the benefits of, each Excluded Agreement and will enforce all Related Rights at the direction of the Holder or at the direction of such other Person (including any purchaser of Charged Property from the Holder or any Receiver) as the Holder may designate.
- (c) At the request of the Holder in writing, the Chargor shall forthwith use commercially reasonable best efforts to obtain, as soon as reasonably practicable, all such Required Approvals and acknowledgments of the nature referred to in Subsection 3.6(b).

3.7 **After-Acquired Property**

The Chargor covenants and agrees that all property acquired by the Chargor after the date hereof, including any property acquired by the Chargor to replace any property released from the Security and all improvements, extensions or additions to the property owned by the Chargor which by this Debenture is, or is intended to become, part of the Charged Property (all such property, improvements, extensions and additions being hereinafter referred to as "**After-Acquired Property**") shall, upon the acquisition thereof by the Chargor without any further conveyance, mortgage, pledge, charge, assignment, grant of a security interest or act on the part of the Chargor or the Holder, become and be subject to the Security as fully and completely as though now owned by the Chargor and specifically described or referred to herein.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES

The Chargor represents and warrants that:

4.1 Right to Encumber - The Chargor has good title to the Charged Property and has the Right, full power and lawful authority to grant, assign, transfer, mortgage and charge the Charged Property as provided in and by this Debenture.

ARTICLE 5 NEGATIVE COVENANTS OF THE CORPORATION

5.1 The Chargor hereby covenants and agrees with the Holder that it will not, without the prior written consent of the Holder sell or otherwise dispose of all or any part of the Charged Property other than in the case of the Charged Property in the ordinary course of business for the purpose of carrying on such business.

ARTICLE 6 COVENANTS OF THE CORPORATION

The Chargor hereby covenants and agrees with the Holder as follows:

6.1 Corporate Existence, etc. - The Chargor will maintain its corporate existence and preserve all Rights, powers, licenses, privileges, franchises and goodwill of the Chargor.

6.2 Defence of Interest - The Chargor will defend its Right, title and interest in and to the Charged Property against all claims and demands whatsoever of all Persons whomsoever other than Permitted Liens.

6.3 Registrations - If requested by the Holder, the Chargor will register this Debenture or notice thereof without delay at every office where the registration or recording thereof may, in the opinion of counsel for the Holder, be necessary or desirable to preserve, perfect or protect the security hereby created, and it will deliver or exhibit to the Holder, on demand, certificates, or other evidence satisfactory to the Holder, establishing such registration or recording, and from time to time renew the same, if such renewal is, in the opinion of counsel for the Holder, necessary or desirable to preserve, perfect or protect the security hereby created.

6.4 Quiet Possession. That on Default by the Chargor hereunder the Holder may peaceably and quietly enter into and hold and occupy the Charged Property without hindrance, interference or denial of the Chargor or of anyone claiming under it or of any prior encumbrancers whatsoever.

ARTICLE 7 DEFAULT

7.1 Default

Whenever any Default referred to in Section 7.2 occurs, the Security shall become immediately enforceable upon the Holder giving written notice to such effect to the Chargor.

7.2 Events of Default

The happening of any of the following events or conditions shall constitute Default hereunder:

- (a) Demand is made by the Holder to the Chargor under this Debenture;
- (b) the non-payment when due, whether by acceleration or otherwise, of any principal or interest forming part of the Secured Obligations;
- (c) the failure of the Chargor to observe or perform any Obligation, covenant, term, provision or condition contained in this Debenture or any other agreement between the Chargor and the Holder;
- (d) if the Charged Property or any part thereof or interest therein is sold, assigned, transferred, conveyed or otherwise disposed of by the Chargor, or is the subject of any attempted sale, assignment, transfer or conveyance without written consent of the Holder;
- (e) the institution of a Bankruptcy Proceeding with respect to the Chargor; the filing against the Chargor of a petition in bankruptcy; the making of an assignment for the benefit of creditors by the Chargor; the appointment of a Receiver or trustee for the Chargor or for any assets of the Chargor or the institution by or against the Chargor of any other type of insolvency proceeding under the *Bankruptcy and Insolvency Act* (Canada) or otherwise;
- (f) the institution by or against the Chargor of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against or winding up of affairs of the Chargor; or
- (g) if any execution, sequestration, extent or other process of any court becomes enforceable against the Chargor or if distress or analogous process is levied upon the assets of the Chargor or any part thereof.

7.3 Security Enforceable

The fact that this Debenture provides for Defaults and Rights of acceleration shall not derogate from the demand nature of any Secured Obligation payable on demand.

7.4 Waiver

The Holder may waive any Default or any breach by the Chargor of any of the provisions of this Debenture. No waiver, however, shall be deemed to extend to a subsequent breach or Default, whether or not the same as or similar to the breach or Default waived, and no act or omission by the Holder shall extend to, or be taken in any manner whatsoever to affect, any subsequent breach or Default or the Rights of the Holder arising therefrom. Any such waiver must be in writing and signed by the Holder to be effective. No failure on the part of the Holder to exercise, and no delay by the Holder in exercising, any Right under this Debenture shall operate as a waiver of such Right. No single or partial exercise of any such Right shall preclude any other or further exercise of such Right or the exercise of any other Right.

ARTICLE 8 REMEDIES ON DEFAULT

8.1 Remedies of Holder

If the Security becomes enforceable in accordance with Article 7, the Holder shall have the Rights set out in this Article 8.

8.2 Right to Appoint a Receiver

Upon the occurrence of a Default, the Holder may appoint by instrument in writing one or more Receivers of any Charged Property. Any such Receiver shall have the Rights set out in this Article 8. In exercising such Rights, any Receiver shall act as and for all purposes shall be deemed to be the agent of the Chargor and the Holder shall not be responsible for any act or default of any Receiver. The Holder may remove any Receiver and appoint another from time to time. An officer or employee of the Holder may be appointed as a Receiver. No Receiver appointed by the Holder need be appointed by, nor need its appointment be ratified by, or its actions in any way supervised by, a court. If two or more Receivers are appointed to act concurrently, they shall, unless otherwise expressly provided in the instrument appointing them, so act severally and not jointly and severally. The appointment of any Receiver or anything done by a Receiver or the removal or termination of any Receiver shall not have the effect of constituting the Holder a mortgagee in possession in respect of the Charged Property.

8.3 Rights of a Receiver

Any Receiver appointed by the Holder shall have the following Rights:

- (a) *Power of Entry.* The Chargor shall forthwith upon demand deliver to a Receiver possession of any Charged Property at the place specified by the Receiver. Any Receiver may at any time enter upon any premises owned, leased or otherwise occupied by the Chargor or where any Charged Property is located to take possession of, disable or remove any Charged Property, and may use whatever lawful means the Receiver considers advisable to do so.
- (b) *Power of Sale.* Any Receiver may sell, lease, consign, license, assign or otherwise dispose of any Charged Property by public auction, private tender or private

contract with or without notice, advertising or any other formality, all of which are hereby waived by the Chargor to the extent permitted by Applicable Law. Any Receiver may, at its discretion, establish the terms of such disposition, including terms and conditions as to credit, upset, reserve bid or price. All payments made pursuant to such dispositions shall be credited against the Secured Obligations only as they are actually received. Any Receiver may buy in, rescind or vary any contract for the disposition of any Charged Property and may dispose of any Charged Property again without being answerable for any loss occasioned thereby. Any such disposition may take place whether or not the Receiver has taken possession of the Charged Property. The exercise by the Receiver of any power of sale does not preclude the Receiver from further exercise of its power of sale in accordance with this clause.

- (c) *Carrying on Business.* Any Receiver may carry on, or concur in the carrying on of, any of the business or undertaking of the Chargor and may, to the exclusion of all others, including the Chargor, enter upon, occupy and use any of the premises, buildings, plant and undertaking of or occupied or used by the Chargor and may use any of the equipment of the Chargor located thereon for such time and such purposes as the Receiver sees fit. No Receiver shall be liable to the Chargor for any negligence in so doing or in respect of any rent, charges, costs, depreciation or damages in connection with any such action.
- (d) *Discharge of Security Interest.* Any Receiver may pay any liability secured by any actual or threatened Security Interest against any Charged Property. A Receiver may borrow money for the maintenance, preservation or protection of any Charged Property or for carrying on any of the business or undertaking of the Chargor and may grant Security Interest in any Charged Property in priority to the Security as security for the money so borrowed. The Chargor will forthwith on demand reimburse the Receiver for all such payments and borrowings, together with interest thereon as provided for in Section 9.20.
- (e) *Dealing with Collateral.* Any Receiver may seize, collect, realize, dispose of, enforce, release to third parties or otherwise deal with any Charged Property in such manner, upon such terms and conditions and at such time as it deems advisable without notice to the Chargor (except as otherwise required by Applicable Law), and may charge on its own behalf and pay to others its costs and expenses (including legal, Receiver's and accounting fees and expenses on a full indemnity basis) incurred in connection with such actions. The Chargor will forthwith upon demand reimburse the Receiver for all such costs or expenses.
- (f) *Powers with respect to Charged Property.* Any Receiver may have, enjoy and exercise all of the Rights of and enjoyed by the Chargor with respect to the Charged Property or incidental, ancillary, attaching or deriving from the ownership by the Chargor of the Charged Property, including the Right to enter into agreements pertaining to Charged Property, the Right to commence or continue Litigation to preserve or protect Charged Property and the Right to grant or agree to Security Interests and grant or reserve *profits à prendre*, easements,

rights-of-ways, rights in the nature of easements and licenses over or pertaining to the whole or any part of the Charged Property.

- (g) *Retain Services.* Any Receiver may retain the services of such real estate brokers and agents, lawyers, accountants, appraisers and other consultants as the Receiver may deem necessary or desirable in connection with anything done or to be done by the Receiver or with any of the Rights of the Receiver set out herein and pay their commissions, fees and disbursements (which payment shall constitute part of the Receiver's disbursements reimbursable by the Chargor hereunder). The Chargor shall forthwith on demand reimburse the Receiver for all such payments.
- (h) *Complete Construction.* Any Receiver may complete any unfinished construction upon or in the Charged Property including the power to:
 - (i) appoint and engage superintendents, architects, engineers, miners, geologists, consultants, contractors, managers, advisors and such other personnel which, in the discretion of the Receiver, may be required to construct, furnish or operate the Charged Property;
 - (ii) enter into contracts for the supply of materials and services which the Receiver deems necessary to complete or operate the Charged Property;
 - (iii) enter into and enforce and take the benefit of Licenses, agreements and other arrangements in respect of the Charged Property which provide loans, grants or Licenses, from municipal or other Governmental Bodies or from any other source whatsoever;
 - (iv) enter into, enforce, use and take the benefit of construction contracts, contracts for services or materials, performance bonds, insurance contracts, development agreements, plans, studies, reports, information or any other matter, material or arrangement in respect of the Charged Property; and
 - (v) terminate any Licenses, agreements, Rights or other arrangements made by the Chargor in connection with the Charged Property on such terms as the Receiver deems reasonable.

8.4 Right to have Court Appoint a Receiver

The Holder may, at any time, apply to a court of competent jurisdiction for the appointment of a Receiver, or other official, who may have powers the same as, greater or lesser than, or otherwise different from, those capable of being granted to a Receiver appointed by the Holder pursuant to this Debenture.

8.5 Holder may exercise Rights of a Receiver

In lieu of, or in addition to, exercising its Rights under Sections 8.3 and 8.4, the Holder has, and may exercise, any of the Rights which are capable of being granted to a Receiver appointed by the Holder pursuant to this Debenture.

8.6 Retention of Charged Property

If the Security becomes enforceable, the Holder may elect to retain any Charged Property in satisfaction of the Secured Obligations. The Holder may designate any part of the Secured Obligations to be satisfied by the retention of particular Charged Property which the Holder considers to have a net realizable value approximating the amount of the designated part of the Secured Obligations, in which case only the designated part of the Secured Obligations shall be deemed to be satisfied by the retention of the particular Charged Property.

8.7 Limitation of Liability

Neither the Holder nor any Receiver shall be liable or accountable for any failure of the Holder or any Receiver to seize, collect, realize, dispose of, enforce or otherwise deal with any Charged Property nor shall any of them be bound to institute Litigation for any such purposes or for the purpose of preserving any Rights of the Holder, the Chargor or any other Person in respect of any Charged Property. Neither the Holder nor any Receiver shall be liable or responsible for any loss and expense whatever which may accrue in consequence of any such failure resulting from any negligence of the Holder, any Receiver or any of their respective Representatives or otherwise, except to the extent determined by a final judgment to have been directly caused by the gross negligence or wilful misconduct of any Receiver, the Holder or their respective Representatives. If any Receiver or the Holder takes possession of any Charged Property, neither the Holder nor any Receiver shall have any liability as a mortgagee in possession or be accountable for anything except actual receipts.

8.8 Extensions of Time

The Holder and any Receiver may grant renewals, extensions of time and other indulgences, take and give up Security Interests, accept compositions, grant releases and discharges, perfect or fail to perfect any Security Interests, release any Charged Property to third parties and otherwise deal or fail to deal with the Chargor, debtors of the Chargor, guarantors, sureties and others and with any Charged Property and other Security Interests as the Holder may see fit, all without prejudice to the liability of the Chargor to the Holder or the Rights of the Holder and any Receiver under this Debenture.

8.9 Set-off, Combination of Accounts and Crossclaims

The Secured Obligations will be paid by the Chargor without regard to any equities between the Chargor and the Holder or any other person, or any Right of Set-off or cross-claim in favour of or by the Chargor as against any other person. Any indebtedness owing by the Holder to the Chargor, direct or indirect, extended or renewed, actual or contingent, mutual or not, may be set off or applied against, or combined with, the Secured Obligations by the Holder at any time either before or after maturity, without demand upon or notice to anyone.

8.10 Deficiency

If the proceeds of the realization of any Charged Property are insufficient to repay all liquidated Secured Obligations, the Chargor shall forthwith pay or cause to be paid to the Holder such deficiency.

8.11 Validity of Sale

No Person dealing with the Holder or any Receiver or with any Representative of the Holder or any Receiver shall be concerned to inquire whether the Security has become enforceable, whether any Right of the Holder or any Receiver has become exercisable, whether any Secured Obligations remain outstanding or otherwise as to the propriety or regularity of any dealing by the Holder or any Receiver with any Charged Property or to see to the application of any money paid to the Holder or any Receiver, and in the absence of fraud on the part of such Person such dealings shall be deemed, as regards such Person, to be within the Rights hereby conferred and to be valid and effective accordingly.

8.12 Holder or Receiver may Perform

If the Chargor fails to perform any Secured Obligations, without limiting any other provision hereof, the Holder or any Receiver may perform those Secured Obligations as attorney for the Chargor in accordance with Section 9.19. The Chargor shall remain liable under each agreement, Right and License to which it is party or by which it or any of its assets are bound and shall perform all of its Obligations thereunder, and shall not be released from any of its Obligations under any such agreement, Right or License by the exercise of any Rights by the Holder or any Receiver. Neither the Holder nor any Receiver shall have any Obligation under any such agreement, Right or License, by reason of this Debenture, nor shall the Holder or any Receiver be Obligated to perform any of the Obligations of the Chargor thereunder or to take any action to collect or enforce any claim made subject to the security of this Debenture. The Rights conferred on the Holder and any Receiver under this Debenture are for the purpose of protecting the Security in the Charged Property and shall not impose any Obligation upon the Holder or any Receiver to exercise any such Rights.

8.13 Effect of Appointment of Receiver

As soon as the Holder takes possession of any Charged Property or appoints a Receiver over any Charged Property, all Rights of each of the Representatives of the Chargor with respect to that Charged Property shall cease, unless specifically continued by the written consent of the Holder or the Receiver.

8.14 Time for Payment

If the Holder demands payment of any Secured Obligations in accordance with the terms thereof, or if any Secured Obligations are otherwise due by maturity or acceleration, it shall be deemed reasonable for the Holder to exercise its Rights under this Debenture immediately if such payment is not made within a reasonable time of demand, in the case of Secured Obligations payable on demand, or when due in all other cases, and any days of grace or

any time for payment which might otherwise be required to be afforded to the Chargor by any agreement or Applicable Law is hereby irrevocably waived to the extent permitted by law.

8.15 Rights in Addition

The Rights conferred by this Article 8 are in addition to, and not in substitution for, any other Rights the Holder may have under this Debenture, at law, in equity or by or under Applicable Law or any Loan Document or other agreement. The Holder may proceed by way of any action, suit or other proceeding at law or in equity including (a) the Right to take proceedings in any court of competent jurisdiction for the sale or foreclosure of the Charged Property and (b) filing proofs of claim and other documentation to establish the claims of the Holder in any Litigation relating to the Chargor. No Right of the Holder or any Receiver shall be exclusive of or dependent on any other. Any such Right may be exercised separately or in combination, and at any time. The exercise by the Holder or any Receiver of any Right hereunder does not preclude the Holder or any Receiver from further exercise of such Right in accordance with this Debenture.

ARTICLE 9 GENERAL

9.1 Holder Exclusively Entitled

The holder of this Debenture from time to time will be regarded as exclusively entitled to the benefit of this Debenture and all Persons may act accordingly.

9.2 Security in Addition

The Security does not replace or otherwise affect any existing or future Security Interest held by the Holder. Neither the taking of any Litigation, judicial or extra-judicial, nor the refraining from so doing, nor any dealing with any other security for any Secured Obligations shall release or affect the Security except in the case of Payment in Full. Neither the taking of any Litigation, judicial or extra-judicial, pursuant to this Debenture, nor the refraining from so doing, nor any dealing with any Charged Property shall release or affect any of the other Security Interests held by the Holder for the payment or performance of the Secured Obligations.

9.3 No Merger

This Debenture shall not operate by way of a merger of the Secured Obligations or of any guarantee or agreement or other document or Instrument by which the Secured Obligations now or at any time hereafter may be represented or evidenced. Neither the taking of any judgment nor the exercise of any power of seizure or disposition shall extinguish the liability of the Chargor to pay and perform the Secured Obligations nor shall the acceptance of any payment or alternate security constitute or create any novation. No covenant, representation or warranty of the Chargor herein shall merge in any judgment.

9.4 Notices

Unless otherwise specified, any notice or other communication required or permitted to be given to a party under this Debenture shall be in given in writing and delivered personally or by courier, sent by prepaid registered mail or transmitted by fax to the party at the address noted in the preamble to this Debenture. Any notice or other communication:

- (a) delivered personally or by courier on a Business Day will be deemed to have been given on that Business Day;
- (b) transmitted by fax on a Business Day and (i) for which the sending party has received confirmation of transmission before 5:00 p.m. on that Business Day, will be deemed to have been given on that Business Day, or (ii) for which the sending party has received confirmation of transmission after 5:00 p.m. on that Business Day, will be deemed to have been given on the next Business Day;
- (c) delivered personally or by courier, or transmitted by fax, on a day that is not a Business Day, will be deemed to have been given on the next Business Day; and
- (d) sent by prepaid registered mail will be deemed to have been given on the fifth Business Day after the date of mailing.

9.5 Disruption of Postal Service

If a notice has been sent by prepaid registered mail and before the fifth Business Day after the mailing there is a discontinuance or interruption of regular postal service so that the notice cannot reasonably be expected to be delivered within five Business Days after the mailing, the notice will be deemed to have been given when it is actually received.

9.6 Time of the Essence

Time is and shall remain of the essence with respect to this Debenture and each of its provisions.

9.7 Governing Law

This Debenture shall be governed by, and interpreted in accordance with, the laws in force in the Province of Ontario, including the federal laws of Canada applicable therein (excluding any conflict of laws rule or principle which might refer such construction to the laws of another jurisdiction). Such choice of law shall, however, be without prejudice to or limitation of any other Rights available to the Holder under the laws of any other jurisdiction where Collateral may be located. The Chargor irrevocably attorns to and submits to the non-exclusive jurisdiction of the courts of the Province of Ontario located at Toronto with respect to any matter arising hereunder or related hereto. The Chargor agrees that the courts of that province are the most appropriate and convenient courts to settle disputes and will not argue to the contrary. However, the Holder shall not be prevented from taking proceedings relating to a dispute in any other courts with jurisdiction. To the extent allowed by law, the Holder may take concurrent proceedings in any number of jurisdictions.

9.8 Security Effective Immediately

Neither the issuance nor registration of, or any filings with respect to, this Debenture, nor any partial advance or extension of credit by the Holder, shall bind the Holder to advance any amounts, grant any credit or supply any financial services to the Chargor, but the Security shall take effect forthwith upon the issuance of this Debenture by the Chargor with respect to Charged Property in which the Chargor has Rights as of the date hereof.

9.9 Entire Agreement

There are no representations, warranties, covenants, agreements or acknowledgments whether direct or collateral, express or implied, that form part of or affect this Debenture or any Charged Property, other than as expressed herein. The execution of this Debenture has not been induced by, nor does the Chargor rely upon or regard as material, any representations, warranties, conditions, other agreements or acknowledgments not expressly made in this Debenture or in the other written agreements and other documents to be delivered pursuant hereto or contemporaneously herewith.

9.10 Invalidity

If any provision of this Debenture is found to be invalid or unenforceable, by a court of competent jurisdiction from which no further appeal Right lies, that provision shall be deemed to be severed herefrom and the remaining provisions of this Debenture shall not be affected thereby but shall remain valid and enforceable.

9.11 Successors and Assigns

This Debenture shall enure to the benefit of the Holder and any Receiver and their respective Successors and permitted assigns and any subsequent holder of this Debenture and shall be binding on the Chargor, its legal representatives (including Receivers) and its Successors. Each reference to the Chargor in this Debenture shall be construed so as to include the Successors of the Chargor to the extent the context so admits.

9.12 Debenture Lost or Stolen

If this Debenture is mutilated, lost, stolen or destroyed, the Chargor shall, upon being furnished with evidence satisfactory to it of such mutilation, loss, theft or destruction, issue and deliver a new Debenture of like date and tenor as the one mutilated, lost, stolen or destroyed, in exchange for, in place of and upon cancellation of the mutilated Debenture, or in lieu of or in substitution for the lost, stolen or destroyed Debenture.

9.13 Statutory Waivers

To the fullest extent permitted by Applicable Law, the Chargor waives all of the Rights, benefits and protections given by the provisions of any existing or future statute which imposes limitations upon the Rights of a secured party or upon the methods of realization of security, including any seize or sue or anti-deficiency statute or any similar provisions of any other statute. In particular, the Chargor agrees with the Holder to vary the limitation period

under the *Limitations Act*, 2002 (Ontario) otherwise applicable to this Debenture and any claim hereunder to be the maximum limitation period permitted by that Act (currently 15 years as established under Section 15 of that Act).

9.14 Land Registration

- (a) Covenants 1.v and 1.vi deemed to be included in a charge by subsection 7(1) of the *Land Registration Reform Act* (Ontario) are expressly excluded.
- (b) Covenant 1.vii deemed to be included in a charge by subsection 7(1) of the *Land Registration Reform Act* (Ontario) is expressly varied by providing that the Chargor or its Successors and assigns will, before and after default, execute such assurances of the property herein described and do such other acts, at the Chargor's expense, as may be reasonably required by the Holder.

9.15 Currency

All references in this Debenture to monetary amounts, unless specifically provided, are to lawful currency of Canada. All sums of money payable under this Debenture shall be paid in the currency in which such sums are incurred or expressed as due hereunder.

9.16 Amendment

Subject to Section 1.3, no agreement purporting to change this Debenture shall be binding upon either the Chargor or the Holder unless that agreement is in writing and signed by the Chargor or the Holder, respectively.

9.17 Information

At any time the Holder may provide to any Person that claims an interest in Charged Property copies of this Debenture or information about it or about the Charged Property or the Secured Obligations. In particular, the Chargor hereby authorized the Holder to provide information to any Person who requested information under Applicable Law and the Holder will not be required to investigate whether or not the inquiring Person is in fact a Person entitled to request information pursuant to Applicable Law.

9.18 Pledge

Notwithstanding the provisions hereof, this Debenture at any time and from time to time may be assigned, transferred, pledged, hypothecated, lodged, deposited or delivered by the Chargor to the Holder as security for advances or loans to or for indebtedness or other Obligations or liabilities of the Chargor to the Holder and/or such other parties as the Holder and the Chargor may in writing agree and in such event this Debenture shall not be deemed to have been discharged or redeemed or the amounts payable hereunder to have been satisfied or reduced by reason of the account of the Chargor having ceased to be in debit while this Debenture remained so assigned, transferred, pledged, hypothecated, lodged, deposited or delivered.

9.19 Further Assurances

The Chargor shall at all times do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered all such further acts, deeds, transfers, mortgages, pledges and charges, security agreements, assignments, agreements, debentures and assurances as the Holder may reasonably require in order to give effect to the provisions of this Debenture and for the better securing or perfecting the Security and the priority accorded to the Security intended under this Debenture. Upon the request of the Holder, the Chargor shall specifically mortgage, pledge, charge, grant a security interest in, or assign in favour of the Holder any property which the Chargor now or hereafter has Rights other than property and assets expressly excluded hereunder and shall execute all documents reasonably required by the Holder in connection therewith. The Chargor constitutes and appoints the Holder acting by any officer for the time being of the Holder located at its address for notices prescribed by Section 9.4 to be its attorney with full power of substitution to do on the Chargor's behalf anything that the Chargor can lawfully do by an attorney, including to do, make and execute all such agreements, deeds, acts, matters or things, with the Right to use the name of the Chargor, whenever and wherever it deems necessary or expedient and to carry out the Chargor's Obligations under this Debenture. Such power of attorney, being granted by way of security and coupled with an interest, is irrevocable until Payment in Full of the Secured Obligations. Such power of attorney shall not be exercisable by the Holder (a) unless a Default has occurred and is continuing or (b) unless the Holder has requested the Chargor to take any action required pursuant to this Section 9.19 and (absent a commercially reasonable and justified explanation) the Chargor has failed to do so within a reasonable time after being so requested in writing.

9.20 Reimbursements as Secured Obligations

All amounts for which the Chargor is required hereunder to reimburse the Holder or any Receiver shall, from the date of disbursement until the date the Holder or such Receiver receives reimbursement, be deemed advanced to the Chargor by the Holder or such Receiver, as the case may be, on the faith and security of this Debenture shall be deemed to be Secured Obligations secured by the Security and shall bear interest from the date of disbursement, compounded and payable monthly, both before and after demand, default and judgment, until payment of such amount is paid in full at the interest rate specified in this Debenture.

9.21 Discharge and Continuing Security

- (a) The Holder shall have a reasonable time after the later of (i) Payment in Full of the amounts secured by this Debenture and the termination of any and all commitments of the Holder to extend credit or accommodation to the Chargor, or (ii) full and final satisfaction of all Secured Obligations, to deliver for registration a discharge and all legal and other expenses for preparation, execution and registration, as applicable to such discharge shall be paid by the Chargor.
- (b) Subject to the below, if the Chargor, its Successors or assigns shall Pay in Full or cause to be Paid in Full to the Holder the monies secured by this Debenture and shall otherwise observe and perform the terms hereof, then this Debenture and the Rights hereby granted shall cease and be void and thereupon the Holder shall at

the request and at the expense of the Chargor, its Successors or assigns, cancel and discharge the mortgage and charge of this Debenture and execute and deliver to the Chargor, its Successors or assigns, such deeds and other instruments as shall be requisite to cancel and discharge the mortgage and charge hereby constituted, provided however that this Debenture shall not be deemed to have been discharged or redeemed by reason of the account of the Chargor having ceased to be in debit at any time or times prior to such cancellation and discharge. No postponement or partial release or discharge of the charge in respect of all or any part of the Property shall in any way operate or be construed so as to release and discharge the security hereby constituted in respect of the Property except as therein specifically provided, or so as to release or discharge the Chargor from the Secured Obligations. Only the written cancellation and discharge the mortgage and charge of this Debenture executed and delivered to the Chargor, its Successors or assigns, as set forth above, shall have the effect of cancelling and discharging the mortgage and charge hereby constituted.

- (c) For greater certainty, this Debenture secures payment and performance by the Chargor to the Holder of all debts, liabilities and obligations, including revolving indebtedness, present or future, direct or indirect, absolute or contingent, matured or not, whether from time to time reduced and thereafter increased, or entirely extinguished and thereafter incurred again, now or at any time and from time to time due or owing by the Chargor to the Holder in any currency and whether incurred by the Chargor alone or with another or others and whether as principal or surety, and including without limitation, all interest, commissions, fees, (including receiver's fees), legal costs (on a substantial indemnity basis) and other costs, charges and expenses incurred by the Holder with respect to the debts, liabilities and obligations referred to above.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

TO WITNESS THIS AGREEMENT, the Chargor has caused this Debenture to be duly signed and sealed as a specialty Obligation.

1340923 ONTARIO INC.

By: 

Name: *Aron Chapman*

Title: *Director, Secretary*

By: _____

Name: _____

Title: _____

I/We have authority to bind the Chargor

SCHEDULE 1.1

DEFINITIONS

1. Unless the context otherwise requires, in this Debenture the following terms are used with their corresponding defined meanings:

"Applicable Law" means any international treaty, any treaty with first nations peoples, any domestic or foreign constitution or any multinational, federal, provincial, territorial, state, municipal, county or local statute, law, ordinance, code, rule, regulation or Order (including any consent decree or administrative Order), applicable to, or any guideline or policy or Authorization of any Governmental Body or arbitrator or other decision-making authority having jurisdiction with respect to any specified Person, property, transaction or event or any of such Person's assets, and any Award in any Litigation to which the Person in question is a party or by which such Person or any of its assets are bound.

"Authorizations" means any authorization, approval, consent, exemption, licence, permit, franchise or no-action letter from any Governmental Body having jurisdiction with respect to any specified Person, property, transaction or event or from any Person in connection with any easements or contractual Rights.

"Award" means any judgment, decree, injunction, rule, award or order of any Governmental Body, arbitrator or other decision-making authority of competent jurisdiction.

"Bankruptcy Proceeding" means, with respect to any Person, any proceeding contemplated by any application, petition, assignment, filing of notice or other means, whether voluntary or involuntary and whether or not under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *Winding-Up and Restructuring Act* (Canada), any governing corporate statute or any other like, equivalent or analogous legislation of any jurisdiction seeking any moratorium, reorganization, adjustment, composition, proposal, compromise, arrangement or other like or similar relief in respect of any or all of the Obligations of that Person, seeking the winding up, liquidation or dissolution of that Person or all or any part of its assets; seeking any Award declaring, finding or adjudging that Person insolvent or bankrupt, seeking the appointment (provisional, interim or permanent) of any Receiver or resulting, by operation of law, in the bankruptcy of that Person.

"Business Day" means a day which is not a Saturday or a Sunday on which banks and trust companies are generally open for business in Toronto, Canada.

"Charged Property" means all property made subject to security interests created under Section 3.1, wherever located, now or hereafter owned by the Chargor or in or to which the Chargor now or hereafter has Rights, including all such Rights, and (as the context so admits) any item or part thereof.

"Debenture" means this debenture. The terms **"this Debenture"**, **"hereof"**, **"hereunder"** and similar expressions refer to this Debenture and not to any particular

Article, Section, Subsection, paragraph, clause or other portion of this Debenture. Each reference to a "Schedule" in this Debenture is a reference to a Schedule attached to this Debenture which shall form an integral part hereof.

"Default" has the meaning ascribed thereto in Section 7.1.

"Event of Default" has the meaning ascribed thereto in Section 7.2.

"Governmental Body" means any international tribunal, agency, body, commission or other authority (including that of any union of nations), any government, executive, parliament, legislature or local authority, or any governmental body, ministry, department or agency or regulatory authority, court, tribunal, commission or board of or within Canada or any foreign jurisdiction, or any political subdivision of any thereof or any authority having jurisdiction therein.

"Holder" is used with the defined meaning given to it in the introduction to this Debenture.

"Lands" means the lands and premises described in Schedule 3.1(a)(i).

"Leased Premises" means the premises leased by the Chargor as tenant as more particularly described in Schedule 3.1(a)(ii).

"License" means (i) any Authorization from any Governmental Body having jurisdiction with respect to the Chargor or its assets, or (ii) any Authorization from any Person granting any easement or license with respect to any real or immovable property.

"Litigation" means any grievance, investigation, litigation, legal action, lawsuit, mediation, alternative dispute resolution proceeding or other proceeding (whether civil, administrative, quasi-criminal or criminal) by or before any Governmental Body, arbitrator or other decision-making authority.

"Obligations" shall be construed as indebtedness, obligations, promises, covenants, responsibilities, duties and liabilities (actual or contingent, direct or indirect, matured or unmatured, now existing or arising hereafter), whether arising by agreement or statute, at law, in equity or otherwise, and **"Obliged"**, **"Obligation"** and **"Obligated"** shall be construed in like manner.

"Order" means any order, directive, direction or request of any Governmental Body, arbitrator or other decision-making authority of competent jurisdiction.

"Other Property" means those lands and premises municipally known as 4350 Harvester Road, Burlington, Ontario and legally described as Parcels 7-8, Section N12, being Part of Lot 7, Concession 3 South of Dundas Street, City of Burlington, designated as Part 1 on Plan 20R-4669, except for Part 9 on Plan 20R-9466, having PIN No. 07043-0014 (LT).

"Payment in Full" in relation to any Secured Obligations owing to the Holder means permanent, indefeasible and irrevocable payment in cash to the Holder in full of all Secured Obligations owing to the Holder in accordance with this Debenture or to which the Holder is otherwise entitled to the benefits of, without regard to any compromise, reduction or disallowance of all or any item or part thereof by virtue of the application of any bankruptcy, insolvency or other similar such laws, any law affecting creditors' Rights generally or general principles of equity, and, if the Holder is a financial institution lending money or otherwise extending credit to the Chargor, the cancellation or expiry of all commitments by the Holder to lend or otherwise extend credit to or for the benefit or at the request of the Chargor, and **"Paid in Full"** and **"Pay in Full"** shall (to the extent the context so admits) be construed in like manner.

"Permitted Liens" means:

- (a) liens arising by operation of law for amounts not yet due or delinquent, minor imperfections in title to real property, restrictive covenants or encumbrances thereon such as easements, rights of way, agreements with municipalities and other public authorities or other similar rights in land or agreements which, individually or collectively, do not materially detract from the value of such property or affect its use for its intended purpose, and security given to municipalities and other public authorities when required by such authorities in connection with the operations of the Chargor in the ordinary course of business;
- (b) those instruments registered on title to the Charged Property immediately prior to the registration of this Debenture;
- (c) security in favour of the Holder.

"Person" means an individual, corporation, company (limited, unlimited, unlimited liability or other), limited liability corporation, other body corporate, estate, limited or general partnership, business trust, trustee, joint venture, other legal entity, unincorporated association or Governmental Body.

"Proceeds" means all proceeds and real or personal property in any form derived directly or indirectly from any disposal of or other dealing with any Charged Property, or that indemnifies or compensates for such Charged Property stolen, lost, destroyed or damaged, and proceeds of Proceeds whether or not of the same type, class or kind as the original Proceeds, and (as the context so admits) any item or part thereof.

"Receiver" means any Receiver for the Charged Property or any of the business, undertakings, property and assets of the Chargor appointed by the Holder pursuant to this Debenture or by a court on application by the Holder and shall be construed to include a privately appointed or court appointed Receiver or Receiver and manager, interim Receiver, liquidator, trustee-in-bankruptcy, administrator, administrative Receiver and any other like or similar official.

"Replacements" means all increases, additions and accessions to, and all substitutions for and replacements of, any item or part of the Charged Property, and any item or part thereof.

"Representative" of any Person means any director, officer, employee, agent, legal counsel, accountant, financial advisor, expert, manager, consultant or other representative appointed, engaged or employed by such Person.

"Rights" shall be construed as Rights, titles, benefits, interests, powers, authorities, discretions, privileges, immunities and remedies (actual or contingent, direct or indirect, matured or unmatured, now existing or arising hereafter), whether arising by agreement or statute, at law, in equity or otherwise, and **"Right"** shall be construed in like manner.

"Secured Obligations" means the aggregate amount outstanding from time to time of any and all advances by the Holder: (i) to the Chargor, and/or (ii) to any third party for work performed by third parties on the Charged Property and/or the Other Property; in each case as increased or decreased as a result of permitted prepayment, modification or otherwise (whether from time to time reduced and thereafter increased, or entirely extinguished and thereafter incurred again), and all accrued and unpaid interest thereon and all other Obligations expenses, and liabilities due or to become due to the Holder under the Debenture or otherwise, including without limitation, all costs and expenses incurred by the Holder in enforcing and collecting amounts thereunder.

"Security" means any and all Security Interests granted by the Chargor to the Holder in this Debenture.

"Security Interest" means any mortgage, charge, lien, hypothec or encumbrance, whether fixed or floating on, or any security interest in, any property, whether real, personal or mixed, tangible or intangible, any pledge or hypothecation of any property, any deposit arrangement, priority agreement, conditional sale agreement, other title retention agreement or equipment trust, any capital lease or similar arrangement or other security arrangement of any kind.

"Set-off" means any Right or Obligation of set-off, compensation, offset, combination of accounts, netting, retention, withholding, reduction, deduction or any similar Right or Obligation, or (as the context requires) any exercise of any such Right or performance of such Obligation.

"Successor" of a Person (the **"Relevant Party"**) shall be construed so as to include (i) any amalgamated or other body corporate of which the Relevant Party or any of its successors is one of the amalgamating or merging body corporates, (ii) any body corporate resulting from any court approved arrangement of which the Relevant Party or any of its successors is party, (iii) any Person to whom all or substantially all the undertakings, property and assets of the Relevant Party is transferred, (iv) any body corporate resulting from the continuance of the Relevant Party or any successor of it under the laws of another jurisdiction of incorporation and (v) any successor (determined as aforesaid or in any similar or comparable procedure under the laws of any other

jurisdiction) of any Person referred to in clause (i), (ii), (iii) or (iv) of this definition. Each reference in this Debenture to any party hereto or any other Person shall (where the context so admits) include its successors.

SCHEDULE 3.1(a)(i)**LANDS****PIN 32281-0152 (LT)**

PT LT 39-40 CON 3 BRANTFORD CITY PTS 1 & 2 ON 2R6246 ; CITY OF BRANTFORD ,
S/T EASEMENT IN FAVOUR OF THE CORPORATION OF THE CITY OF BRANTFORD
OVER PT 2 ON 2R6246 AS IN BC32735

Municipally known as: 143 Adams Boulevard, Brantford, Ontario

SCHEDULE 3.1(a)(ii)**LEASED PREMISES**

Nil

TAB I

This is Exhibit "I" referred to in the
Affidavit of Kamila Wirpszo
sworn April 11th, 2018


RITA DEMIRJIAN



FORBEARANCE AGREEMENT

This forbearance agreement dated as of December 14, 2017 made between American Iron & Metal LP ("AIM" or the "Creditor"), American Iron & Metal GP, 1340923 Ontario Inc. ("134") and Waxman Realty Company Inc. ("WRI", together with 134, the "Debtors", and each of them a "Debtor").

RECITALS:

- (a) On July 30, 2010, Roynat Inc. ("Roynat") entered into a loan agreement with WRI under which Roynat advanced \$3,165,000 to WRI (the "Roynat Loan Agreement").
- (b) On August 10, 2010, WRI issued a debenture in favour of Roynat in the amount of \$3,165,000 (the "Roynat Debenture", the loan provided for under the terms of the Roynat Loan Agreement and the Roynat Debenture being the "Roynat Loan").
- (c) On December 14, 2012, WRI and AIM entered into a Purchase Agreement under which AIM acquired 50% of WRI's interest in the property municipally known as 4350 Harvester Road, Burlington, Ontario (the "Burlington Property").
- (d) Also on December 14, 2012, 134 and AIM entered into a Purchase Agreement under which AIM acquired 50% of 134's ownership interest in the property municipally known as 143 Adams Boulevard, Brantford, Ontario (the "Brantford Property").
- (e) On December 14, 2012, 134, AIM, and its general partner, American Iron & Metal GP, entered into a Joint Venture Agreement to govern the tenancy in common of AIM and 134 of the Brantford Property (as amended from time to time, the "Brantford Property JVA").
- (f) Also on December 14, 2012, WRI, AIM, and its general partner, American Iron & Metal GP, entered into a Joint Venture Agreement to govern the tenancy in common of AIM and WRI of the Burlington Property (as amended from time to time, the "Burlington Property JVA", together with the Brantford JVA, the "JVAs").
- (g) On October 12, 2012, 134 issued a demand debenture in favour of AIM in the amount of \$3,000,000 (as amended from time to time, the "134 Debenture"), granting a security interest in favour of AIM over all of 134's real and other property to secure all of 134's liabilities and obligations owed to AIM from time to time.
- (h) Also on October 12, 2012, WRI issued a demand debenture in favour of AIM in the amount of \$3,000,000 (as amended from time to time, the "WRI Debenture", together with the 134 Debenture, the "Demand Debentures"),

granting a security interest in favour of AIM over all of WRI's real and other property to secure all of WRI's liabilities and obligations owed to AIM from time to time.

- (i) The Demand Debentures were each registered on title in respect of 134's remaining 50% interest in the Brantford Property (the "**134 Property**") and on title in respect of WRI's remaining 50% interest in the Burlington Property (the "**WRI Property**"), respectively, on December 13, 2012.
- (j) On July 31, 2013, AIM paid Roynat \$1,414,313.08 on behalf of WRI (the "**Roynat Advance**"). AIM and WRI agreed by letter agreement that these monies were advanced by AIM on substantially the same terms as attached to the Roynat Loan (as amended from time to time, the "**Letter Agreement**", together with the JVAs and the Demand Debentures, the "**Loan and Security Agreements**"). The Roynat Advance is fully secured in favour of AIM.
- (k) Since entering the Burlington Property JVA, AIM has made various advances of monies to WRI, which are secured under the WRI Debenture and the Burlington Property JVA (the "**WRI Advances**").
- (l) Since entering the Brantford Property JVA, AIM has made various advances of monies to 134, which are secured under the 134 Debenture and the Brantford Property JVA (the "**134 Advances**", together with the WRI Advances, the "**Secured Advances**").
- (m) WRI has failed to remit taxes, resulting in a tax lien being registered by the Canada Revenue Agency on title of the WRI Property, which constitutes an event of default under the Letter Agreement (the "**Tax Lien**").
- (n) The Creditor has issued demand letters to the Debtors and notices under Section 244 of the *Bankruptcy and Insolvency Act* in respect of the Indebtedness, and the Debtors have each acknowledged that they are in default of their obligations in that they are unable to repay the Indebtedness, and have consented to the accelerated enforcement by the Creditor on its security on the terms and conditions specified herein.
- (o) The Parties wish to bring an application before the Ontario Superior Court of Justice for the appointment of a receiver over the property of the Debtors and to effect a sales process as described in the step memo drafted and agreed to by the Parties (the "**Step Memo**") attached to this Agreement as Schedule "A"; and,
- (p) The Debtors have requested and the Creditor has agreed to forbear from exercising its rights and remedies, for the period of time and on the terms and conditions specified herein for the purpose of obtaining a Court order appointing a receiver for the sale of the 134 Property and the WRI Property and implementing the steps set out in the Step Memo.

In consideration of the foregoing and other good and valuable consideration, the receipt and adequacy of which are acknowledged, the Parties agree as follows.

ARTICLE 1 INTERPRETATION

Section 1.1 Definitions.

As used in this Agreement, the following terms have the following meanings:

"Agreement" means this forbearance agreement.

"Business Day" means any day of the year, other than a Saturday, Sunday or any day on which Canadian chartered banks are closed for business in Toronto, Ontario.

"Credit Documents" means the Loan and Security Agreements and any other agreements or documents executed and delivered pursuant thereto, this Agreement and any other agreements or documents executed and delivered in connection with this Agreement.

"Forbearance Effective Date" means the date on which (i) this Agreement has been executed and delivered by all of the Parties and (ii) all conditions of effectiveness set out in Section 3.3 have been satisfied by the Debtors or waived by the Creditor.

"Forbearance Event of Default" means one or more events provided for in Section 6.1.

"Forbearance Period" has the meaning given to it in Section 3.2.

"Indebtedness" means all of the amounts set forth in Section 2.1 and Section 2.2.

"Parties" means any one or more of the parties to this Agreement, as the context may require.

Section 1.2 Interpretation.

- (1) In this Agreement the words "including", "includes" and "include" mean "including (or includes or include) without limitation". The expressions "Article", "Section" and other subdivision followed by a number mean and refer to the specified Article, Section or other subdivision of this Agreement.
- (2) Any reference in this Agreement to gender includes all genders. Words importing the singular number only include the plural and vice versa.
- (3) The division of this Agreement into Articles, Sections and other subdivisions and the insertion of headings are for convenient reference only and do not affect its interpretation.
- (4) The schedules attached to this Agreement form an integral part of it for all purposes of it.

- 4 -

- (5) Except as otherwise provided in this Agreement, any reference to this Agreement, any Loan and Security Agreement or any Credit Document refers to this Agreement or such Loan and Security Agreement or Credit Document as the same may have been or may from time to time be amended, modified, extended, renewed, restated, replaced or supplemented and includes all schedules attached to it. Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules and regulations made under it as the same may have been or may from time to time be amended or re-enacted.
- (6) In the event that any date falls on a day other than a Business Day, such date shall be deemed to fall on the following Business Day.

ARTICLE 2 CREDIT FACILITIES

Section 2.1 Acknowledgement of Indebtedness, Security and Creditor's Right to Enforce.

- (1) WRI hereby acknowledges that, as of October 31, 2017, it owes AIM \$2,057,152.61 in respect of advances made by AIM under the Letter Agreement and under the provisions of the Burlington Property JVA (the "WRI Debt").
- (2) 134 hereby acknowledges that, as of October 31, 2017, it owes AIM \$278,854.49 in respect of advances made by AIM under the provisions of the Brantford Property JVA (the "134 Debt").
- (3) WRI acknowledges that the WRI Debt is secured by a valid and enforceable security interest and charge in favour of AIM under the WRI Debenture and the Burlington Property JVA in respect of, inter alia, the WRI Property.
- (4) 134 acknowledges that the 134 Debt is secured by a valid and enforceable security interest in favour of AIM under the 134 Debenture and the Brantford Property JVA, in respect of, inter alia, the 134 Property.
- (5) WRI acknowledges that it has received a demand letter from AIM as well as a notice under Section 244 of the *Bankruptcy and Insolvency Act* in respect of the WRI Debt.
- (6) WRI acknowledges that it is unable to satisfy AIM's demand for repayment of the WRI Debt, and has consented to the accelerated enforcement by AIM of its security interest in and charge over WRI's assets.
- (7) 134 acknowledges that it has received a demand letter from AIM as well as a notice under Section 244 of the *Bankruptcy and Insolvency Act* in respect of the 134 Debt.
- (8) 134 acknowledges that it is unable to satisfy AIM's demand for repayment of the 134 Debt, and has consented to the accelerated enforcement by AIM of its security interest in and charge over 134's assets.

Section 2.2 Confirmation of Amounts.

- (1) The Parties agree that, in the event that the stalking horse transaction is completed on substantially the same term contemplated in the Step Memo is consummated, the Indebtedness shall not exceed the amounts as set out and as described in Section 2.1 above, as more particularly specified in the Step Memo.

ARTICLE 3**ACKNOWLEDGEMENT DEMAND OBLIGATION, DEFAULT, FORBEARANCE****Section 3.1 Acknowledgement of Default.**

Each of the Debtors hereby acknowledge and agree that due to the demand nature of the Indebtedness and the Creditor's rights under the Demand Debentures, the Indebtedness is due and payable.

Section 3.2 Forbearance Period.

- (1) In consideration for the Debtors' consent to AIM's motion seeking to obtain a Court order appointing a receiver for the sale of the 134 Property and the WRI Property and implementing the steps set out in the Step Memo, and subject to the terms and conditions of this Agreement and any documents or instruments executed in connection herewith, the Creditor shall forbear from exercising its rights and remedies against the Debtors (except as contemplated in the Step Memo) during the period (the "Forbearance Period") commencing on the Forbearance Effective Date and ending on the earliest of the following:
- (a) February 12, 2018, unless extended with the prior written consent of the Creditor, acting reasonably;
 - (b) the date upon which both Parties mutually agree to end the Forbearance Period in writing; and
 - (c) the date on which the Creditor delivers a termination notice (in accordance with Section 3.4) based upon any Forbearance Event of Default that has occurred and is then continuing.
- (2) The Debtors acknowledge that this Agreement does not release the Debtors from any obligations under the Loan and Security Agreements, except as provided by or as modified by this Agreement, or any of the other Credit Documents and does not constitute a waiver of any defaults that may now exist (whether known or unknown).

Section 3.3 Conditions to Effectiveness.

This Agreement does not become effective until satisfaction of all of the following conditions precedent:

- 6 -

- (a) the representations and warranties made by the Debtors in this Agreement are true and correct as of the date of this Agreement and the Forbearance Effective Date;
- (b) each of the Debtors have executed and delivered to the Creditor a copy of the Lease Assignment Agreement, a draft version of which is attached to this Agreement as Schedule "B"; and,
- (c) the Debtors have delivered or caused to be delivered to the Creditor an executed copy of this Agreement;

In the event that any of these conditions precedent to the Creditor agreeing to forbear have not been satisfied, the Creditor may elect to rely upon its rights and remedies under the Loan and Security Agreements or any other Credit Documents, provided that it complies with any notice requirements provided for in the Loan and Security Agreements or any other Credit Documents, as applicable, and any notice required at law. For greater certainty, the Creditor acknowledges and agrees that, in the event that it elects to rely upon its rights and remedies under the Loan and Security Agreement or any other Credit Documents pursuant to this section, it shall be obliged to deliver a fresh notice under Section 244 of the *Bankruptcy and Insolvency Act* in respect of the WRI Debt and the 134 Debt and the enforcement of the applicable Demand Debenture.

Section 3.4 Termination of Forbearance.

The Creditor may, in its sole discretion, immediately terminate the Forbearance Period by notice in writing to the Debtors if, at the time of such notice, a Forbearance Event of Default has occurred and is continuing. Upon termination of the Forbearance Period, the Creditor may elect to rely upon its rights and remedies under the Loan and Security Agreements and any other Credit Documents.

ARTICLE 4 DEBTORS' COVENANTS

Section 4.1 Covenants.

Each of the Debtors covenants and agrees with the Creditor that:

- (a) In exchange for AIM's covenant to use its reasonable efforts to carry out the steps and transactions within its control under the Step Memo, the Debtors shall take all reasonable measures necessary to effect the steps set out in the Step Memo, provided, however, that the Debtors' consent to the appointment of the Receiver as contemplated in the Step Memo is conditional on the form of receivership and sale process approval order being acceptable to the Debtors, acting reasonably;
- (b) The Debtors shall make reasonable efforts to cooperate and assist with the efforts of other parties, including a Court-appointed receiver, in the implementation of the steps set out in the Step Memo, including without

- 7 -

limitation, all steps taken by a Court-appointed receiver to market and sell the Properties as provided for in the Step Memo;

- (c) The Debtors shall obtain the consent and release from the plaintiffs in the action before the Ontario Superior Court of Justice bearing court file number 07-CL-6901, as set out in the Step Memo, and deliver a copy of same to AIM LP; and,
- (d) The Debtors shall perform these covenants on a timely basis.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES

Section 5.1 Representations and Warranties.

The Parties each represent and warrant and acknowledge and agree that this Agreement has been duly authorized, executed and delivered by each of the Parties and that this Agreement constitutes legal, valid and binding obligations of the Parties enforceable against the Parties in accordance with their respective terms.

ARTICLE 6 DEFAULT

Section 6.1 Forbearance Events of Default.

A Forbearance Event of Default occurs if any Debtor fails to perform any covenant under this Agreement, and if such default is capable of being remedied, the default continues unremedied for 5 Business Days after the occurrence.

Section 6.2 Remedies on Default.

Upon the occurrence of a Forbearance Event of Default:

- (a) the Creditor may immediately terminate its agreement to forbear as set forth in Section 3.4; and
- (b) the Creditor may enforce its rights under this Agreement, the Loan and Security Agreements and any other Credit Documents, including appointing a receiver, receiver and manager, interim receiver or agent of all or any part of the Debtors' secured property, provided it complies with any applicable notice requirements provided for in the Loan and Security Agreements or any other Credit Documents, as applicable, and any notice required at law. For greater certainty, the Creditor acknowledges and agrees that, in the event that it terminates the Forbearance Agreement, prior to enforcing any of its rights and remedies under the Loan and Security Agreements and any other Credit Documents, the Creditor shall be obliged to deliver a fresh notice under Section 244 of the *Bankruptcy and insolvency Act* in respect of the WRI Debt and the 134 Debt and the enforcement of the applicable Demand Debenture.

Section 6.3 Waiver of Forbearance Event of Default.

The Creditor may waive in writing any Forbearance Event of Default, in its sole discretion, but no such waiver will constitute a waiver of any other or subsequent Default or Event of Default.

**ARTICLE 7
GENERAL****Section 7.1 Waiver and Release.**

Each of the Debtors confirm that it has had the benefit of independent legal advice in connection with the preparation and negotiation of this Agreement. Further, in executing and delivering this Agreement, each of the Debtors acknowledge that it is acting freely and without duress.

Section 7.2 Severability.

If any court of competent jurisdiction from which no appeal exists or is taken, determines any provision of this Agreement to be illegal, invalid or unenforceable, that provision will be severed from this Agreement and the remaining provisions will remain in full force and effect

Section 7.3 Notices.

Any notices, directions or other communications provided for in this Agreement must be in writing and given in accordance with the Loan and Security Agreements.

Section 7.4 Successors and Assigns.

This Agreement is binding upon the Parties and enures to the benefit of the Creditor and its successors and assigns. The Debtors may not assign, transfer or convey their rights, benefits, obligations or duties under this Agreement without the prior express written consent of the Creditor. The Creditor may assign, transfer or convey its rights, benefits, obligations or duties under this Agreement in accordance with the assignment provisions of the Loan and Security Agreements.

Section 7.5 Further Assurances.

The Parties will do all acts and things and execute and deliver, or cause to be executed and delivered, all agreements, documents and instruments that either Party may reasonably request to more completely and effectively carry out the intent of this Agreement, including taking further steps relating to the Indebtedness that the Parties may agree.

Section 7.6 Governing Law.

This Agreement will be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

- 9 -

Section 7.7 Amendments.

This Agreement may only be amended, supplemented or otherwise modified by written agreement executed by the Creditor and the Debtors.

Section 7.8 Counterparts

This Agreement may be executed in any number of counterparts (including counterparts by facsimile or electronic mail) and all such counterparts taken together constitute one and the same instrument.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF the Parties have executed this Forbearance Agreement.

AMERICAN IRON & METAL LP

By: 

Name: RONALD BLACK

Title: Executive Vice-President

By: _____

Name:

Title:

AMERICAN IRON & METAL GP

By: 

Name: RONALD BLACK

Title: Executive Vice-President

By: _____

Name:

Title:

1340923 ONTARIO INC.

By: 

Name: Aaron Waxman

Title:

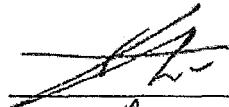
By: 

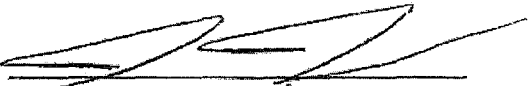
Name: Jeremy Waxman

Title:

- 2 -

WAXMAN REALTY COMPANY INC.

By: 
Name: Robert Waxman
Title:

By: 
Name: Jeremy Waxman
Title:

SCHEDULE "A"

Strictly Confidential

Waxman Realty Company Inc. and 1340923 CANADA INC.**Proposed Sale and Monetization Transaction**

The following is a high-level memorandum setting out the steps pursuant to which Aaron and Jeremy Waxman can monetize their 50% interest in the Properties (as defined below) and American Iron and Metal LP ("AIM LP") can acquire the Waxman's interest in the Properties in order to become 100% owner of the Properties, in each case pursuant to a court approved receivership process.

Factual Background

AIM LP and 1340923 CANADA INC. ("Waxman NumberCo") hold the property municipally known as 143 Adams Boulevard, Brantford, Ontario (the "Brantford Property") as tenants in common with each of them holding a fifty percent (50%) undivided interest. AIM LP and Waxman Realty Company Inc. ("Waxman Realty") hold the property municipally known as 4350 Harvester Road, Burlington Ontario (the "Burlington Property") as tenants in common with each of them holding a fifty percent (50%) undivided interest. The Brantford Property and the Burlington Property are collectively referred to as the "Properties". Waxman NumberCo's 50% interest in the Brantford Property and Waxman Realty's 50% interest in the Burlington Property are collectively referred to as the "Waxman Real Property Interests".

The Properties are leased to 9934308 Canada Inc. (the "Tenant") as successor and assign to Waxman Industrial Services Inc.

AIM LP is owed \$278,854.49 as at October 31, 2017 by Waxman NumberCo under the joint venture agreement between Waxman NumberCo and AIM LP in respect of the Brantford Property. Such obligations are payable on demand and are secured by a charge over Waxman NumberCo's interest in the Brantford Property. Waxman NumberCo and AIM LP are indebted to Business Development Bank in an amount in excess of \$500,000 which is secured by the Brantford Property in priority to AIM LP's secured claim under the Brantford Property joint venture agreement.

AIM LP is owed \$2,057,152.61 as at October 31, 2017 by Waxman Realty under the joint venture agreement between Waxman Realty and AIM LP in respect of the Burlington Property. Such obligations are payable on demand and secured by a charge over Waxman Realty's interest in the Burlington Property.

A Tax Lien has been registered against Burlington Property by the CRA on account of unremitted GST/HST by Waxman Realty in excess of \$120,000 plus penalties and interest.

This memorandum sets out the high-level steps in connection with a consensual court supervised receivership involving Waxman Realty and Waxman NumberCo and sale of the Waxman Real Property Interests.

Implementation Steps

Strictly Confidential

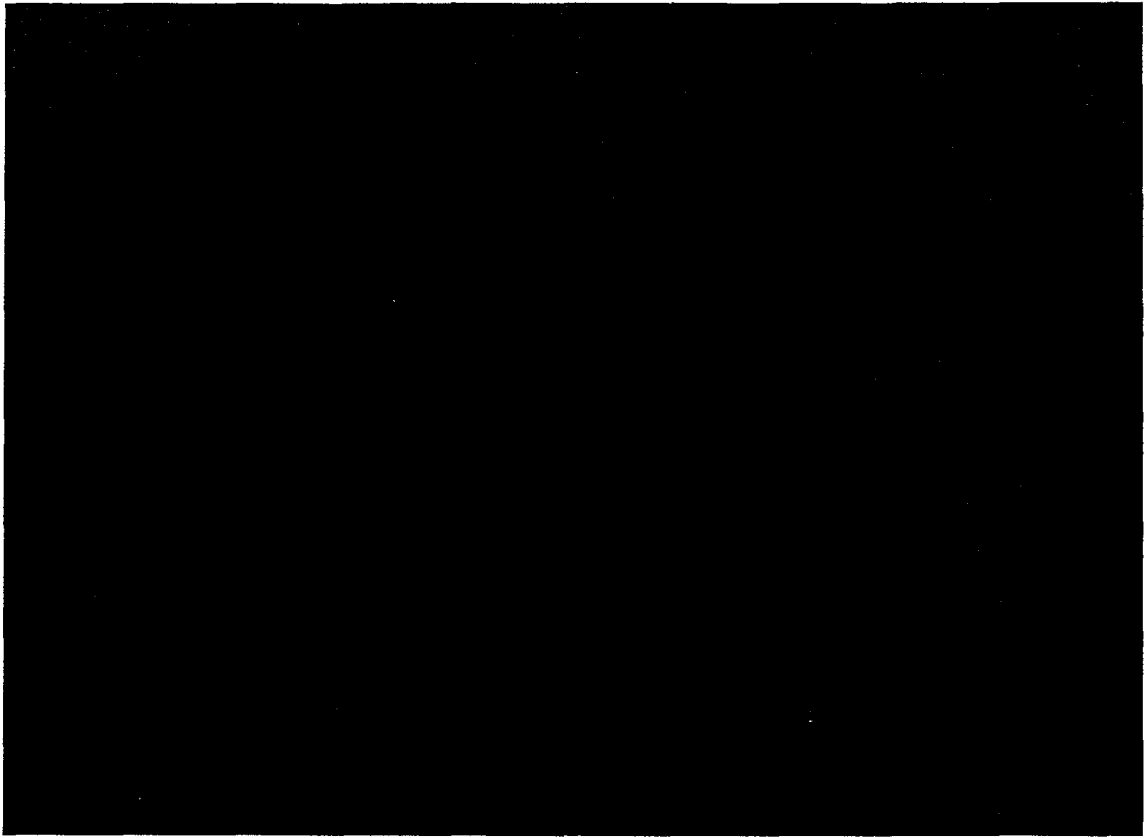
1. Waxman NumberCo and Waxman Realty shall have obtained a release from the plaintiffs in the Morris Waxman and al. and Chester Waxman and el, Court File No. 07-CL-6901 consenting to the sale of the Properties free and clear of any claim without prejudice to any constructive trust or other claims which the plaintiffs may be able to assert in the net cash proceeds.
2. AIM LP will issue a demand letter and a notice of intention to enforce its security under section 244 of the *Bankruptcy and Insolvency Act* to each of Waxman NumberCo and Waxman Realty.
3. Contemporaneously with step 2 above, AIM LP, Waxman NumberCo and Waxman Realty will enter into a forbearance and confirmation agreement that will include the following terms:
 - a. Confirmation of amounts outstanding and existence of defaults;
 - b. Consent to the implementation of the steps and process substantially as generally described herein. Without limiting the foregoing, Waxman NumberCo and Waxman Realty will expressly consent to AIM LP commencing proceedings for the appointment of Farber as court-appointed receiver (the "Receiver");
 - c. Covenant to execute and deliver to the Tenant the confirmation of lease assignment; and
 - d. Other customary terms and conditions.
4. With the assistance of Farber, the parties will develop a stalking-horse sale process to be implemented on or shortly after the date the Receiver is appointed. The stalking-horse process will be based on a stalking-horse agreement of purchase and sale from AIM LP to acquire the Waxman Real Property Interests at the agreed purchase price of \$6,650,000 (comprising of \$5,000,000 to be paid in respect of the Burlington Property and \$1,650,000 to be paid in respect of the Brantford Property). We anticipate the sale process to be run for 45 days. The Receiver will market the Waxman Real Property Interests in a manner deemed reasonable by the Receiver and, if necessary, will conclude with an auction in the event that one or more bids are received which are superior to the stalking horse bid submitted by AIM LP. The auction procedure, including any minimum bid increments shall be determined.
5. AIM LP, Waxman NumberCo and Waxman Realty shall finalize an asset purchase agreement for the acquisition of the Waxman Real Property Interests in form and substance acceptable to the parties and consistent with the terms of stalking horse agreements of purchase and sale typically used in insolvency proceedings in Ontario, which will include:
 - a. The agreed purchase price of \$6,650,000 will be satisfied with the following consideration (i) a credit bid of AIM LP's secured claim in the amount of \$2,336,007.10, being the combined amount of the indebtedness owed by Waxman NumberCo and Waxman Realty to AIM LP as of October 31, 2017, which indebtedness shall accrue no further if the stalking horse transaction contemplated herein is consummated; (ii) assumption or payment of the BDC indebtedness secured by the Waxman Real Property Interest and any tax liens registered on the Properties in an amount not exceeding \$300,000, and (ii) cash consideration as to the balance of the purchase price;

Strictly Confidential

- b. Customary conditions to closing of a transaction of this nature, including that (i) AIM LP being satisfied there are no claims (including any potential trust claims) asserted against the Waxman Real Property Interests that are alleged to rank in priority to AIM LP's security other than the BDC indebtedness, the disclosed tax liens and any other claim that AIM LP is in its sole and unfettered discretion agrees in writing to assume as part of the purchase price and (ii) AIM LP receiving a vesting order vesting the Waxman Real Property Interest in AIM LP free and clear of all claims or encumbrances (except permitted encumbrances to be scheduled which, for greater certainty, will not include any claim asserted by NASG to any of the Properties) and the proceeds of sale will stand in place and stead of the Waxman Real Property Interests in respect of any unassumed claims;
 - c. in the event that the Receiver selects a superior bid to the AIM LP bid at the auction, a break fee of not less than \$500,000 and fee reimbursement will be paid to AIM LP from the proceeds of the superior bid. Without limiting the requirements of a what will constitute a superior bid, the bid must provide cash consideration in excess of the full purchase price offered by AIM LP plus the break fee and a minimum over bid of \$150,000.
- 6. As is customary and required as part of court supervised receivership proceedings of this nature, counsel to Farber as proposed receiver will complete an independent review of AIM LP's security prior to commencement of the proceedings.
- 7. The Waxman parties and AIM LP will agree on the appropriate venue (Hamilton or Toronto court) to bring the receivership application.
- 8. McMillan LLP with the assistance of Farber, and in consultation with the Waxman parties, will prepare the court materials required to seek the appointment of the Receiver and the approval of the stalking horse sale process. Farber will prepare a report of the proposed receiver supporting the stalking horse sale process and the AIM LP bid as the stalking horse agreement.
- 9. At least 7 days notice will be provided to NASG of the receivership application.
- 10. AIM LP shall attempt to schedule court time in the selected court mid-January 2018 or as soon as practicable thereafter.
- 11. Any disputes or objections raised by NASG in regard to the stalking horse sale process, the allegation of a constructive trust or priority interest in the Waxman Real Property Interest or the distribution of funds therefrom to Waxman NumberCo or Waxman Realty shall be addressed in the main by Mr. Robert Brush, jointly retained counsel to Waxman NumberCo, Waxman Realty and AIM LP. The cost of responding to disputes, challenges or objections by NASG as to the fairness or structure of the stalking horse sale process shall be borne by AIM LP. The cost of responding to disputes, challenges or objections by NASG regarding the allegation of a constructive trust or priority interest in the Waxman Real Property Interest or any proposed distribution of funds to Waxman NumberCo or Waxman Realty shall be borne by Waxman NumberCo and Waxman Realty, jointly and severally.

Strictly Confidential

12.



SCHEDULE "B"

LEASE ASSIGNMENT AND ASSUMPTION AGREEMENT

This Agreement is to be effective as at February 1st 2017 ("**Effective Date**"), between

WAXMAN REALTY COMPANY INC.

("**Waxman Realty**")

- and -

AMERICAN IRON & METAL COMPANY INC., in its capacity as
general partner of **AMERICAN IRON & METAL LP**

("**AIM**")

- and -

WAXMAN INDUSTRIAL SERVICES CORP.

("**WIS**")

-and -

9934308 Canada Inc.

("**993**")

WHEREAS

- A. By a lease dated August 12, 2012, as amended from time to time (the "**Lease**") the Waxman Realty leased to WIS Tenant certain premises (the "**Leased Premises**"), being all the Lands described in Schedule "A" hereto (the "**Lands**"), for a term of ten (10) years commencing August 12, 2010 to and including the last day of August 12, 2020;
- B. Whereas by an agreement of purchase and sale dated December 14, 2012, Waxman Realty sold a 50% undivided freehold interest in the Lands to AIM immediately following the execution, delivery and effectiveness of the Lease;
- C. Waxman Realty and AIM (collectively, the "**Landlord**") are tenants-in-common in respect of the Lands, and have agreed to have their co-tenancy relationship governed by a joint venture agreement dated December 14, 2012;
- D. AIM, the parent company of WIS, requested WIS to pay back the loan owed by WIS to AIM and foreclosed on its security over all the assets owned by WIS (the "**Foreclosure**"); as a result, all of said assets have been transferred over to 993 following an assignment of the debt

and security from AIM to 993, as at February 1st 2017. The business conducted by WIS has since been conducted by 993;

E. In furtherance of the Foreclosure, the Landlord agrees to the Lease being assigned to 993 and 993 agrees to assume the Lease;

NOW, THEREFORE, THIS AGREEMENT WITNESSES that in consideration of the mutual promises hereinbefore set forth and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. WIS hereby assigns, grants, conveys and transfers to 993 all of its rights, title and interest in and to the Lease. 993 hereby accepts such assignment and assumes all of WIS's duties and obligations under the Lease and agrees to pay, perform and discharge, as and when due, all of the obligations of WIS under the Lease accruing on and after the Effective Date. The Landlord agrees to the aforementioned assumption and assignment of the Lease.
2. The parties confirm that in all other respects, the terms, covenants and conditions of the Lease remain unchanged and in full force and effect, except as modified by this Agreement, and time remains of the essence in every respect. All capitalized terms and expressions when used in this Agreement and not otherwise defined herein have the same meanings as they have in the Lease, unless a contrary intention is expressed in this Agreement.
3. This Agreement contains the entire agreement between the parties and shall not be modified in any manner except by instrument in writing executed by both parties.
4. This Agreement may be executed and delivered in any number of counterparts and by electronic means, each of which when executed and delivered is an original but all of which taken together constitute one and the same instrument.
5. This Agreement and everything contained herein shall be binding upon the parties hereto, their successors and permitted assigns.
6. The parties covenant and agree that they shall execute and deliver such further assurances in respect of this Assignment as required.

[Signature pages to follow]

The parties have executed this Agreement.

WAXMAN REALTY COMPANY INC.

By: 

Name: Aaron Waxman

Title:

By: 

Name: Jeremy Waxman

Title:

I/We have authority to bind the Corporation.

**AMERICAN IRON & METAL COMPANY
INC., in its capacity as general partner of
AMERICAN IRON & METAL LP**

By: 

Name: RONALD BLACK

Title: Executive Vice-President.

By: _____

Name: _____

Title: _____

I/We have authority to bind the Corporation and
the Partnership.

**WAXMAN INDUSTRIAL SERVICES
CORP.**By: 

Name: RONALD BLACK

Title: Vice-president & Secretary

By: _____

Name:

Title:

I/We have authority to bind the Corporation.

9934308 Canada Inc.By: 

Name: RONALD BLACK

Title: Vice-President & Secretary

By: _____

Name:

Title:

Schedule "A" - Lands

Municipally known as 4350 Harvester Road, Burlington, Ontario and legally described as Parcels 7-8, Section N12, being Part of Lot 7, Concession 3 South of Dundas Street, City of Burlington, designated as Part 1 on Plan 20R-4669, except for Part 9 on Plan 20R-9466, having PIN No. 07043-0014 (LT)

LEASE ASSIGNMENT AND ASSUMPTION AGREEMENT

This Agreement is to be effective as at February 1st 2017 ("**Effective Date**"), between

1340923 ONTARIO INC.

("**134 Inc.**")

- and -

AMERICAN IRON & METAL COMPANY INC., in its capacity as
general partner of **AMERICAN IRON & METAL LP**

("**AIM**")

- and -

WAXMAN INDUSTRIAL SERVICES CORP.

("**WIS**")

-and -

9934308 Canada Inc.

("**993**")

WHEREAS

A. By a lease dated December 14, 2012, as amended from time to time, 134 Inc., leased certain premises (the "**Leased Premises**") being all of the lands described in Schedule "A" hereto (the "**Lands**"), for a term commencing on December 14, 2012 and ending on August 12, 2020 (the "**Lease**");

B. Whereas by an agreement of purchase and sale dated December 14, 2012, 134 Inc. sold a 50% undivided freehold interest in the Lands to AIM immediately following the execution, delivery and effectiveness of the Lease;

C. 134 Inc. and AIM (collectively, the "**Landlord**") are tenants-in-common in respect of the Lands, and have agreed to have their co-tenancy relationship governed by a joint venture agreement dated December 14, 2012;

D. AIM, the parent company of WIS, requested WIS to pay back the loan owed by WIS to AIM and foreclosed on its security over all the assets owned by WIS (the "**Foreclosure**"); as a result, all of said assets have been transferred over to 993 following an assignment of the debt and security from AIM to 993, as at February 1st 2017. The business conducted by WIS has since been conducted by 993;

ERROR! UNKNOWN DOCUMENT PROPERTY NAME.

E. In furtherance of the Foreclosure, the Landlord agrees to the Lease being assigned to 993 and 993 agrees to assume the Lease;

NOW, THEREFORE, THIS AGREEMENT WITNESSES that in consideration of the mutual promises hereinbefore set forth and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. WIS hereby assigns, grants, conveys and transfers to 993 all of its rights, title and interest in and to the Lease. 993 hereby accepts such assignment and assumes all of WIS's duties and obligations under the Lease and agrees to pay, perform and discharge, as and when due, all of the obligations of WIS under the Lease accruing on and after the Effective Date. The Landlord agrees to the aforementioned assumption and assignment of the Lease.
2. The parties confirm that in all other respects, the terms, covenants and conditions of the Lease remain unchanged and in full force and effect, except as modified by this Agreement, and time remains of the essence in every respect. All capitalized terms and expressions when used in this Agreement and not otherwise defined herein have the same meanings as they have in the Lease, unless a contrary intention is expressed in this Agreement.
3. This Agreement contains the entire agreement between the parties and shall not be modified in any manner except by instrument in writing executed by both parties.
4. This Agreement may be executed and delivered in any number of counterparts and by electronic means, each of which when executed and delivered is an original but all of which taken together constitute one and the same instrument.
5. This Agreement and everything contained herein shall be binding upon the parties hereto, their successors and permitted assigns.
6. The parties covenant and agree that they shall execute and deliver such further assurances in respect of this Assignment as required.

[signature pages to follow]

**ERROR! UNKNOWN DOCUMENT PROPERTY
NAME.**

The parties have executed this Agreement.

1340923 ONTARIO INC.

By: 

Name: *Adam Wayman*

Title:

By: _____

Name:

Title:

I/We have authority to bind the Corporation.

ERROR! UNKNOWN DOCUMENT PROPERTY
NAME.

AMERICAN IRON & METAL COMPANY
INC., in its capacity as general partner of
AMERICAN IRON & METAL LP

By: _____

Name:

RONALD BLACK

Title:

Executive Vice-President

By: _____


Name:

Title:

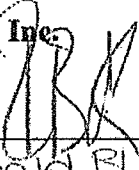
I/We have authority to bind the Corporation and
the Partnership.

ERROR! UNKNOWN DOCUMENT PROPERTY
NAME.

WAXMAN INDUSTRIAL SERVICES
CORP.

By: 
Name: RONALD BLACK
Title: Vice-President & Secretary

By: _____
Name: _____
Title: _____
I/We have authority to bind the Corporation.

9934308 Canada Inc. 
By: _____
Name: RONALD BLACK
Title: Vice-President & Secretary

By: _____
Name: _____
Title: _____

ERROR! UNKNOWN DOCUMENT PROPERTY
NAME.

Schedule "A" - Lands

PIN 32281-0152 (LT)

PT LT 39-40 CON 3 BRANTFORD CITY PTS 1 & 2 ON 2R6246; CITY OF BRANTFORD,
S/T EASEMENT IN FAVOUR OF THE CORPORATION OF THE CITY OF BRANTFORD
OVER PT 2 ON 2R6246 AS IN BC32735.

Municipally known as: 134 Adams Blvd., Brantford, Ontario

TAB J

This is Exhibit "J" referred to in the
Affidavit of Kamila Wirpszo
sworn April 11th, 2018


RITA DEMIRJIAN



mcmillan

Reply Attention of	Wael Rostom
Direct Line	416.865.7790
Internet Address	wael.rostom@mcmillan.ca
Our File No.	211822
Date	December 22, 2017

VIA EMAIL

1340923 ONTARIO INC.

172 Hillcrest Avenue
Hamilton, ON L8P 2X4

Attn: Mr. Aaron Waxman

Dear Aaron:

Re: Demand on Indebtedness Owed to American Iron & Metal LP and American Iron & Metal GP Inc.

We are the solicitors for American Iron & Metal LP (“**AIM LP**”) and American Iron & Metal GP Inc. (“**AIM GP**”, together with AIM LP, “**AIM**”) with respect to the above-noted matter.

We refer to the Joint Venture Agreement dated December 14, 2012 (as amended from time to time, the “**Brantford Property JVA**”) between 1340923 Ontario Inc. (“**134**”) and AIM to govern the tenancy in common of AIM and 134 of the property municipally known as 143 Adams Boulevard, Brantford, Ontario.

We also refer to the Debenture issued by 134 in favour of AIM in the amount of \$3,000,000 (as amended from time to time, the “**134 Debenture**”, together with the Brantford Property JVA, the “**Loan Documents**”).

As you are aware, amounts advanced by AIM to 134 under the Loan Documents are owing and are payable on demand by AIM and 134 has obliged itself to repay such amounts, as well as any outstanding interest, upon such demand. We hereby demand payment to AIM of 134’s indebtedness and liabilities pursuant to the Loan Documents.

In particular, we hereby demand payment of CAD\$278,854.49 on account of principal, accrued and unpaid interest outstanding under the Loan Documents as of October 31, 2017, together with additional accrued and unpaid interest, fees and costs and all other amounts payable under or in connection with the Loan Documents. Interest will continue to accrue on the outstanding amounts in accordance with the Loan Documents.

As security for the indebtedness and liabilities of 134 under the Loan Documents, AIM holds certain security, including, without limitation, security interests in the property of 134 granted by 134 in favour of AIM under both the Brantford Property JVA and the 134 Debenture, as set out in Schedule "A" hereto (the "**Security**"). We hereby declare that all of 134's indebtedness pursuant to the Loan Documents and the Security is now immediately due and payable, including any part thereof which is not by its terms payable upon demand.

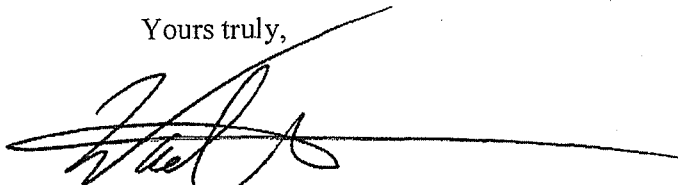
Please be advised that if payment or arrangements satisfactory to AIM for payment are not made forthwith, AIM will take such further steps as it deems necessary to recover the outstanding obligations of 134 including, without limitation, the enforcement of the Security or the appointment of a receiver.

We enclose herewith a Notice of Intention to Enforce Security addressed to 134 and issued pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (the "**Notice**"). The Lender reserves its rights to proceed with the enforcement of the Security at any time prior to the time specified in the enclosed Notice in those circumstances where such earlier enforcement may be permitted by law.

Pursuant to the terms of the Loan Documents, you are responsible for all costs incurred by AIM in furtherance of its enforcement of the terms of the Loan Documents and the Security.

Please govern yourself accordingly.

Yours truly,

A handwritten signature in black ink, appearing to read 'Wael Rostom', with a long horizontal line extending to the right.

Wael Rostom

ST/
Attachment

Copy to: Matthew Moloci, Scarfone Hawkins LLP (moloci@shlaw.ca)

SCHEDULE "A"
SECURITY

1. Demand debenture issued by 1340923 Ontario Inc. on October 12, 2012 in favour of American Iron & Metal GP Inc., in its capacity as general partner of American Iron & Metal LP in the amount of \$3,000,000.
2. Joint venture agreement dated December 14, 2012 (as amended from time to time) between 1340923 Ontario Inc. and AIM to govern the tenancy in common of AIM and 1340923 Ontario Inc. of the property municipally known as 143 Adams Boulevard, Brantford, Ontario.

FORM 86
Notice of Intention to Enforce a Security
(Rule 124)

To: 1340923 Ontario Inc. ("**Debtor**")

Take notice that:

1. American Iron & Metal LP and American Iron & Metal GP Inc. (collectively, "**AIM**"), the secured creditor, intends to enforce its security on the Debtor's property described in Schedule "A" attached hereto.
2. The security that is to be enforced is in the form of the security listed in Schedule "B" attached hereto (the "**Security**").
3. The total amount of indebtedness secured by the Security as at October 31, 2017, is CAD\$278,854.49 together with additional accrued and unpaid interest and fees, costs, and expenses.

DATED at Toronto, Ontario, this 22 day of December, 2017.

**AMERICAN IRON & METAL GP INC.
and AMERICAN IRON & METAL GP
INC., in its capacity as general partner of
AMERICAN IRON & METAL LP,
by its solicitors McMillan LLP**

Per: 

McMillan LLP

SCHEDULE "A"**DESCRIPTION OF COLLATERAL**

All present and after acquired real property and undertaking of the Debtor as more particularly defined and described in the Security.

SCHEDULE "B"**SECURITY**

1. Demand debenture issued by 1340923 Ontario Inc. on October 12, 2012 in favour of American Iron & Metal GP Inc., in its capacity as general partner of American Iron & Metal LP in the amount of \$3,000,000.
2. Joint venture agreement dated December 14, 2012 (as amended from time to time) between 1340923 Ontario Inc. and AIM to govern the tenancy in common of AIM and 1340923 Ontario Inc. of the property municipally known as 143 Adams Boulevard, Brantford, Ontario.

mcmillan

Reply Attention of	Wael Rostom
Direct Line	416.865.7790
Internet Address	wael.rostom@mcmillan.ca
Our File No.	211822
Date	December 22, 2017

VIA EMAIL

WAXMAN REALTY COMPANY INC.

172 Hillcrest Avenue
Hamilton, ON L8P 2X4

Attn: Mr. Aaron Waxman

Dear Aaron:

Re: Demand on Indebtedness Owed to American Iron & Metal LP and American Iron & Metal GP Inc.

We are the solicitors for American Iron & Metal LP (“**AIM LP**”) and American Iron & Metal GP Inc. (“**AIM GP**”, together with AIM LP, “**AIM**”) with respect to the above-noted matter.

We refer to the Joint Venture Agreement dated December 14, 2012 (as amended from time to time, the “**Burlington Property JVA**”) between Waxman Realty Company Inc. (“**WRI**”) and AIM to govern the tenancy in common of AIM and WRI of the property municipally known as 4350 Harvester Road, Burlington, Ontario.

We also refer to the letter agreement dated November 6, 2013 (the “**Letter Agreement**”) entered into by AIM and WRI respecting the terms on which AIM advanced certain monies to WRI.

Finally, we also refer to the Debenture issued by WRI in favour of AIM in the amount of \$3,000,000 (as amended from time to time, the “**WRI Debenture**”, together with the Burlington Property JVA and the Letter Agreement, the “**Loan Documents**”).

As you are aware, amounts advanced by AIM to WRI under the Loan Documents are owing and are payable on demand by AIM and WRI has obliged itself to repay such amounts, as well as any outstanding interest, upon such demand. We hereby demand payment to AIM of WRI’s indebtedness and liabilities pursuant to the Loan Documents.

In particular, we hereby demand payment of CAD\$2,057,152.61 on account of principal, accrued and unpaid interest outstanding under the Loan Documents as of October 31,

2017, together with additional accrued and unpaid interest, fees and costs and all other amounts payable under or in connection with the Loan Documents. Interest will continue to accrue on the outstanding amounts in accordance with the Loan Documents.

As security for the indebtedness and liabilities of WRI under the Loan Documents, AIM holds certain security, including, without limitation, security interests in the property of WRI granted by WRI in favour of AIM under both the Burlington Property JVA and the WRI Debenture, as set out in Schedule "A" hereto (the "**Security**"). We hereby declare that all of WRI's indebtedness pursuant to the Loan Documents and the Security is now immediately due and payable, including any part thereof which is not by its terms payable upon demand.

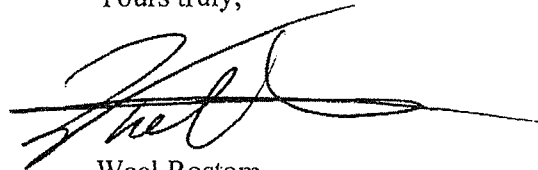
Please be advised that if payment or arrangements satisfactory to AIM for payment are not made forthwith, AIM will take such further steps as it deems necessary to recover the outstanding obligations of WRI including, without limitation, the enforcement of the Security or the appointment of a receiver.

We enclose herewith a Notice of Intention to Enforce Security addressed to WRI and issued pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (the "**Notice**"). The Lender reserves its rights to proceed with the enforcement of the Security at any time prior to the time specified in the enclosed Notice in those circumstances where such earlier enforcement may be permitted by law.

Pursuant to the terms of the Loan Documents, you are responsible for all costs incurred by AIM in furtherance of its enforcement of the terms of the Loan Documents and the Security.

Please govern yourself accordingly.

Yours truly,



Wael Rostom

ST/
Attachment

Copy to: Matthew G. Moloci, Scarfone Hawkings LLP (moloci@shlaw.ca)

SCHEDULE "A"
SECURITY

1. Demand debenture issued by WRI on October 12, 2012 in favour of American Iron & Metal GP Inc., in its capacity as general partner of American Iron & Metal LP in the amount of \$3,000,000.
2. Joint venture agreement dated December 14, 2012 between WRI and AIM (as amended from time to time) to govern the tenancy in common of AIM and WRI of in the property municipally known as 4350 Harvester Road, Burlington, Ontario.

FORM 86

Notice of Intention to Enforce a Security
(Rule 124)

To: Waxman Realty Company Inc. ("**Debtor**")


Take notice that:

1. American Iron & Metal LP and American Iron & Metal GP Inc. (collectively, "**AIM**"), the secured creditor, intends to enforce its security on the Debtor's property described in Schedule "A" attached hereto.
2. The security that is to be enforced is in the form of the security listed in Schedule "B" attached hereto (the "**Security**").
3. The total amount of indebtedness secured by the Security as at October 31, 2017, is CAD\$2,057,152.61 together with additional accrued and unpaid interest and fees, costs, and expenses.

DATED at Toronto, Ontario, this 22 day of December, 2017.

**AMERICAN IRON & METAL GP INC.
and AMERICAN IRON & METAL GP
INC., in its capacity as general partner of
AMERICAN IRON & METAL LP,
by its solicitors McMillan LLP**

Per:



McMillan LLP

SCHEDULE "A"**DESCRIPTION OF COLLATERAL**

All present and after acquired real property and undertaking of the Debtor as more particularly defined and described in the Security.

SCHEDULE "B"**SECURITY**

1. Demand debenture issued by Waxman Realty Company Inc. on October 12, 2012 in favour of American Iron & Metal GP Inc., in its capacity as general partner of American Iron & Metal LP in the amount of \$3,000,000.
2. Joint venture agreement dated December 14, 2012 between Waxman Realty Company Inc. and AIM (as amended from time to time) to govern the tenancy in common of AIM and Waxman Realty Company Inc. of in the property municipally known as 4350 Harvester Road, Burlington, Ontario.

TAB K

This is Exhibit "K" referred to in the
Affidavit of Kamila Wirpszo
sworn April 11th, 2018


RITA DEMIRJIAN



Court File No. CV-18-595577-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

AMERICAN IRON & METAL COMPANY INC.

Applicant

- and -

**1340923 ONTARIO INC. and
WAXMAN REALTY COMPANY INC.**

Respondents

**APPLICATION UNDER SUBSECTION 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, AS AMENDED**

CONSENT

The undersigned, A. Farber & Partners Inc., hereby consents to act as receiver pursuant to section 243 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, as amended, without security, over all of the assets, properties and undertakings of Waxman Realty Company Inc. and 1340923 Ontario Inc., including all proceeds therefrom, all in accordance with the draft Order included in the applicant's Application Record on this application.

DATED at the City of Toronto, Ontario, this 11th day of April, 2018.

A. FARBER & PARTNERS INC.

Per: _____

Hylton Levy
Partner

I have authority to bind the corporation

AMERICAN IRON & METAL COMPANY INC.
Applicant

- and -

1340923 ONTARIO INC. and WAXMAN REALTY COMPANY INC.
Respondents

Court File No. _____

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

CONSENT

McMillan LLP
Brookfield Place
181 Bay Street, Suite 4400
Toronto, ON M5J 2T3

Wael Rostom LS#: 43165S
Tel: 416-865-7790
Fax: 416-865-7048

Stephen Brown-Okruhlik LS#: 66576P
Tel: 416-865-7043
Fax: 416-865-7048

Lawyers for Applicant

TAB L

This is Exhibit "L" referred to in the
Affidavit of Kamila Wirpszo
sworn April 11th, 2018


RITA DEMIRJIAN



PROPERTY DESCRIPTION: PT LT 39-40 CON 3 BRANTFORD CITY PTS 1 & 2 ON 2R6246 ; CITY OF BRANTFORD , S/T EASEMENT IN FAVOUR OF THE CORPORATION OF THE CITY OF BRANTFORD OVER PT 2 ON 2R6246 AS IN BC32735

PROPERTY REMARKS: PLANNING ACT CONSENT AS IN A259871.

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
FIRST CONVERSION FROM BOOK

PIN CREATION DATE:
2002/03/11

OWNERS' NAMES
AMERICAN IRON & METAL GP INC.
1340923 ONTARIO INC.

CAPACITY SHARE
TCOM AS TO A 50%
ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
<p>** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2002/03/08 **</p> <p>**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:</p> <p>** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *</p> <p>** AND ESCHEATS OR FORFEITURE TO THE CROWN.</p> <p>** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF</p> <p>** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY</p> <p>** CONVENTION.</p> <p>** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.</p> <p>**DATE OF CONVERSION TO LAND TITLES: 2002/03/11 **</p>						
2R1058	1977/05/31	PLAN REFERENCE				C
2R3388	1989/09/28	PLAN REFERENCE				C
A373433	1989/09/29	TRANSFER		*** DELETED AGAINST THIS PROPERTY ***	THE CORPORATION OF THE CITY OF BRANTFORD	
2R6246	2004/02/26	PLAN REFERENCE				C
BC32734	2004/03/02	TRANSFER		*** COMPLETELY DELETED *** THE CORPORATION OF THE CITY OF BRANTFORD	VICANO DEVELOPMENTS LIMITED	
BC32735	2004/03/02	TRANSFER EASEMENT	\$1	VICANO DEVELOPMENTS LIMITED	THE CORPORATION OF THE CITY OF BRANTFORD	C
BC37513	2004/05/25	CHARGE		*** COMPLETELY DELETED *** VICANO DEVELOPMENTS LIMITED	CANADIAN IMPERIAL BANK OF COMMERCE	

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
BC43220	2004/08/12	NOTICE OF LEASE		*** COMPLETELY DELETED *** VICANO DEVELOPMENTS LIMITED	GLOW METAL TRADING INC.	
BC45182	2004/09/09	CHARGE		*** COMPLETELY DELETED *** VICANO DEVELOPMENTS LIMITED	CIBC MORTGAGES INC.	
BC45183	2004/09/09	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** VICANO DEVELOPMENTS LIMITED	CIBC MORTGAGES INC.	
REMARKS: BC45182						
BC45184	2004/09/09	NO ASSGN RENT SPEC		*** COMPLETELY DELETED *** VICANO DEVELOPMENTS LIMITED	CIBC MORTGAGES INC.	
REMARKS: BC45182						
BC51538	2004/12/15	DISCH OF CHARGE		*** COMPLETELY DELETED *** CANADIAN IMPERIAL BANK OF COMMERCE		
REMARKS: RE: BC37513						
BC116720	2007/06/29	TRANSFER	\$1,899,170	VICANO DEVELOPMENTS LIMITED	1340923 ONTARIO INC.	C
REMARKS: PLANNING ACT STATEMENTS						
BC116723	2007/06/29	CHARGE	\$2,050,000	1340923 ONTARIO INC.	BUSINESS DEVELOPMENT BANK OF CANADA	C
BC116728	2007/06/29	NO ASSGN RENT GEN		1340923 ONTARIO INC.	BUSINESS DEVELOPMENT BANK OF CANADA	C
REMARKS: RE: BC116723						
BC120445	2007/08/17	DISCH OF CHARGE		*** COMPLETELY DELETED *** CIBC MORTGAGES INC.		
REMARKS: RE: BC45182						
BC178525	2010/02/05	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** ARMTEC LIMITED PARTNERSHIP		
BC181230	2010/03/31	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** ARMTEC LIMITED PARTNERSHIP		
REMARKS: BC178525.						
BC224559	2012/06/12	CERT TAX ARREARS		*** COMPLETELY DELETED *** THE CORPORATION OF THE CITY OF BRANTFORD		
BC233342	2012/11/30	CT TAX ARREAR CANC		*** COMPLETELY DELETED *** THE CORPORATION OF THE CITY OF BRANTFORD		
REMARKS: BC224559.						

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
BC234034	2012/12/13	APL (GENERAL)		*** COMPLETELY DELETED *** 1340923 ONTARIO INC.		
	REMARKS: DELETE BC43220					
BC234044	2012/12/13	CHARGE	\$3,000,000	1340923 ONTARIO INC.	AMERICAN IRON & METAL GP INC.	C
BC234161	2012/12/14	TRANSFER	\$750,000	1340923 ONTARIO INC.	AMERICAN IRON & METAL GP INC.	C
	REMARKS: PLANNING ACT STATEMENTS.					

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

TAB M

This is Exhibit "M" referred to in the
Affidavit of Kamila Wirpszo
sworn April 11th, 2018


RITA DEMIRJIAN



PROPERTY DESCRIPTION: PCL 7-8, SEC N12; PT LT 7, CON 3 SOUTH OF DUNDAS STREET, PT 1 20R4669, EXCEPT PT 9 20R9466.; CITY OF BURLINGTON

PROPERTY REMARKS:

ESTATE/QUALIFIER:

FEE SIMPLE
ABSOLUTE

RECENTLY:

FIRST CONVERSION FROM BOOK

PIN CREATION DATE:

1996/07/22

OWNERS' NAMES

WAXMAN REALTY COMPANY INC.
AMERICAN IRON & METAL COMPANY INC.

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
EFFECTIVE 2000/07/29 THE NOTATION OF THE "BLOCK IMPLEMENTATION DATE" OF 1996/07/22 ON THIS PIN **WAS REPLACED WITH THE "PIN CREATION DATE" OF 1996/07/22** ** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 1996/07/19 **						
119980	1961/01/25	BYLAW				C
H63200	1975/10/07	NOTICE			THE CORPORATION OF THE CITY OF BURLINGTON	C
20R4669	1980/02/21	PLAN REFERENCE				C
H147986	1980/03/03	TRANSFER		*** COMPLETELY DELETED ***	DOVER INDUSTRIES LIMITED	
H271116	1986/05/07	NOTICE			THE CORPORATION OF THE CITY OF BURLINGTON	C
HR732327	2009/02/04	TRANSFER		*** COMPLETELY DELETED *** DOVER INDUSTRIES LIMITED	7113684 CANADA LIMITED	
HR823465	2010/03/03	TRANSFER		*** COMPLETELY DELETED *** 7113684 CANADA LIMITED	DOVER INVESTCO INC.	
HR868013	2010/08/12	TRANSFER	\$4,220,000	DOVER INVESTCO INC.	WAXMAN REALTY COMPANY INC.	C
REMARKS: PLANNING ACT STATEMENTS						
HR868016	2010/08/12	CHARGE		*** COMPLETELY DELETED *** WAXMAN REALTY COMPANY INC.	ROYNAT INC.	
HR868017	2010/08/12	NOTICE OF LEASE		*** COMPLETELY DELETED *** WAXMAN REALTY COMPANY INC.	ELECTRO-SHRED LTD.	
HR868018	2010/08/12	NOTICE OF LEASE		WAXMAN REALTY COMPANY INC.	WAXMAN INDUSTRIAL SERVICES CORP.	C

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

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
HR868022	2010/08/12	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** WAXMAN REALTY COMPANY INC.	ROYNAT INC.	
REMARKS: HR868016.						
HR960263	2011/09/13	CHARGE		*** COMPLETELY DELETED *** WAXMAN REALTY COMPANY INC.	ROYAL BANK OF CANADA	
HR976906	2011/11/18	CHARGE		*** COMPLETELY DELETED *** WAXMAN REALTY COMPANY INC.	KAM, MICHAEL	
HR1060497	2012/10/29	DISCH OF CHARGE		*** COMPLETELY DELETED *** ROYAL BANK OF CANADA		
REMARKS: HR960263.						
HR1070829	2012/12/13	APL (GENERAL)		*** COMPLETELY DELETED *** WAXMAN REALTY COMPANY INC.		
HR1070830	2012/12/13	DISCH OF CHARGE		*** COMPLETELY DELETED *** KAM, MICHAEL		
REMARKS: HR976906.						
HR1070901	2012/12/13	CHARGE	\$3,000,000	WAXMAN REALTY COMPANY INC.	AMERICAN IRON & METAL GP INC.	C
HR1071402	2012/12/14	TRANSFER	\$2,500,000	WAXMAN REALTY COMPANY INC.	AMERICAN IRON & METAL GP INC.	C
REMARKS: PLANNING ACT STATEMENTS.						
HR1142193	2013/10/23	NOTICE	\$2	WAXMAN REALTY COMPANY INC. AMERICAN IRON & METAL GP INC.	AMERICAN IRON & METAL GP INC.	C
REMARKS: HR1070901						
HR1196239	2014/07/14	DISCH OF CHARGE		*** COMPLETELY DELETED *** ROYNAT INC.		
REMARKS: HR868016.						
HR1321803	2015/12/09	APL CH NAME OWNER		AMERICAN IRON & METAL GP INC.	AMERICAN IRON & METAL COMPANY INC.	C
HR1331162	2016/01/21	NOTICE OF LEASE		AMERICAN IRON & METAL COMPANY INC. WAXMAN REALTY COMPANY INC.	WC ENERCO INC.	C
HR1331179	2016/01/21	NC CHARGE LEASE	\$11,797,135	WC ENERCO INC.	ROYAL BANK OF CANADA	C
REMARKS: HR1331162.						
HR1331180	2016/01/21	NC SEC INTEREST	\$11,797,135	ROYAL BANK OF CANADA		C

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
HR1446119	2017/04/11	LIEN	\$41,006	HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE		C
REMARKS: TAX LIEN						
HR1446123	2017/04/11	LIEN	\$81,797	HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE		C
REMARKS: TAX LIEN						

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

TAB N

This is Exhibit "N" referred to in the
Affidavit of Kamila Wirpszo
sworn April 11th, 2018


RITA DEMIRJIAN



RUN NUMBER : 099
RUN DATE : 2018/04/09
ID : 20180409122517.16

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

REPORT : PSSR060
PAGE : 1
(5515)

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE
OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEBTOR

SEARCH CONDUCTED ON : 1340923 ONTARIO INC.

FILE CURRENCY : 08APR 2018

ENQUIRY NUMBER 20180409122517.16 CONTAINS 5 PAGE(S), 2 FAMILY(IES).

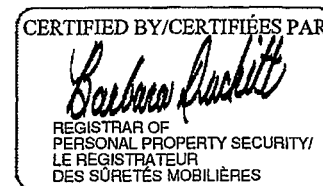
THE SEARCH RESULTS MAY INDICATE THAT THERE ARE SOME REGISTRATIONS WHICH SET OUT A BUSINESS DEBTOR NAME
WHICH IS SIMILAR TO THE NAME IN WHICH YOUR ENQUIRY WAS MADE. IF YOU DETERMINE THAT THERE ARE OTHER
SIMILAR BUSINESS DEBTOR NAMES, YOU MAY REQUEST THAT ADDITIONAL ENQUIRIES BE MADE AGAINST THOSE NAMES.

MCMILLAN LLP (MS) - MEGAN SINGLETON

4400-4400 - 181 BAY STREET, BROOKFIELD P
TORONTO ON M5J 2T3

CONTINUED...

2



(crtj4 11/2017)



RUN NUMBER : 099
RUN DATE : 2018/04/09
ID : 20180409122517.16

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

REPORT : PSSR060
PAGE : 2
(5516)

TYPE OF SEARCH BUSINESS DEBTOR
SEARCH CONDUCTED ON 1340923 ONTARIO INC.
FILE CURRENCY 08APR 2018

FORM 1C FINANCING STATEMENT / CLAIM FOR LITEN

00 FILE NUMBER
735740388

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
001 1 20180117 1132 1590 1174 P PPSA 5

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
03 NAME BUSINESS NAME 1340923 ONTARIO INC.

04 ADDRESS 143 ADAMS BOULEVARD BRANTFORD ONTARIO CORPORATION NO.
ON N3S 7V8

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
06 NAME BUSINESS NAME

07 ADDRESS ONTARIO CORPORATION NO.

08 SECURED PARTY / AMERICAN IRON & METAL COMPANY INC.
09 LITEN CLAIMANT

ADDRESS 9100 HENRI-BOURASSA BOULEVARD EAST MONTREAL QC H1E 2S4

10 COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO FIXED
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE
X X X

11 MOTOR YEAR MAKE MODEL VIN
12 VEHICLE

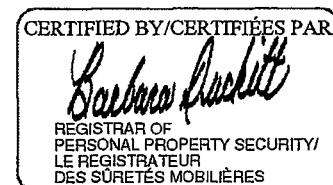
13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING MCMILLAN LLP (DD/ST/211822)
17 AGENT

ADDRESS 181 BAY ST, SUITE 4400, BROOKFIELD PLACE TORONTO ON M5J 2T3

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

CONTINUED... 3



(ej1ft 11/2017)



RUN NUMBER : 099
RUN DATE : 2018/04/09
ID : 20180409122517.16

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

REPORT : PSSR060
PAGE : 3
(5517)

TYPE OF SEARCH BUSINESS DEBTOR
SEARCH CONDUCTED ON 1340923 ONTARIO INC.
FILE CURRENCY 08APR 2018

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
636213762

CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	001	1		20070611 1555 1295 3985	P PPSA	22

DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
---------------	------------------	---------	---------

DEBTOR NAME BUSINESS NAME 1340923 ONTARIO INC.

ADDRESS 143 ADAMS BOULEVARD BRANTFORD ONTARIO CORPORATION NO. ON N3S 7V8

DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
---------------	------------------	---------	---------

DEBTOR NAME BUSINESS NAME

ADDRESS ONTARIO CORPORATION NO.

SECURED PARTY / BUSINESS DEVELOPMENT BANK OF CANADA

LIEN CLAIMANT ADDRESS 25 MAIN STREET WEST, SUITE 101 HAMILTON ON L8P 1H1

COLLATERAL CLASSIFICATION				MOTOR VEHICLE	AMOUNT	DATE OF	NO FIXED
CONSUMER	GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	INCLUDED	MATURITY OR MATURITY DATE

MOTOR	YEAR	MAKE	MODEL	VEIN
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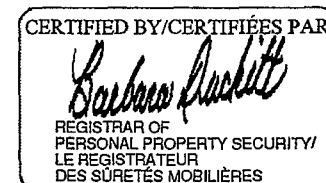
GENERAL DESCRIPTION GENERAL ASSIGNMENT OF RENTS RELATING TO 143 ADAMS BOULEVARD, BRANTFORD, ONTARIO ONLY, PLUS PROCEEDS.

REGISTERING AGENT SCARFONE HAWKINS LLP (06R519)

ADDRESS ONE JAMES STREET SOUTH, 14TH FLOOR HAMILTON ON L8N 3P9

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

CONTINUED...



(c)11/11/2017



RUN NUMBER : 099
RUN DATE : 2018/04/09
ID : 20180409122517.16

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

REPORT : PSSR060
PAGE : 4
(5518)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : 1340923 ONTARIO INC.
FILE CURRENCY : 08APR 2018

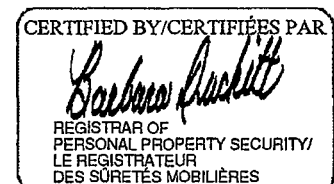
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION	PAGE	TOTAL	MOTOR VEHICLE	REGISTRATION	REGISTERED
FILING	NO	OF	SCHEDULE	NUMBER	UNDER
01	001	1		20110812 1005 2611 1069	
21	RECORD	FILE NUMBER	636213762		
	RENEWAL	PAGE AMENDED	NO SPECIFIC PAGE AMENDED	CHANGE REQUIRED	CORRECT
22				B RENEWAL	PERIOD
				03	
23	REFERENCE	FIRST GIVEN NAME	INITIAL	SURNAME	
24	DEBTOR/	BUSINESS NAME	1340923 ONTARIO INC.		
	TRANSFERRED				
25	OTHER CHANGE				
26	REASON/				
27	DESCRIPTION				
28					
02/	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME	
05	DEBTOR/				
03/	TRANSFERRED	BUSINESS NAME			
06					
04/07	ADDRESS				ONTARIO CORPORATION NO.
29	ASSIGNOR				
	SECURED PARTY/LIEN CLAIMANT/ASSIGNEE				
08					
09	ADDRESS				
	COLLATERAL CLASSIFICATION				
	CONSUMER		MOTOR VEHICLE	DATE OF	NO FIXED
	GOODS	INVENTORY EQUIPMENT ACCOUNTS OTHER	INCLUDED	AMOUNT	MATURITY OR MATURITY DATE
10					
	YEAR	MAKE	MODEL	V.I.N.	
11	MOTOR				
12	VEHICLE				
13	GENERAL				
14	COLLATERAL				
15	DESCRIPTION				
16	REGISTERING AGENT OR	BDC (HD) 040761-01			
17	SECURED PARTY/	ADDRESS	121 KING STREET WEST, SUITE 1200	TORONTO	ON M5H 3T9
	LIEN CLAIMANT				

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

CONTINUED...

5



(en2ft 11/2017)



RUN NUMBER : 099
RUN DATE : 2018/04/09
ID : 20180409122517.16

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

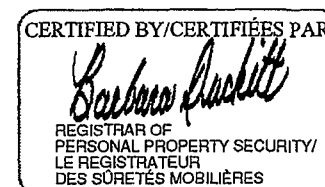
REPORT : PSSR060
PAGE : 5
(5519)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : 1340923 ONTARIO INC.
FILE CURRENCY : 08APR 2018

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
735740388	20180117 1132 1590 1174			
636213762	20070611 1555 1295 3985	20110812 1005 2611 1069		

3 REGISTRATION(S) ARE REPORTED IN THIS ENQUIRY RESPONSE.



(crfj4 11/2017)



TAB O

This is Exhibit "O" referred to in the
Affidavit of Kamila Wirpszo
sworn April 11th, 2018


RITA DEMIRJIAN



RUN NUMBER : 099
RUN DATE : 2018/04/09
ID : 20180409122601.24

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

REPORT : PSSR060
PAGE : 1
(5543)

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE
OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEBTOR

SEARCH CONDUCTED ON : WAXMAN REALTY COMPANY INC.

FILE CURRENCY : 08APR 2018

ENQUIRY NUMBER 20180409122601.24 CONTAINS 4 PAGE(S), 1 FAMILY(IES).

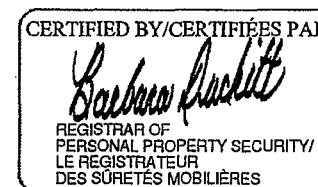
THE SEARCH RESULTS MAY INDICATE THAT THERE ARE SOME REGISTRATIONS WHICH SET OUT A BUSINESS DEBTOR NAME
WHICH IS SIMILAR TO THE NAME IN WHICH YOUR ENQUIRY WAS MADE. IF YOU DETERMINE THAT THERE ARE OTHER
SIMILAR BUSINESS DEBTOR NAMES, YOU MAY REQUEST THAT ADDITIONAL ENQUIRIES BE MADE AGAINST THOSE NAMES.

MCMILLAN LLP (MS) - MEGAN SINGLETON

4400-4400 - 181 BAY STREET, BROOKFIELD P
TORONTO ON M5J 2T3

CONTINUED...

2



RUN NUMBER : 099
RUN DATE : 2018/04/09
ID : 20180409122601.24

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

REPORT : PSSR060
PAGE : 2
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TYPE OF SEARCH BUSINESS DEBTOR
SEARCH CONDUCTED ON WAXMAN REALTY COMPANY INC.
FILE CURRENCY 08APR 2018

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
688831326

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGE2 SCHEDULE NUMBER UNDER PERIOD
001 2 20130723 1136 1590 4687 P PPSA 5

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 NAME BUSINESS NAME WAXMAN REALTY COMPANY INC.

04 ADDRESS 143 ADAMS BOULEVARD BRANTFORD ONTARIO CORPORATION NO. ON N3S 7V8

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 NAME BUSINESS NAME ONTARIO CORPORATION NO.

07 ADDRESS

08 SECURED PARTY / AMERICAN IRON & METAL LP

09 LIEN CLAIMANT ADDRESS 9100 HENRI-BOURASSA BOULEVARD EAST MONTREAL QC H1E 2S4

10 COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO FIXED

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12 VEHICLE

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING MCMILLAN LLP (RA/AL/00211822)

17 AGENT ADDRESS 181 BAY ST, SUITE 4400, BROOKFIELD PLACE TORONTO ON M5J 2T3

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

CONTINUED... 3

CERTIFIED BY/CERTIFIÉES PAR
Barbara Luckitt
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(cj1ft 11/2017)



RUN NUMBER : 099
RUN DATE : 2018/04/09
ID : 20180409122601.24

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

REPORT : PSSR060
PAGE : 3
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SEARCH CONDUCTED ON : WAXMAN REALTY COMPANY INC.
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FORM 1C FINANCING STATEMENT / CLAIM FOR LITEN

FILE NUMBER
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CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
002 2 20130723 1136 1590 4687

DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

NAME BUSINESS NAME

ONTARIO CORPORATION NO.

ADDRESS

DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

NAME BUSINESS NAME

ONTARIO CORPORATION NO.

ADDRESS

SECURED PARTY / AMERICAN IRON & METAL GP INC.

LITEN CLAIMANT ADDRESS 9100 HENRI-BOURASSA BOULEVARD EAST MONTREAL QC H1E 2S4

COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO FIXED
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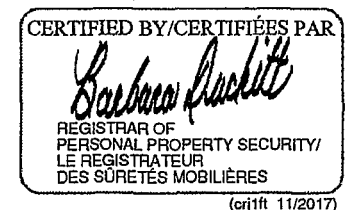
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AGENT

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

CONTINUED...



RUN NUMBER : 099
RUN DATE : 2018/04/09
ID : 20180409122601.24

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

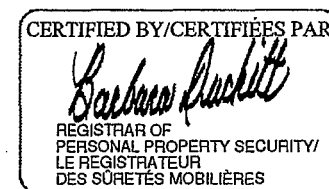
REPORT : PSSR060
PAGE : 4
(5546)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : WAXMAN REALTY COMPANY INC.
FILE CURRENCY : 08APR 2018

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
688831326	20130723	1136	1590	4687

1 REGISTRATION(S) ARE REPORTED IN THIS ENQUIRY RESPONSE.



(crfj4 11/2017)



TAB P

This is Exhibit "P" referred to in the
Affidavit of Kamila Wirpszo
sworn April 11th, 2018


RITA DEMIRJIAN



AGREEMENT OF PURCHASE AND SALE

BETWEEN

A. FARBER & PARTNERS INC.,
solely in its capacity as the Court-appointed receiver
of Waxman Realty Company Inc. and 1340923 Ontario Inc., and
not in its personal capacity or in any other capacity

- and -

AMERICAN IRON & METAL COMPANY INC.

Dated: April , 2018

TABLE OF CONTENTS

ARTICLE 1 DEFINED TERMS	1
1.1 Definitions.....	1
ARTICLE 2 SCHEDULES.....	7
2.1 Schedules.	7
ARTICLE 3 AGREEMENT TO PURCHASE.....	8
3.1 Purchase and Sale of Purchased Assets.	8
3.2 Excluded Assets.....	8
3.3 Excluded Liabilities.	9
3.4 BDC Charge.....	9
ARTICLE 4 PURCHASE PRICE AND SATISFACTION OF PURCHASE PRICE.....	9
4.1 Purchase Price.....	9
4.2 Deposit.....	9
4.3 Satisfaction of Purchase Price.....	10
4.4 Allocation of Purchase Price.....	10
4.5 Adjustment of Purchase Price.....	10
ARTICLE 5 TAXES.....	11
5.1 Taxes.....	11
ARTICLE 6 SALE APPROVAL PROCEEDINGS.....	11
6.1 The Sale Process.	11
6.2 Competing Bids.	12
6.3 The Winning Bid and the Auction Process.....	12
6.4 Court-Specified Time Periods.....	14
ARTICLE 7 CLOSING ARRANGEMENTS	14
7.1 Closing and Closing Procedure.....	14
7.2 Tender.	14
7.3 Receiver's Closing Deliverables.....	15
7.4 Purchaser's Closing Deliverables.	16
7.5 Receiver's Certificate.....	17
7.6 Electronic Registration.....	17
ARTICLE 8 CONDITIONS PRECEDENT TO CLOSING	17

TABLE OF CONTENTS
(continued)

8.1	Conditions in Favour of the Receiver.....	17
8.2	Conditions in Favour of Receiver Not Fulfilled.....	18
8.3	Conditions in Favour of the Purchaser.....	18
8.4	Conditions in Favour of Purchaser Not Fulfilled.....	19
ARTICLE 9 REPRESENTATIONS & WARRANTIES OF THE RECEIVER.....		19
ARTICLE 10 REPRESENTATIONS & WARRANTIES OF THE PURCHASER.....		19
ARTICLE 11 COVENANTS		20
11.1	Mutual Covenants.....	20
11.2	Receiver Covenants.....	20
11.3	Purchaser Covenants.....	20
ARTICLE 12 POSSESSION AND ACCESS PRIOR TO CLOSING.....		20
12.1	Possession of Purchased Assets.....	20
12.2	Examination of Title and Access to the Purchased Assets.....	21
12.3	Risk.....	21
ARTICLE 13 AS IS, WHERE IS		22
13.1	Condition of the Purchased Assets.....	22
ARTICLE 14 TERMINATION.....		22
14.1	Termination of this Agreement.....	22
14.2	Remedies for Breach of Agreement.....	22
14.3	Termination If No Breach of Agreement.....	23
ARTICLE 15 GENERAL CONTRACT PROVISIONS.....		23
15.1	Further Assurances.....	23
15.2	Survival Following Completion.....	23
15.3	Notice.....	23
15.4	Waiver.....	25
15.5	Consent.....	25
15.6	Governing Law.....	25
15.7	Entire Agreement.....	25
15.8	Time of the Essence.....	25
15.9	Time Periods.....	25
15.10	Assignment.....	26

TABLE OF CONTENTS
(continued)

15.11	Expenses.	26
15.12	Severability.	26
15.13	No Strict Construction.	26
15.14	Cumulative Remedies.	26
15.15	Currency.	26
15.16	Receiver's Capacity.	27
15.17	Planning Act.	27
15.18	No Third Party Beneficiaries.	27
15.19	Number and Gender.	27
15.20	Counterparts.	27
SCHEDULE A – APPROVAL AND VESTING ORDER		A-1
SCHEDULE B – PERMITTED ENCUMBRANCES		B-1
SCHEDULE C – LEGAL DESCRIPTION OF REAL PROPERTY		C-1
SCHEDULE D – CLAIMS		D-1

AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT made this day of April, 2018.

BETWEEN:

A. FARBER & PARTNERS INC.,
solely in its capacity as the Court-appointed receiver
of Waxman Realty Company Inc. and 1340923 Ontario Inc., and
not in its personal capacity or in any other capacity

(in such capacity, the “Receiver”)

- and -

AMERICAN IRON & METAL COMPANY INC.
(the “Purchaser”)

WHEREAS pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the “Court”) made on April , 2018 (the “Receivership Order”), A. Farber & Partners Inc. (“Farber”) was appointed as the Receiver, without security, of all the assets, undertakings and properties of Waxman Realty Company Inc. (“Waxman”) and 1340923 Ontario Inc. (“134Co.”, and together with Waxman, the “Debtor”) acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof;

AND WHEREAS pursuant to the provisions of the Receivership Order, the Receiver has the power to sell all or any part of the Property (as defined below), subject to Court approval;

AND WHEREAS the Purchaser wishes to purchase and the Receiver wishes to sell the Purchased Assets (as defined herein) upon the terms and subject to the conditions set out herein;

NOW THEREFORE, in consideration of the promises, mutual covenants and agreements contained in this Agreement (as defined herein), and for other good and valuable consideration, the receipt and sufficiency of which are each hereby acknowledged by the Parties (as defined herein), the Parties agree as follows:

ARTICLE 1 DEFINED TERMS

1.1 Definitions.

In this Agreement:

“Accounts Payable” means all amounts owing by the Debtor to any Person incurred in connection with the purchase of goods or services in the ordinary course of the Business;

“**Agreement**” means this agreement of purchase and sale, including all schedules herein, and references to “**article**”, “**section**” or “**schedule**” mean the specified article of, section of, or schedule to this Agreement and the expressions “hereof”, “herein”, “hereto”, “hereunder”, “hereby” and similar expressions refer to this Agreement and, unless otherwise stated, not to any particular section or other portion of this Agreement;

“**Applicable Law**” means, with respect to the Purchased Assets and any Person, property, transaction, event or other matter, all laws, statutes, regulations, rules, by-laws, ordinances, protocols, regulatory policies, codes, guidelines, official directives, orders, rulings, judgments and decrees of any Governmental Authority having the force of law relating to or applicable to such Purchased Assets, Person, property, transaction, event or other matter;

“**Approval and Vesting Order**” means the approval and vesting order issued by the Court approving this Agreement and the Transaction contemplated by this Agreement and conveying to the Purchaser all the Debtor’s right, title and interest, if any, in and to the Purchased Assets free and clear of all Encumbrances other than the Permitted Encumbrances, and which order shall be in a form substantively similar to the draft order attached as **Schedule “A”** hereto;

“**Assignable Assets**” has the meaning given in Section 3.1(3) herein;

“**Assumption Agreement**” has the meaning given in Section 15.10 herein;

“**Auction**” has the meaning given in Section 6.3 herein;

“**Auction Rules**” has the meaning given in Section 6.3 herein;

“**BDC**” means Business Development Bank of Canada;

“**BDC Charge**” means the Charge in favour of BDC registered as Instrument No. BC116723 on title to those parts of the Real Property municipally known as 143 Adams Boulevard, Brantford, Ontario;

“**Brantford Property**” means those lands and premises known municipally and legally described under the heading “Brantford Property” in **Schedule “C”** hereto, together with all easements, rights-of-way, privileges and appurtenances attaching thereto and enuring to the benefit thereof; and (ii) all buildings, improvements and structures thereon and the Fixtures affixed thereto, as well as all plans, designs and specifications in connection therewith;

“**Break Fee**” means \$500,000 payable to the Purchaser in accordance with Section 6.1 herein;

“**Burlington Property**” means those lands and premises known municipally and legally described under the heading “Burlington Property” in **Schedule “C”** hereto, together with all easements, rights-of-way, privileges and appurtenances attaching thereto and enuring to the benefit thereof; and (ii) all buildings, improvements and structures thereon and the Fixtures affixed thereto, as well as all plans, designs and specifications in connection therewith;

“**Business**” means the business carried on by the Debtor;

“Business Day” means a day on which banks are open for business in the City of Toronto but does not include a Saturday, Sunday or statutory holiday in the Province of Ontario;

“Chattels” means all equipment, machinery, inventory, supplies and other chattels and tangible personal property located at, situated upon or used in connection with the Real Property;

“Claims” means any and all claims, demands, complaints, grievances, actions, applications, suits, causes of action, orders, charges, indictments, prosecutions or other similar processes, assessments or reassessments, judgments, debts, liabilities, expenses, costs, damages or losses, contingent or otherwise, whether liquidated or unliquidated, matured or unmatured, disputed or undisputed, contractual, legal or equitable, including loss of value, professional fees, including solicitor and client costs and disbursements, and all costs incurred in investigating or pursuing any of the foregoing or any proceeding relating to any of the foregoing, related to the Debtor or the Real Property, and **“Claim”** means any one of them. The term Claims shall include the Claims set out in **Schedule “E”** hereto;

“Closing” means the successful completion of the Transaction;

“Closing Date” means the date that is the later of: (i) the first Business Day following the date that is ten (10) days following the date on which the Approval and Vesting Order is granted; and (ii) the first Business Day following the date on which any appeals or motions to set aside or vary the Approval and Vesting Order have been finally determined;

“Closing Deliveries” means the agreements, instruments and other documents and items to be delivered by the Receiver to the Purchaser or the Purchaser’s Solicitors pursuant to Section 7.3 herein and the agreements, instruments, monies and other documents and items to be delivered by the Purchaser to the Receiver or the Receiver’s Solicitors pursuant to Section 7.4 herein;

“Closing Time” means 2:00 p.m. (Toronto time) on the Closing Date or such other time as agreed in writing by the Parties;

“Competing Bid” has the meaning given in Section 6.2 herein;

“Contracts” means all the contracts, licences, leases, agreements, obligations, promises, undertakings, understandings, arrangements, documents, commitments, entitlements and engagements to which the Debtor is a party or has an interest in pursuant to the Joint Venture Agreements;

“Court” has the meaning set out in the recitals hereof;

“CRA” means Her Majesty the Queen in Right of Canada as Represented by the Minister of National Revenue;

“CRA Liens” means, collectively, the Liens in favour of the CRA registered as Instrument Nos. HR1446119 and HR1446123 on title to those parts of the Real Property municipally known as 4350 Harvester Road, Burlington, Ontario;

“Credit Bid Amount” means the sum of TWO MILLION THREE HUNDRED THIRTY-SIX THOUSAND SEVEN DOLLARS AND TEN CENTS (\$2,336,007.10) which represents all the debt and accrued interest thereon outstanding under the loans provided by the Purchaser to the Debtor, which loans are secured by the Security, and are being credit bid by the Purchaser.

“Debtor” has the meaning set out in the recitals hereof;

“Deposit” has the meaning given in Section 4.2 herein;

“DRA” has the meaning given in Section 7.6 herein;

“Encumbrances” means any charge, mortgage, lien, pledge, Claim, restriction, restrictive covenant, security interest, debenture, hypothec, prior claim, trust deed, assignment by way of security, conditional sale contract or other title retention agreements or similar interests or instruments, easement, right of way, development or like agreement, license, lease, defect, encroachment or other encumbrance whether created or arising by agreement, statute or otherwise at law, attaching to property, interests or rights, whether registered or unregistered, and shall be construed in the widest possible terms and principles known under the law applicable to such property, interests or rights and whether or not they constitute specific or floating charges as those terms are understood under the laws of the Province of Ontario;

“ETA” means the *Excise Tax Act*, R.S.C. 1985, c. E-15, as amended;

“Excluded Assets” means the Debtor’s right, title and interest in and to the following:

- (a) original tax records and books and records pertaining thereto, minute books, corporate seals, taxpayer and other identification numbers and other documents relating to the organization, maintenance and existence of the Debtor;
- (b) the benefit of any refundable Taxes payable or paid by the Debtor in respect of the Purchased Assets and applicable to the period prior to the Closing Date net of any amounts withheld by any taxing authority, and any claim or right of the Debtor to any refund, rebate or credit of Taxes for the period prior to the Closing Date; and
- (c) any other Property that is not included in the definition of Purchased Assets;

“Excluded Liabilities” has the meaning given in Section 3.3 herein;

“Farber” has the meaning set out in the recitals hereof;

“Fixtures” means all fixtures of every nature and kind incorporated in, situate upon and used in connection with the Real Property, including heating, ventilating, air-conditioning, plumbing, electrical, sprinkler and drainage systems but specifically excluding any fixtures and other tangible personal property covered by any equipment lease or owned by any Tenant;

“Governmental Authority” means governments, regulatory authorities, governmental departments, agencies, commissions, bureaus, officials, ministers, Crown corporations, courts,

bodies, boards, tribunals or dispute settlement panels or other law or regulation-making organizations or entities: (a) having or purporting to have jurisdiction on behalf of any nation, province, republic, territory, state or other geographic or political subdivision thereof; or (b) exercising, or entitled or purporting to exercise, any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power, and **"Governmental Authority"** means any one of them;

"HST" means harmonized sales tax imposed under Part IX of the ETA;

"Interim Period" means the period from and including the date of this Agreement to and including the Closing Date;

"Joint Venture Agreements" means, collectively, the joint venture agreement between Waxman, American Iron & Metal LP and American Iron & Metal GP Inc. and the joint venture agreement between 134Co., American Iron & Metal LP and American Iron & Metal GP Inc., each dated December 14, 2012, as same may be amended from time to time;

"ITA" means the *Income Tax Act*, R.S.C. 1985, c.1, as amended;

"Lead Bid" has the meaning given in Section 6.3 herein;

"Leases" means all executed and subsisting offers to lease, agreements to lease, leases, renewals of leases, tenancy agreements, rights of occupation, licences or other occupancy agreements granted by or on behalf of the Debtor and/or American Iron & Metal LP and American Iron & Metal GP Inc. (or any of their successors or assigns) or any of their predecessors in title to possess or occupy space within the Real Property or any part thereof now or hereafter, together with all security, guarantees and indemnities of the Tenants' obligations thereunder, in each case as amended, extended, renewed or otherwise modified;

"Notice" has the meaning given in Section 15.3 herein;

"Parties" means the Receiver and the Purchaser;

"Permits" means all the authorizations, registrations, permits, certificates of approval, approvals, consents, commitments, rights or privileges issued, granted or required by any Governmental Authority in respect of the Purchased Assets;

"Permitted Encumbrances" means all those Encumbrances described in **Schedule "B"** hereto;

"Person" means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, Governmental Authority or other entity however designated or constituted;

"Personal Property Leases" means all leases of personal or moveable property that relate to the Business, including all benefits, rights and options pursuant to such leases and all leasehold improvements forming part thereof;

“Property” has the meaning set out in the Receivership Order;

“Purchase Price” has the meaning set out in Section 4.1 herein;

“Purchased Assets” means all of the Debtor’s right, title and interest in and to:

- (a) the full benefit of all prepaid expenses and all deposits with any Person, public utility or Governmental Authority relating to the Real Property;
- (b) the Real Property;
- (c) the Contracts, but only to the extent transferable to the Purchaser or the Purchaser’s permitted assignees;
- (d) the Warranty Rights, but only to the extent transferable to the Purchaser or the Purchaser’s permitted assignees;
- (e) the Chattels;
- (f) the Permits, but only to the extent transferable to the Purchaser or the Purchaser’s permitted assignees; and
- (g) the Leases;

“Purchaser” means American Iron & Metal Company Inc., a corporation duly formed and validly subsisting under the federal laws of Canada;

“Purchaser’s Solicitors” means McMillan LLP;

“Real Property” means collectively, the Burlington Property and the Brantford Property;

“Receiver” has the meaning set out in the recitals hereof;

“Receiver’s Certificate” has the meaning given in Section 7.5 herein;

“Receiver’s Solicitors” means Aird & Berlis LLP;

“Receivership Order” has the meaning set out in the recitals hereof;

“Registry Office” has the meaning given in Section 7.1 herein;

“Rights” has the meaning given in Section 3.1(3) herein, but only has such meaning in such section;

“Sale Process” has the meaning given in Section 6.1 herein;

“Sale Process Orders” has the meaning given in Section 6.1 herein;

“**Security**” means the security interest granted by the Debtor in favour of the Purchaser over all the Debtor’s present and after acquired real and personal property;

“**Stalking Horse Bid**” has the meaning given in Section 6.1 herein;

“**Superior Bid**” has the meaning given in Section 6.2 herein;

“**Taxes**” means all taxes, HST, land transfer taxes, charges, fees, levies, imposts and other assessments, including all income, sales, use, goods and services, harmonized, value added, capital, capital gains, alternative, net worth, transfer, profits, withholding, excise, real property and personal property taxes, and any related interest, fines and penalties, imposed by any Governmental Authority, and whether disputed or not;

“**Tenant**” means any Person entitled to occupy premises located on the Real Property pursuant to a Lease;

“**TERS**” has the meaning given in Section 7.6 herein;

“**Third Party**” has the meaning given in Section 3.1 herein;

“**Transaction**” means the transaction of purchase and sale contemplated by this Agreement;

“**Warranty Rights**” means the full benefit of all warranties, warranty rights, performance bonds and indemnities (implied, express or otherwise) of the Debtor against manufacturers, contractors or any other Person which apply to the Real Property, but only to the extent that the same are capable of being assigned;

“**Waxman**” has the meaning set out in the recitals hereof;

“**Winning Bid**” has the meaning given in Section 6.3 herein; and

“**Winning Bid Agreement**” has the meaning given in Section 6.3 herein.

ARTICLE 2 SCHEDULES

2.1 Schedules.

The following schedules are incorporated in and form part of this Agreement:

<u>Schedule</u>	<u>Description</u>
Schedule A	Approval and Vesting Order
Schedule B	Permitted Encumbrances
Schedule C	Legal Description of Real Property
Schedule D	Claims

ARTICLE 3
AGREEMENT TO PURCHASE

3.1 Purchase and Sale of Purchased Assets.

- (1) Relying on the representations and warranties herein, and subject to Article 6 herein, the Receiver hereby agrees to sell, assign, convey and transfer to the Purchaser, and the Purchaser hereby agrees to purchase, all right, title and interest of the Debtor in and to the Purchased Assets, free and clear of all Encumbrances other than the Permitted Encumbrances.
- (2) Subject to the Closing, the Receiver hereby remises, releases and forever discharges to, and in favour of, the Purchaser, all its rights, claims and demands whatsoever in the Purchased Assets.
- (3) Without in any way limiting the obligations of the Receiver to use reasonably best-effort to obtain consents to assignments as contemplated in this Agreement, this Agreement or any document delivered in connection with this Agreement shall not constitute an assignment of any rights, benefits or remedies (in this Section 3.1(3), collectively, the “**Rights**”) under any Permits, Contracts or Warranty Rights (collectively, the “**Assignable Assets**”) which are not assignable by the Receiver to the Purchaser without the required consent of the other party or parties thereto (collectively, the “**Third Party**”). To the extent any such consent is required and not obtained by the Receiver prior to the Closing Date, then, to the extent permitted by Applicable Law:
 - (a) the Receiver will, at the request, direction and sole cost of the Purchaser, assist the Purchaser, in a timely manner and on a commercially reasonable best-efforts basis, in applying for and obtaining all consents or approvals required in respect of the Assignable Assets in a form satisfactory to the Receiver and the Purchaser, and take such actions and do such things as may be reasonably and lawfully designed to attempt to provide the benefits of the Assignable Assets to the Purchaser, including holding those Assignable Assets in trust for the benefit of the Purchaser or acting as agent for the Purchaser pending such assignment;
 - (b) the Receiver will only deal with or make use of such Rights in accordance with the directions of the Purchaser; and
 - (c) in the event that the Receiver receives funds with respect to those Assignable Assets, the Receiver will promptly pay over to the Purchaser all such funds collected by the Receiver, net of any outstanding costs provided in subsection (a) above.

3.2 Excluded Assets.

Notwithstanding anything else in this Agreement, the Purchased Assets shall not include the Excluded Assets.

3.3 Excluded Liabilities.

Other than any liabilities under the BDC Charge, the Purchaser is not assuming, and shall not be deemed to have assumed any liabilities, obligations or commitments of the Debtor or the Receiver or of any other Person, whether known or unknown, fixed or contingent or otherwise, including any debts, obligations, sureties, positive or negative covenants or other liabilities directly or indirectly arising out of or resulting from the conduct or operation of the Business or the Real Property or the Debtor's ownership or interest therein, whether pursuant to this Agreement or as a result of the Transaction (collectively, the "**Excluded Liabilities**"). For greater certainty, the Excluded Liabilities shall include, but not be limited to, the following:

- (a) except as otherwise agreed in this Agreement, all Taxes payable by the Debtor arising with respect to any period prior to the Closing Date and all Taxes payable relating to any matters or assets other than the Purchased Assets arising with respect to the period from and after the Closing Date;
- (b) any liability, obligation or commitment associated with the Accounts Payable or any employees of the Debtor;
- (c) any liability, obligation or commitment resulting from an Encumbrance that is not a Permitted Encumbrance;
- (d) any liability, obligation or commitment associated with any of the Excluded Assets; and
- (e) any liability, obligation or commitment in respect to Claims arising from or in relation to any facts, circumstances, events or occurrences existing or arising prior to the Closing Date.

3.4 BDC Charge

The Purchaser agrees to assume the BDC Charge on Closing at its sole cost and expense.

ARTICLE 4 PURCHASE PRICE AND SATISFACTION OF PURCHASE PRICE

4.1 Purchase Price.

Subject to Article 6 herein, the purchase price for the Purchased Assets shall be the aggregate of [REDACTED] (the "**Purchase Price**").

4.2 Deposit.

- (1) Within two (2) Business Days of the date of this Agreement, the Purchaser shall pay the Receiver a deposit by certified cheque or wire of THREE HUNDRED SIXTY THOUSAND DOLLARS (\$360,000.00) (the "**Deposit**"), which Deposit shall be held in accordance with the provisions of this Agreement pending completion or other

termination of this Agreement and shall be applied against and towards the Purchase Price due on completion of the Transaction on the Closing Date.

- (2) The Parties agree that the Receiver shall cause the Deposit to be placed in an interest bearing account, which Deposit and interest shall accrue to the benefit of the Purchaser from the date of this Agreement until the Closing Date or other termination of this Agreement and shall be credited to the Purchaser on the Closing Date.

4.3 Satisfaction of Purchase Price.

Subject to Article 6 herein, the Purchaser shall indefeasibly pay and satisfy the Purchase Price as follows:

- (a) the Deposit, and any interest accrued thereon, shall be applied against the Purchase Price;
- (b) a credit in the amount of the Credit Bid Amount;
- (c) a credit in an amount determined by the Receiver or the Court as recoverable by the Purchaser from the Debtor for the discharge of the BDC Charge; and
- (d) the remainder of the Purchase Price, being the net amount owing after deducting the Deposit and credits set out in subsection 4.3(b) and (c) above, shall be paid by the Purchaser to the Receiver's Solicitors on Closing.

4.4 Allocation of Purchase Price.

- (1) The Purchase Price shall be allocated as follows:
 - (a) [REDACTED] for Purchased Assets consisting of, located on or used in connection with the Burlington Property; and
 - (b) [REDACTED] for the Purchased Assets consisting of, located on or used in connection with the Brantford Property.
- (2) Subject to Section 4.4 above, with respect to each of the Burlington Property and the Brantford Property, the Parties, acting reasonably and in good faith, covenant to use best efforts to agree to allocate the Purchase Price amongst the Purchased Assets in a mutually agreeable manner on or prior to the Closing Time, provided that failure of the Parties to agree upon an allocation shall not result in the termination of this Agreement but rather shall result in the nullity of the application of this section of the Agreement such that each Party shall be free to make its own reasonable allocation.

4.5 Adjustment of Purchase Price.

- (1) There shall be no adjustments to the Purchase Price.

ARTICLE 5 TAXES

5.1 Taxes.

Provided that the Purchaser is selected as the Winning Bidder, the Purchaser shall be responsible for all federal and provincial sales taxes, land transfer tax, goods and services, HST and all registration fees payable upon or in connection with the conveyance or transfer of the Purchased Assets to the Purchaser. If the sale of the Purchased Assets is subject to HST, then such tax shall be in addition to the Purchase Price. The Receiver will not collect HST if the Purchaser provides to the Receiver a warranty that it is registered under the ETA, together with a copy of the required ETA registration at least five (5) Business Days prior to Closing, a warranty that the Purchaser shall self-assess and remit the HST payable and shall indemnify the Receiver in respect of any HST payable. The foregoing warranties shall not merge but shall survive the completion of the Transaction.

ARTICLE 6 SALE APPROVAL PROCEEDINGS

6.1 The Sale Process.

Each of the Parties acknowledges and agrees that by no later than April 27, 2018, the Receiver shall obtain orders (collectively, the “**Sale Process Orders**”) from the Court which, *inter alia*, set out the terms and conditions of and a timetable for a bidding, auction and sale process with respect to the Purchased Assets (the “**Sale Process**”). The Sale Process Orders shall recognize this Agreement, and in particular the Purchase Price, as a baseline or “stalking horse bid” (the “**Stalking Horse Bid**”), and shall also provide for a marketing process of the Purchased Assets by the Receiver and a competitive bidding and auction procedure, to be administered by the Receiver. The Purchaser acknowledges and agrees that the aforementioned Sale Process is in contemplation of determining whether a materially higher price than that contemplated in the Stalking Horse Bid can be obtained for the Purchased Assets.

In consideration for the Purchaser’s expenditure of time and money in acting as the initial bidder in the Stalking Horse Bid and the preparation of this Agreement, and in performing due diligence pursuant to this Agreement, the Sale Process Orders shall also provide for liquidated damages in the amount of the Break Fee, payable by the Receiver to the Purchaser in the event that a materially higher offer than the Purchase Price advanced by the Purchaser pursuant to the terms herein is obtained for the Purchased Assets through the Sale Process and, as a consequence, the Receiver sells all or substantially all the Purchased Assets to a person or entity other than the Purchaser.

In the event that the Stalking Horse Bid is not chosen to be the Winning Bid, the Break Fee shall be payable to the Purchaser from the sale proceeds derived from the Winning Bid. Each of the Parties acknowledges and agrees that the Break Fee represents a fair and reasonable estimate of the costs and damages which will be incurred by the Purchaser as a result of non-completion of this Agreement, and is not intended to be punitive in nature or to discourage competitive bidding for the Purchased Assets.

6.2 Competing Bids.

In addition to the foregoing, the Sale Process Orders shall also provide that in order to be accepted by the Receiver, any competing bid (each, a “**Competing Bid**”) for the Purchased Assets must be on substantially the same terms and conditions as the terms and conditions contained in this Agreement, except with respect to the Purchase Price (any Competing Bid accepted by the Receiver as a superior bid to the Stalking Horse Bid being, in each case, a “**Superior Bid**”).

In order for any Competing Bid to be accepted by the Receiver as a Superior Bid, such Competing Bid must meet all the following minimum criteria:

- (a) it must be received by the Receiver, in its entirety, by no later than 4:00 p.m. (Toronto time) on May 22, 2018;
- (b) it must be accompanied by a duly executed agreement of purchase and sale, blacklined against this Agreement, showing any and all variations from this Agreement, and a deposit in an amount equal to the sum of ten percent of the aggregate purchase price in such Competing Bid by way of certified cheque or wire, payable pursuant to the terms of such Competing Bid, and which is not subject to any encumbrances;
- (c) it must remain open for acceptance and completion until 11:59 p.m. (Toronto time) on June 8, 2018;
- (d) it must be on terms no less favourable and no more burdensome or conditional than the terms of this Agreement;
- (e) it must not contain any contingency relating to due diligence or financing or any other material conditions precedent to the bidder’s obligation to close that are not otherwise contained in this Agreement;
- (f) it must be made by one or more bidders who can demonstrate the financial ability to consummate the transaction contemplated by such Competing Bid on the terms specified therein; and
- (g) it must be for an aggregate purchase price at least equal to the sum of the Purchase Price plus the Break Fee plus a minimum overbid of ONE HUNDRED FIFTY THOUSAND DOLLARS (\$150,000.00).

6.3 The Winning Bid and the Auction Process.

In the event that one or more Superior Bid is lodged with the Receiver in accordance with Section 6.2 hereof, the Sale Process Orders shall provide that the Receiver will distribute the following documentation by no later than 5:00 p.m. (Toronto time) on May 24, 2018 to the Purchaser and the maker(s) of each Superior Bid:

- (a) an invitation to an auction of the Purchased Assets to be held on or before 5:00 p.m. (Toronto time) on May 25, 2018 at the offices of the Receiver (the “**Auction**”);
- (b) a copy of the bid that the Receiver, acting in its sole and unfettered discretion, having regard to all the features of the bids, believes to be the most favourable bid as between the Stalking Horse Bid and all the Superior Bids (the “**Lead Bid**”); and
- (c) a copy of a set of rules for the conduct of the Auction, established by the Receiver, acting in its sole and unfettered discretion, with a view of maximizing the purchase price for the Purchased Assets (the “**Auction Rules**”), provided that the Auction Rules shall in all events provide that: (i) all bids made at the Auction shall be in accordance with the terms and conditions of the Lead Bid, except for the aggregate purchase price which will be subject to improvement through bidding in the Auction; (ii) each bid made in the course of the Auction shall exceed the aggregate purchase price payable pursuant to the preceding bid (or, in the case of the first bid made at the Auction, the Lead Bid) by no less than ONE HUNDRED FIFTY THOUSAND DOLLARS (\$150,000.00), plus the Break Fee, solely for the purpose of determining the successful bid at the Auction; and (iii) the highest bid received at the Auction shall be the “winning bid” (the “**Winning Bid**”).

In the event that the Receiver selects any Competing Bid as the Winning Bid, the Sale Process Orders shall provide the Receiver will pay the Break Fee to the Purchaser immediately upon receipt of the sale proceeds on closing of the Winning Bid.

Upon acceptance of the Winning Bid at the Auction, there shall be a binding agreement of purchase and sale between the successful winning bidder (the “**Winning Bidder**”) and the Receiver (the “**Winning Bid Agreement**”), in which case the Winning Bid Agreement shall be constituted by:

- (a) this Agreement or the agreement of purchase and sale submitted to the Receiver by the Winning Bidder, as the case may be, and as amended pursuant to the Auction; and
- (b) the acceptance of the Winning Bid.

In the event that there is no Superior Bid lodged with the Receiver in accordance with Section 6.2 hereof, the Sale Process Orders shall provide that this Agreement and the Purchaser shall be declared to be the Winning Bid, the Winning Bid Agreement and the Winning Bidder, as applicable.

Once the Winning Bid Agreement is determined, the Receiver will make a motion to the Court in order to obtain the Approval and Vesting Order.

6.4 Court-Specified Time Periods.

Where any of the time periods specified in Sections 6.1 through 6.3 of this Agreement are subject to be established by Court Order, and in the event that the Court establishes a date different than the date set out in this Agreement, then the corresponding date established by such provisions of this Agreement shall be deemed to be amended to accord with the Court established date, provided that no such amendment shall be deemed to have occurred without the express written consent of the Purchaser if the effect of such amendment is to delay the Closing Date by any period greater than 15 days.

ARTICLE 7 CLOSING ARRANGEMENTS

7.1 Closing and Closing Procedure.

Closing shall take place at the Closing Time on the Closing Date at the offices of the Receiver's Solicitors, located in Toronto, Ontario, or at such other time or at such other place as the Parties may agree in writing. Subject to Section 7.6 hereof, on the Closing Date, all Closing Deliveries and monies shall be delivered at the office of the Receiver's Solicitors, held in escrow and released upon satisfaction of such terms as the Receiver and the Purchaser shall both determine, acting reasonably (such terms shall include registration of the Application for Vesting Order in the relevant land registry office (the "**Registry Office**")). In the event that the Registry Office is not open for business on the Closing Date, then the Closing Date shall be deemed to be the day next following on which the Registry Office is open for business.

7.2 Tender.

The following provisions shall govern any tender to be made by either party to this Agreement:

- (1) any tender of documents under this Agreement may be made personally or by facsimile or PDF;
- (2) monies, other than the Deposit (which must be tendered by a certified cheque or by a bank draft, either to be drawn upon one of Canada's five largest Schedule 1 chartered banks), must be tendered by wire transfer of immediately available funds to the account specified by the receiving Party;
- (3) neither of the Parties shall be obligated to attend personally upon the other or the other's solicitors with the Closing Deliveries;
- (4) notwithstanding anything contained in this Agreement to the contrary, it is expressly understood and agreed by the Parties that an effective tender shall be deemed to have been made by the Receiver upon the Purchaser when the Receiver's Solicitors have:
 - (a) delivered all Closing Deliveries required to be delivered by the Receiver to the Purchaser pursuant to Section 7.3 herein;

- (b) advised the Purchaser's Solicitors in writing that the Receiver is ready, willing and able to complete the Transaction in accordance with the terms and provisions of this Agreement; and
 - (c) completed all steps required by TERS to complete this Transaction that can be performed or undertaken by the Receiver's Solicitors without the cooperation or participation of the Purchaser's Solicitors; and
- (5) notwithstanding anything contained in this Agreement to the contrary, it is expressly understood and agreed by the Parties that an effective tender shall be deemed to have been made by the Purchaser upon the Receiver, when the Purchaser's Solicitors have:
- (a) delivered the balance due at Closing and all the Closing Deliveries required to be delivered by the Purchaser to the Receiver pursuant to Section 7.4 herein;
 - (b) advised the Receiver's Solicitors in writing that the Purchaser is ready, willing and able to complete the Transaction in accordance with the terms and provisions of this Agreement; and
 - (c) completed all steps required by TERS to complete this Transaction that can be performed or undertaken by the Purchaser's Solicitors without the cooperation or participation of the Receiver's Solicitors.

7.3 Receiver's Closing Deliverables.

The Receiver covenants to execute, where applicable, and deliver the following to the Purchaser's Solicitors at Closing or on such other date as expressly provided herein, all in a form satisfactory to the Purchaser, acting reasonably:

- (1) a copy of the issued and entered Approval and Vesting Order and the attached Receiver's Certificate executed by the Receiver;
- (2) a final statement of adjustments prepared in accordance with Section 4.5 hereof;
- (3) an assignment and assumption agreement for all Leases relating to the period from and after the Closing Date;
- (4) an assumption statement and mortgage assumption agreement relating to the BDC Charge;
- (5) subject to Section 3.1(3) hereof, an assignment and assumption agreement for all Contracts, Warranty Rights and Permits (in each case, to the extent assignable) relating to the period from and after the Closing Date, and to the extent not assignable, an agreement to hold same in trust for the Purchaser in accordance with the terms and conditions of Section 3.1(3) hereof;
- (6) a certificate from the Receiver, dated as of the Closing Date, certifying:

- (a) that, except as disclosed in the certificate, the Receiver has not been served with any notice of appeal with respect to the Approval and Vesting Order or any notice of any application, motion or proceedings seeking to set aside or vary the Approval and Vesting Order or to enjoin, restrict or prohibit the Transaction;
 - (b) that all representations, warranties and covenants of the Receiver contained in this Agreement are true as of the Closing Time, with the same effect as though made on and as of the Closing Time; and
 - (c) the non-merger specified in Section 15.2 and elsewhere herein; and
- (7) an acknowledgement, dated as of the Closing Date, that each of the conditions in Section 8.1 herein has been fulfilled, performed or waived as of the Closing Time.

7.4 Purchaser's Closing Deliverables.

The Purchaser covenants to execute, where applicable, and deliver the following to the Receiver's Solicitors at Closing or on such other date as expressly provided herein, all in a form satisfactory to the Receiver, acting reasonably:

- (1) the indefeasible payment and satisfaction in full of the Purchase Price according to Section 4.3 hereof;
- (2) if necessary, payment or evidence of payment of HST applicable to the Purchased Assets or, if applicable, appropriate tax exemption certificates with respect to HST in accordance with, and together with the other deliverables required by the terms and conditions of Section 5.1 hereof;
- (3) an assignment and assumption agreement for all Leases relating to the period from and after the Closing Date;
- (4) a mortgage assumption agreement relating to the BDC Charge;
- (5) subject to Section 3.1(3) hereof, an assignment and assumption agreement for all Contracts, Warranty Rights and Permits (in each case, to the extent assignable) relating to the period from and after the Closing Date, and to the extent not assignable, an agreement to hold same in trust for the Purchaser in accordance with the terms and conditions of Section 3.1(3) hereof;
- (6) a certificate from the Purchaser, dated as of the Closing Date, certifying:
 - (a) that all representations, warranties and covenants of the Purchaser contained in this Agreement are true as of the Closing Time, with the same effect as though made on and as of the Closing Time; and
 - (b) the non-merger specified in Section 15.2 and elsewhere herein; and

- (7) an acknowledgement, dated as of the Closing Date, that each of the conditions in Section 8.3 herein has been fulfilled, performed or waived as of the Closing Time.

7.5 Receiver's Certificate.

Upon receipt of written confirmation from the Purchaser that all the conditions contained in Section 8.3 herein have been satisfied or waived by the Purchaser, and upon satisfaction or waiver by the Receiver of all the conditions contained in Section 8.1 herein, the Receiver shall forthwith deliver to the Purchaser the Receiver's Certificate comprising Schedule "A" of the Approval and Vesting Order (the "**Receiver's Certificate**"), and shall file same with the Court.

7.6 Electronic Registration.

In the event that the electronic registration system ("**TERS**") is operative in the Registry Office, the following provisions shall apply:

- (1) the Receiver and the Purchaser hereby authorize the Receiver's Solicitors and the Purchaser's Solicitors, respectively, to enter into a document registration agreement with the other Party's solicitor (the "**DRA**"), establishing the procedures and timing for completing this Transaction, provided that the DRA shall in no way be inconsistent with any of the terms or conditions of this Agreement; and
- (2) the delivery and exchange of the Closing Deliveries:
 - (a) shall not occur contemporaneously with the registration of the Application for Vesting Order and other registerable documentation; and
 - (b) shall be governed by the DRA, pursuant to which the Receiver's Solicitors and Purchaser's Solicitors shall hold all Closing Deliveries in escrow, and will not be entitled to release them except in strict accordance with the provisions of the DRA.

ARTICLE 8 CONDITIONS PRECEDENT TO CLOSING

8.1 Conditions in Favour of the Receiver.

The obligation of the Receiver to complete the Transaction is subject and conditional to the satisfaction of the following conditions on or before the Closing Date:

- (1) all the representations and warranties of the Purchaser contained in this Agreement shall be true and correct in all material respects on the Closing Date;
- (2) all the covenants of the Purchaser contained in this Agreement to be performed on or before the Closing Date shall have been duly performed by the Purchaser;
- (3) the Purchaser shall have complied with all the terms contained in this Agreement applicable to the Purchaser prior to the Closing Date;

- (4) there shall be no Claim, litigation or proceedings pending or threatened or order issued by a Governmental Authority against either of the Parties, or involving any of the Purchased Assets, for the purpose of enjoining, preventing or restraining the completion of the Transaction or otherwise claiming that such completion is improper; and
- (5) the Court shall have issued the Sale Process Orders and the Approval and Vesting Order.

8.2 Conditions in Favour of Receiver Not Fulfilled.

If any of the conditions contained in Section 8.1 hereof is not fulfilled on or prior to the Closing Date and such non-fulfillment is not directly or indirectly as a result of any action or omission of the Receiver, then the Receiver may, at its sole discretion, and without limiting any rights or remedies available to it at law or in equity:

- (a) terminate this Agreement by notice to the Purchaser, in which event the Receiver shall be released from its obligations under this Agreement to complete the Transaction; or
- (b) waive compliance with any such condition without prejudice to the right of termination in respect of the non-fulfillment of any other condition.

8.3 Conditions in Favour of the Purchaser.

The obligation of the Purchaser to complete the Transaction is subject and conditional to the satisfaction of the following conditions on or before the Closing Date:

- (1) all the representations and warranties of the Receiver contained in this Agreement shall be true and correct in all material respects on the Closing Date;
- (2) all the covenants of the Receiver contained in this Agreement to be performed on or before the Closing Date shall have been duly performed by the Receiver;
- (3) the Receiver shall have complied with all the terms contained in this Agreement applicable to the Receiver prior to the Closing Date;
- (4) the Purchaser obtaining the consent of the BDC to assume the BDC Charge on Closing;
- (5) there shall be no Claim, litigation or proceedings pending or threatened or order issued by a Governmental Authority against either of the Parties, or involving any of the Purchased Assets, for the purpose of enjoining, preventing or restraining the completion of the Transaction or otherwise claiming that such completion is improper; and
- (6) the Court shall have issued the Sale Process Orders and the Approval and Vesting Order.

8.4 Conditions in Favour of Purchaser Not Fulfilled.

If any of the conditions contained in Section 8.3 hereof is not fulfilled on or prior to the Closing Date and such non-fulfillment is not directly or indirectly as a result of any action or omission of the Purchaser, then the Purchaser may, in its sole discretion and without limiting its rights or remedies available at law or in equity:

- (a) terminate this Agreement by notice to the Receiver, in which event the Purchaser and the Receiver shall be released from their obligations under this Agreement to complete the Transaction; or
- (b) waive compliance with any such condition without prejudice to the right of termination in respect of the non-fulfillment of any other condition.

ARTICLE 9 REPRESENTATIONS & WARRANTIES OF THE RECEIVER

The Receiver represents and warrants to the Purchaser as follows, with the knowledge and expectation that the Purchaser is placing complete reliance thereon and, but for such representations and warranties, the Purchaser would not have entered into this Agreement:

- (1) the Receiver has all necessary power and authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the consummation of the Transaction have been duly authorized by all necessary action on the part of the Receiver, subject to the Sale Process Orders and the Approval and Vesting Order. This Agreement is a valid and binding obligation of the Receiver enforceable in accordance with its terms;
- (2) the Receiver has been duly appointed by the Court, with the full right, power and authority to enter into this Agreement, perform its obligations hereunder and, subject to the Sale Process Orders and the Approval and Vesting Order, convey all right, title and interest of the Debtor in and to the Purchased Assets; and
- (3) the Receiver is not a non-resident of Canada for the purposes of the ITA.

ARTICLE 10 REPRESENTATIONS & WARRANTIES OF THE PURCHASER

The Purchaser represents and warrants to the Receiver as follows, with the knowledge and expectation that the Receiver is placing complete reliance thereon and, but for such representations and warranties, the Receiver would not have entered into this Agreement:

- (1) the Purchaser is a corporation duly formed and validly subsisting under the federal laws of Canada;
- (2) the Purchaser has all necessary corporate power and authority to enter into this Agreement and to carry out its obligations hereunder. Neither the execution of this Agreement nor the performance by the Purchaser of the Transaction will violate the

Purchaser's constating documents, any agreement to which the Purchaser is bound, any judgment or order of a court of competent jurisdiction or any Government Authority, or any Applicable Law. The execution and delivery of this Agreement and the consummation of the Transaction have been duly authorized by all necessary corporate action on the part of the Purchaser. This Agreement is a valid and binding obligation of the Purchaser enforceable in accordance with its terms; and

- (3) the Purchaser is or will be a registrant under Part IX of the ETA on the Closing Date.

ARTICLE 11 COVENANTS

11.1 Mutual Covenants.

Subject to Article 6 hereof, each of the Parties hereby covenants and agrees that, from the date hereof until Closing, each shall take all such actions as are necessary to have the Transaction approved in the Approval and Vesting Order on substantially the same terms and conditions as are contained in this Agreement, and to take all commercially reasonable actions as are within its power to control, and to use its commercially reasonable efforts to cause other actions to be taken which are not within its power to control, so as to ensure compliance with each of the conditions set forth in Article 8 hereof.

11.2 Receiver Covenants.

The Receiver hereby covenants and agrees that, from the date hereof until Closing, it shall take all such actions as are necessary to provide to the Purchaser all necessary information in respect of the Debtor and the Purchased Assets reasonably required to complete the applicable tax elections in accordance with Section 5.1 hereof and to execute all necessary forms related thereto.

11.3 Purchaser Covenants.

The Purchaser hereby covenants and agrees that, from the date hereof until the Closing Date, it shall take all such actions as are necessary to provide to the Receiver all necessary information in respect of the Purchaser reasonably required to complete the applicable tax elections in accordance with Section 5.1 hereof and to execute all necessary forms related thereto.

ARTICLE 12 POSSESSION AND ACCESS PRIOR TO CLOSING

12.1 Possession of Purchased Assets.

The Receiver shall remain in possession of the Purchased Assets until the Closing Time, at which time the Purchaser shall take possession of the Purchased Assets where situated. In no event shall the Purchased Assets be sold, assigned, conveyed or transferred to the Purchaser until all the conditions set out in the Approval and Vesting Order have been satisfied or waived and

the Purchaser has satisfied or the Receiver has waived all the delivery requirements outlined in Section 8.1 hereof.

12.2 Examination of Title and Access to the Purchased Assets.

The Purchaser acknowledges and agrees that it has and shall continue to, at its own cost and expense (regardless of results), examine title to the Real Property, and satisfy itself as to the state thereof, satisfy itself as to outstanding work orders affecting the Lands, satisfy itself as to the use of the Lands being in accordance with applicable zoning requirements and satisfy itself that any and all buildings and structures on the Real Property may be insured to the satisfaction of the Purchaser.

12.3 Risk.

- (1) The Purchased Assets shall be and remain at the risk of the Receiver until Closing and at the risk of the Purchaser from and after Closing.
- (2) If, prior to Closing, the Purchased Assets are substantially damaged or destroyed by fire, casualty or otherwise, then, at its option, the Purchaser may decline to complete the Transaction. Such option shall be exercised within 15 calendar days after notification to the Purchaser by the Receiver of the occurrence of such damage or destruction (or prior to the Closing Date if such occurrence takes place within 15 calendar days of the Closing Date), in which event this Agreement shall be terminated automatically. If the Purchaser does not exercise such option, it shall complete the Transaction and shall be entitled to an assignment of any proceeds of insurance referable to such damage or destruction. Where any damage or destruction is not substantial, the Purchaser shall complete the Transaction and shall be entitled to an assignment of any proceeds of insurance referable to such damage or destruction. For the purposes of this section, substantial damage or destruction shall be deemed to have occurred if the loss or damage to the Purchased Assets exceeds 15% of the total Purchase Price (inclusive of the Deposit).
- (3) If, prior to the Closing Date, all or a material part of the Real Property is expropriated or a notice of expropriation or intent to expropriate all or a material part of the Real Property is issued by any Governmental Authority, the Receiver shall immediately advise the Purchaser thereof by Notice in writing. The Purchaser shall, by Notice in writing given within three (3) Business Days after the Purchaser receives Notice in writing from the Receiver of such expropriation, elect to either: (i) complete the Transaction contemplated herein in accordance with the terms hereof without reduction of the Purchase Price, and all compensation for expropriation shall be payable to the Purchaser and all right, title and interest of the Receiver or Debtor to such amounts, if any, shall be assigned to the Purchaser on a without recourse basis; or (ii) terminate this Agreement and not complete the Transaction, in which case all rights and obligations of the Receiver and the Purchaser (except for those obligations which are expressly stated to survive the termination of this Agreement) shall terminate, and the Deposit together with all interest accrued thereon shall be returned to the Purchaser forthwith.

ARTICLE 13
AS IS, WHERE IS

13.1 Condition of the Purchased Assets.

The Purchaser acknowledges that the Receiver is selling and the Purchaser is purchasing the Purchased Assets on an “*as is, where is*” and “*without recourse*” basis as the Purchased Assets shall exist on the Closing Date, including, without limitation, whatever defects, conditions, impediments, hazardous materials or deficiencies exist on the Closing Date, whether patent or latent. The Purchaser further acknowledges and agrees that it has entered into this Agreement on the basis that neither the Receiver nor the Debtor has guaranteed or will guarantee title to or marketability, use or quality of the Purchased Assets, that the Purchaser has conducted such inspections of the condition and title to the Purchased Assets as it deems appropriate and has satisfied itself with regard to these matters. No representation, warranty or condition is expressed or can be implied as to title, encumbrance, description, fitness for purpose, environmental compliance, merchantability, condition or quality, or in respect of any other matter or thing whatsoever concerning the Purchased Assets, or the right of the Receiver to sell, assign, convey or transfer same, save and except as expressly provided in this Agreement. Without limiting the generality of the foregoing, any and all conditions, warranties or representations expressed or implied pursuant to the *Sale of Goods Act*, R.S.O. 1990, c. S.1, do not apply hereto and/or have been waived by the Purchaser. The description of the Purchased Assets contained in this Agreement is for the purpose of identification only and no representation, warranty or condition has or will be given by the Receiver concerning the accuracy of such description.

ARTICLE 14
TERMINATION

14.1 Termination of this Agreement.

This Agreement may be validly terminated:

- (1) upon the mutual written agreement of the Parties;
- (2) pursuant to Section 8.2 hereof by the Receiver;
- (3) pursuant to Section 8.4 hereof by the Purchaser; or
- (4) pursuant to Section 12.3 hereof.

14.2 Remedies for Breach of Agreement.

If this Agreement is terminated as a result of any breach of a representation, warranty, covenant or obligation of the Receiver, the Purchaser's right to pursue all legal remedies with respect to such breach shall survive such termination, and the Deposit together with all interest accrued thereon and without deduction, shall be returned by the Receiver to the Purchaser forthwith. If this Agreement is terminated as a result of a breach of a representation, warranty, covenant or obligation of the Purchaser, the Deposit shall be forfeited to the Receiver as

liquidated damages and not as a penalty, which Deposit the Parties agree is a genuine estimate of the liquidated damages that the Receiver would suffer in such circumstances, and this shall be the Receiver's sole right and remedy pursuant to this Agreement or at law as a result of the Purchaser's breach.

14.3 Termination If No Breach of Agreement.

If the Purchaser is not determined to be the Winning Bidder, or if this Agreement is terminated other than as a result of a breach of a representation, warranty, covenant or obligation of one of the Parties, then:

- (1) the Deposit, together with all interest thereon, shall be returned by the Receiver to the Purchaser forthwith and all other obligations of each of the Receiver and the Purchaser hereunder shall end completely, except those that survive the termination of this Agreement; and
- (2) neither Party shall have any right to specific performance, to recover damages or expenses or to any other remedy (legal or equitable) or relief other than as expressly provided herein.

ARTICLE 15 GENERAL CONTRACT PROVISIONS

15.1 Further Assurances.

From time to time after Closing, each of the Parties shall execute and deliver such further documents and instruments and do such further acts and things as may be required or useful to carry out the intent and purpose of this Agreement and which are not inconsistent with the terms hereof, including, at the Purchaser's request and expense, the Receiver shall execute and deliver such additional conveyances, transfers and other assurances as may, in the opinion of the Parties or their counsel, acting reasonably, be reasonably required to effectually carry out the intent of this Agreement and transfer the Purchased Assets to the Purchaser.

15.2 Survival Following Completion.

Notwithstanding any other provision of this Agreement, Section 4.5, Article 9, Article 10, Section 14.2 and Section 14.3 shall survive the termination of this Agreement and the completion of the Transaction, provided, however, that upon the discharge of Farber as the Receiver, the Parties' respective obligations by reason of this Agreement shall end completely and they shall have no further or continuing obligations by reason thereof.

15.3 Notice.

All notices, requests, demands, waivers, consents, agreements, approvals, communications or other writings required or permitted to be given hereunder or for the purposes hereof (each, a "Notice") shall be in writing and be sufficiently given if personally delivered, sent by prepaid registered mail or transmitted by email, addressed to the Party to whom it is given, as follows:

(a) to the Receiver:

A. Farber & Partners Inc.
150 York Street, Suite 1600
Toronto, ON M5H 3S5

Attention: Hylton Levy and Paul Denton
Tel: (416) 496-3070 / (416) 496-3773
Email: hlevy@farberfinancial.com / pdenton@farberfinancial.com

and a copy to the Receiver's counsel to:

Aird & Berlis LLP
Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Attention: Steven L. Graff and Jeremy Nemers
Tel: (416) 865-7726 / 416-865-7724
Email: sgraff@airdberlis.com

(b) to the Purchaser:

**[American Iron & Metal Company Inc.
9100, boul. Henri-Bourassa Est
Montréal, QC H1E 2S4]**

Attention: **[Kamila Wirpszo]**
Email: **[kwirpszo@aim-global.com]**

and a copy to the Purchaser's counsel to:

McMillan LLP
Brookfield Place
181 Bay Street, Suite 4400
Toronto, ON M5J 2T3

Attention: Wael Rostom
Tel: (416) 865-7790
Email: wael.rostom@mcmillan.ca

or such other address of which Notice has been given. Any Notice mailed as aforesaid will be deemed to have been given and received on the third Business Day following the date of its mailing. Any Notice personally delivered will be deemed to have been given and received on the day it is personally delivered, provided that if such day is not a Business Day, the Notice will be deemed to have been given and received on the Business Day next following such day. Any

Notice transmitted by email will be deemed given and received on the first Business Day after its transmission.

If a Notice is mailed and regular mail service is interrupted by strike or other irregularity on or before the fourth Business Day after the mailing thereof, such Notice will be deemed to have not been received unless otherwise personally delivered or transmitted by email.

15.4 Waiver.

No Party will be deemed or taken to have waived any provision of this Agreement unless such waiver is in writing and such waiver will be limited to the circumstance set forth in such written waiver.

15.5 Consent.

Whenever a provision of this Agreement requires an approval or consent and such approval or consent is not delivered within the applicable time limit or the requirement for such consent is not required pursuant to the terms of the Sale Process Orders or the Approval and Vesting Order, then, unless otherwise specified, the Party whose consent or approval is required shall be conclusively deemed to have withheld its approval or consent.

15.6 Governing Law.

This Agreement will be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The Parties irrevocably attorn to the jurisdiction of the courts of the Province of Ontario sitting in Toronto. The Parties consent to the exclusive jurisdiction and venue of the Court for the resolution of any disputes between them, regardless of whether or not such disputes arose under this Agreement.

15.7 Entire Agreement.

This Agreement constitutes the entire agreement between the Parties and supersedes all prior agreements and understandings between the Parties. There are not and will not be any verbal statements, representations, warranties, undertakings or agreements between the Parties. This Agreement may not be amended or modified in any respect except by written instrument signed by the Parties. The recitals herein are true and accurate, both in substance and in fact.

15.8 Time of the Essence.

Time will be of the essence, provided that if the Parties establish a new time for the performance of an obligation, time will again be of the essence of the new time established.

15.9 Time Periods.

Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following if the last day of the period is not a Business Day.

15.10 Assignment.

This Agreement will enure to the benefit of and be binding on the Parties and their respective heirs, executors, legal and personal administrators, successors and permitted assigns. The Purchaser may not assign this Agreement without the Receiver's prior written approval. Up until Closing, the Purchaser shall have the right to direct that title to the Real Property be taken in the name of another person, entity, joint venture, partnership or corporation (presently in existence or to be incorporated) provided that: (a) the assignee shall, in writing, agree to assume and be bound by the terms and conditions of this Agreement (the "**Assumption Agreement**") and a copy of such Assumption Agreement is delivered to the Receiver forthwith after having been entered into; and (b) the Purchaser shall remain liable for all obligations and liabilities hereunder.

15.11 Expenses.

Except as otherwise set out in this Agreement, all costs and expenses (including, without limitation, the fees and disbursements of legal counsel) incurred in connection with this Agreement and the Transaction contemplated hereby shall be paid by the Party incurring such costs and expenses.

15.12 Severability.

If any portion of this Agreement is prohibited in whole or in part in any jurisdiction, such portion shall, as to such jurisdiction, be ineffective to the extent of such prohibition without invalidating the remaining portions of this Agreement and shall, as to such jurisdiction, be deemed to be severed from this Agreement to the extent of such prohibition.

15.13 No Strict Construction.

The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.

15.14 Cumulative Remedies.

Unless otherwise expressly stated in this Agreement, no remedy conferred upon or reserved to one or both of the Parties is intended to be exclusive of any other remedy, but each remedy shall be cumulative and in addition to every other remedy conferred upon or reserved hereunder, whether such remedy shall be existing or hereafter existing, and whether such remedy shall become available under common law, equity or statute.

15.15 Currency.

All references to dollar amounts contained in this Agreement shall be deemed to refer to lawful currency of Canada.

15.16 Receiver's Capacity.

It is acknowledged by the Purchaser that the Receiver is entering into this Agreement solely in its capacity as Court-appointed receiver and that the Receiver shall have absolutely no personal or corporate liability under or as a result of this Agreement in any respect.

15.17 Planning Act.

This Agreement is to be effective only if the provisions of the *Planning Act*, R.S.O. 1990, c. P.13, as amended, are complied with.

15.18 No Third Party Beneficiaries.

This Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns. Nothing in this Agreement shall be construed to create any rights or obligations except amongst the Parties and no other person or entity shall be regarded as a third party beneficiary of this Agreement.

15.19 Number and Gender.

Unless the context requires otherwise, words importing the singular include the plural and vice versa and words importing gender include all genders. Where the word "including" or "includes" is used in this Agreement, it means "including (or includes) without limitation."

15.20 Counterparts.

This Agreement may be executed in counterparts and by PDF, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument.

[The remainder of this page is left blank intentionally.]

IN WITNESS WHEREOF the Purchaser has duly executed this Agreement as of the date first above written.

AMERICAN IRON & METAL COMPANY INC.

Per: 

Name: KIMBERLY INKPSO

Authorized Signing Officer

ACCEPTED by the Receiver this ____ day of _____, 2018

A. FARBER & PARTNERS INC., solely in its capacity as the Court-appointed receiver of the Debtor, and not in its personal capacity or in any other capacity

Per: _____

Name: _____

Title: _____

A-1

SCHEDULE "A"
APPROVAL AND VESTING ORDER

Court File No. <*>

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE
 JUSTICE

)
)
)

<*> DAY, THE <*>
 DAY OF <*>, 2018

BETWEEN:

<*>

Applicant

- and -

<*>

Respondent

APPLICATION UNDER SUBSECTION 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, AS AMENDED

APPROVAL AND VESTING ORDER

THIS MOTION, made by A. Farber & Partners Inc., in its capacity as the Court-appointed receiver (in such capacity, the "**Receiver**"), without security, of all the assets, undertakings and properties of Waxman Realty Company Inc. ("**Waxman**") and 1340923 Ontario Inc. (together with Waxman, the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, for an order, *inter alia*, approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale between the Receiver, as vendor, and American Iron & Metal Company Inc. (the "**Purchaser**"), as purchaser, dated <*>.

2018 (the “**Sale Agreement**”), a copy of which is attached as Confidential Appendix “**<*>**” to the Report of the Receiver dated **<*>**, 2018 (the “**Report**”), and vesting in the Purchaser the Debtor’s right, title and interest in and to the property described as the “**Purchased Assets**” in the Sale Agreement (the “**Purchased Assets**”), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Report and appendices thereto, and on hearing the submissions of counsel for the Receiver and such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the affidavit of **<*>** sworn **<*>**, 2018, filed,

1. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

2. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver’s certificate to the Purchaser substantially in the form attached as Schedule A hereto (the “**Receiver's Certificate**”), all of the Debtor’s right, title and interest in and to the Purchased Assets described in the Sale Agreement, including, without limitation, all of the Debtor’s right, title and interest in and to the Real Property (as defined herein) listed on Schedule B hereto, shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts

(whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice <*> made <*>, 2018; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on **Schedule “C”** hereto (all of which are collectively referred to as the “Encumbrances”, which term shall not include the permitted encumbrances, easements and restrictive covenants listed on **Schedule “D”**) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the appropriate Land Titles Division of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in **Schedule “B”** hereto (the “**Real Property**”) in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in **Schedule “C”** hereto.

4. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver’s Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the

A-4

sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

5. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

6. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor,

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

7. **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

A-5

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.

A-6

Schedule "A" – Form of Receiver's Certificate

Court File No. <*>

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

<*>

Applicant

- and -

<*>

Respondent

APPLICATION UNDER SUBSECTION 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, AS AMENDED

RECEIVER'S CERTIFICATE

RECITALS

- I. Pursuant to an Order of the Honourable Justice <*> of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated <*>, 2018, A. Farber & Partners Inc. ("**Farber**") was appointed as receiver (in such capacity, the "**Receiver**"), without security, of all of the assets, undertakings and properties of Waxman Realty Company Inc. ("**Waxman**") and 1340923 Ontario Inc. (together with Waxman, the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, including the proceeds thereof (the "**Property**").

- II. Pursuant to an Order of the Court dated <*>, 2018, the Court approved the agreement of purchase and sale between the Receiver, as vendor, and American Iron & Metal Company Inc. (the "**Purchaser**"), as purchaser, dated <*>, 2018 (the "**Sale Agreement**"), and provided for the

A-7

vesting in the Purchaser of all the Debtor's right, title and interest in and to the Purchased Assets (as defined in the Sale Agreement), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming: (i) the payment by the Purchaser of the purchase price for the Purchased Assets; (ii) that the conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

III. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser;
3. The Transaction has been completed to the satisfaction of the Receiver; and
4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

A. FARBER & PARTNERS INC., solely in its capacity as the Court-appointed receiver of the Debtor, and not in its personal capacity or in any other capacity

Per: _____

Name:

Title:

A-8

Schedule "B" – Legal Description of the Real Property**PIN 07034-0014 (LT)**

PCL 7-8, SEC N12; PT LT 7, CON 3 SOUTH OF DUNDAS STREET, PT 1 20R4669,
EXCEPT PT 9 20R9466.; CITY OF BURLINGTON

Municipal Address: 4350 Harvester Road, Burlington, Ontario

PIN 32281-0152 (LT)

PT LT 39-40 CON 3 BRANTFORD CITY PTS 1 & 2 ON 2R6246 ; CITY OF BRANTFORD ,
S/T EASEMENT IN FAVOUR OF THE CORPORATION OF THE CITY OF BRANTFORD
OVER PT 2 ON 2R6246 AS IN BC32735

Municipal Address: 143 Adams Boulevard, Brantford, Ontario

A-9

Schedule "C"

Instruments to Be Deleted from Title to Real PropertyPIN 07034-0014 (LT)

Reg. No.	Date	Type	Amount	Parties From	Parties To
HR868013	2010/08/12	TRANSFER	\$4,220,000	DOVER INVESTCO INC.	WAXMAN REALTY COMPANY INC.
HR1070901	2012/12/13	CHARGE	\$3,000,000	WAXMAN REALTY COMPANY INC.	AMERICAN IRON & METAL GP INC.
HR1142193	2013/10/23	NOTICE	-	WAXMAN REALTY COMPANY INC. AMERICAN IRON & METAL GP INC.	AMERICAN IRON & METAL GP INC.
HR1446119	2017/04/11	LIEN	\$41,006	HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY C THE MINISTER OF NATIONAL REVENUE	-
HR1446123	2017/04/11	LIEN	\$81,797	HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY C THE MINISTER OF NATIONAL REVENUE	-

PIN 32281-0152 (LT)

Reg. No.	Date	Type	Amount	Parties From	Parties To
BC116720	2007/06/29	TRANSFER	\$1,899,170	VICANO DEVELOPMENTS LIMITED	1340923 ONTARIO INC.
BC234044	2012/12/13	CHARGE	\$3,000,000	1340923 ONTARIO INC.	AMERICAN IRON & METAL GP INC.

Claims

1. NASG Canada Inc. and Camille Bouliane and al., Court File Nr. CV-14-10606-00CL.
2. Morris Waxman and al. and Chester Waxman and al, Court File Nr. 07-CL-6901.

A-10

Schedule "D" – Permitted Encumbrances, Easements and Restrictive Covenants

PIN 07034-0014 (LT)

Reg. No.	Date	Type	Amount	Parties From	Parties To
119980	1961/01/25	BYLAW	-	-	-
H63200	1975/10/07	Notice	-	-	THE CORPORATION OF THE CITY OF BURLINGTON
20R4669	1980/02/21	PLAN REFERENCE	-	-	
H271116	1986/05/07	NOTICE	-	-	THE CORPORATION OF THE CITY OF BURLINGTON
HR868018	2010/08/12	NOTICE OF LEASE	-	WAXMAN REALTY COMPANY INC.	WAXMAN INDUSTRIAL SERVICES CORP.
HR1071402	2012/12/14	TRANSFER	\$2,500,000	WAXMAN REALTY COMPANY INC.	AMERICAN IRON & METAL GP INC.
HR1321803	2015/12/09	APL CH NAME OWNER	-	AMERICAN IRON & METAL GP INC.	AMERICAN IRON & METAL COMPANY INC.
HR1331162	2016/01/21	NOTICE OF LEASE	-	AMERICAN IRON & METAL COMPANY INC. WAXMAN REALTY COMPANY INC.	WC ENERCO INC.
HR1331179	2016/01/21	NO CHARGE LEASE	\$11,797,135	WC ENERCO INC.	ROYAL BANK OF CANADA
HR1331180	2016/01/21	NO SEC INTEREST	\$11,797,135	ROYAL BANK OF CANADA	-

PIN 32281-0152 (LT)

Reg. No.	Date	Type	Amount	Parties From	Parties To
2R1058	1977/05/31	PLAN REFERENCE	-	-	-
2R3388	1989/09/28	PLAN REFERENCE	-	-	-
2R6246	2004/02/26	PLAN REFERENCE	-	-	-
BC32735	2004/03/02	TRANSFER EASEMENT	\$1	VICANO DEVELOPMENTS LIMITED	THE CORPORATION OF THE CITY OF BRANTFORD
BC116723	2007/06/29	CHARGE	\$2,050,000	1340923 ONTARIO INC.	BUSINESS DEVELOPMENT BANK OF CANADA
BC116728	2007/06/29	NO ASSGN RENT GEN	-	1340923 ONTARIO INC.	BUSINESS DEVELOPMENT BANK OF CANADA
BC234161	2012/12/14	TRANSFER	\$750,000	1340923 ONTARIO INC.	AMERICAN IRON & METAL GP INC.

B-1

SCHEDULE "B"
PERMITTED ENCUMBRANCES

PIN 07034-0014 (LT)

Reg. No.	Date	Type	Amount	Parties From	Parties To
119980	1961/01/25	BYLAW	-	-	-
H63200	1975/10/07	Notice	-	-	THE CORPORATION OF THE CITY OF BURLINGTON
20R4669	1980/02/21	PLAN REFERENCE	-	-	
H271116	1986/05/07	NOTICE	-	-	THE CORPORATION OF THE CITY OF BURLINGTON
HR868018	2010/08/12	NOTICE OF LEASE	-	WAXMAN REALTY COMPANY INC.	WAXMAN INDUSTRIAL SERVICES CORP.
HR1321803	2015/12/09	APL CH NAME OWNER	-	AMERICAN IRON & METAL GP INC.	AMERICAN IRON & METAL COMPANY INC.
HR1331162	2016/01/21	NOTICE OF LEASE	-	AMERICAN IRON & METAL COMPANY INC. WAXMAN REALTY COMPANY INC.	WC ENERCO INC.
HR1331179	2016/01/21	NO CHARGE LEASE	\$11,797,135	WC ENERCO INC.	ROYAL BANK OF CANADA
HR1331180	2016/01/21	NO SEC INTEREST	\$11,797,135	ROYAL BANK OF CANADA	-

PIN 32281-0152 (LT)

Reg. No.	Date	Type	Amount	Parties From	Parties To
2R1058	1977/05/31	PLAN REFERENCE	-	-	-
2R3388	1989/09/28	PLAN REFERENCE	-	-	-
2R6246	2004/02/26	PLAN REFERENCE	-	-	-
BC32735	2004/03/02	TRANSFER EASEMENT	\$1	VICANO DEVELOPMENTS LIMITED	THE CORPORATION OF THE CITY OF BRANTFORD
BC116723	2007/06/29	CHARGE	\$2,050,000	1340923 ONTARIO INC.	BUSINESS DEVELOPMENT BANK OF CANADA
BC116728	2007/06/29	NO ASSGN RENT GEN	-	1340923 ONTARIO INC.	BUSINESS DEVELOPMENT BANK OF CANADA
BC234161	2012/12/14	TRANSFER	\$750,000	1340923 ONTARIO INC.	AMERICAN IRON & METAL GP INC.

C-1

SCHEDULE "C"
LEGAL DESCRIPTION OF REAL PROPERTY

BURLINGTON PROPERTY:

PIN 07034-0014 (LT)

PCL 7-8, SEC N12; PT LT 7, CON 3 SOUTH OF DUNDAS STREET, PT 1 20R4669, EXCEPT PT 9 20R9466.; CITY OF BURLINGTON.

Municipal Address: 4350 Harvester Road, Burlington, Ontario

BRANTFORD LANDS:

PIN 32281-0152 (LT)

PT LT 39-40 CON 3 BRANTFORD CITY PTS 1 & 2 ON 2R6246 ; CITY OF BRANTFORD , S/T EASEMENT IN FAVOUR OF THE CORPORATION OF THE CITY OF BRANTFORD OVER PT 2 ON 2R6246 AS IN BC32735

Municipal Address: 143 Adams Boulevard, Brantford, Ontario

D-1

**SCHEDULE D
CLAIMS**

1. Morris Waxman et. al. v. Chester Waxman et. al. 07-CL-6901
2. NASG Canada Inc. v. Joseph Howard Camile Bouliane et. al. CV-14-10606-00CL

American Iron & Metal Company Inc.
Applicant and 1340923 Ontario Inc. et al
Respondents

Court File No.: CV-18-595577-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at TORONTO

AFFIDAVIT OF KAMILA WIRPSZO
(Sworn April 11, 2018)

McMILLAN LLP
Brookfield Place
181 Bay Street, Suite 4400
Toronto, ON, M5J 2T3

Wael Rostom LS#:43165S
Tel: 416-865-7790
Fax: 416-865-7048

Stephen Brown-Okruhlik LS#: 66576P
Tel: 416-865-7043
Fax: 416-865-7048

Lawyers for the Applicant

TAB 3

Court File No. CV-18-595577-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MR. JUSTICE HAINEY)))	FRIDAY, THE 20th DAY OF APRIL, 2018
--	-------------	--

AMERICAN IRON & METAL COMPANY INC.

Applicant

- and -

1340923 ONTARIO INC. and
WAXMAN REALTY COMPANY INC.

Respondents

APPLICATION UNDER SUBSECTION 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, AS AMENDED**

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 A. Farber & Partners Inc. as receiver (in such capacity, the "**Receiver**") without security, of all of the assets, undertakings and properties of 1340923 Ontario Inc. and Waxman Realty Company Inc. (the "**Debtors**") acquired for, or used in relation to a business carried on by the Debtors, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Kamila Wirpszo sworn April 11, 2018 (the “**Wirpszo Affidavit**”) and the Exhibits thereto and the Report to the Court of the Proposed Receiver (the “**Proposed Receiver’s Report**”), and on hearing the submissions of counsel for the applicant and the respondent, no one appearing for any other person on the service list although duly served as appears from the affidavit of service of Margie Napolitano sworn April 12, 2018 and on reading the consent of A. Farber & Partners Inc. to act as the Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application is hereby abridged and validated so that this motion 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, A. Farber & Partners Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtors acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (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 Debtors, if any, including the powers to enter into any agreements, incur any obligations in the ordinary course of business,
- d) to cease to carry on all or any business, or cease to perform any contracts of the Debtors;
- e) 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;
- f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- g) to settle, extend or compromise any indebtedness owing to the Debtors;
- 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 Debtors, or any of them, 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 Debtors, or any of them, 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 \$5,000, provided that the aggregate consideration for all such transactions does not exceed \$25,000; and
- (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required, 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 Debtors;
- p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, or any of them, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
- q) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have; and

- r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.
- s) and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtors, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtors, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on their 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 Debtors, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the

information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

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 DEBTORS OR THE PROPERTY

9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtors 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 Debtors 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 Debtors, 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 Debtors to carry on any business which the Debtors are not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors 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 Debtors, or any of them, 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 Debtors, or any of them, 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 Debtors 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 Debtors' 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 Debtors 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 Debtors shall remain the employees of the Debtors until such time as the Receiver, on the Debtors' 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 Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

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

LIMITATION ON THE RECEIVER'S LIABILITY

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

RECEIVER'S ACCOUNTS

18. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver 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 Commercial List of the Ontario Superior Court of Justice.

20. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, 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 \$75,000 (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/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 of the Rules of Civil Procedure (Ontario) (the "**Rules**") this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules. Subject to Rule 3.01(d) of the Rules 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 <https://farbergroup.com/engagements/waxman-realty>.

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 Debtors' creditors or other interested parties at their respective addresses as last shown on the records of the Debtors 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 Confidential Exhibit to the Wirpszo Affidavit be and is hereby sealed pending further Order of this Court.

28. THIS COURT ORDERS that the Confidential Appendices to the Proposed Receiver's Report be and are hereby sealed pending further Order of this Court.

29. 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.

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

31. 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.

32. 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.

33. THIS COURT ORDERS that the Applicant shall have its costs of this motion, 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 Debtors' estates with such priority and at such time as this Court may determine.

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

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$_____

35. THIS IS TO CERTIFY that A. Farber & Partners Inc., the receiver (the "Receiver") of the assets, undertakings and properties of 1340923 Ontario Inc. and Waxman Realty Company Inc. (the "Debtors") acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the 20th day of April, 2018 (the "Order") made in an action having Court file number CV-18-595577-00CL, 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.

36. 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.

37. 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.

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

39. 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.

40. 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.

41. 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__.

A. Farber & Partners Inc., solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

**AMERICAN IRON & METAL COMPANY
INC.**
Applicant

and

**1340923 ONTARIO INC. and
WAXMAN REALTY COMPANY INC.**

Respondents

Court File No: CV-18-595577-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

O R D E R

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Lawyers for the Applicant

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

Court File No. ~~_____~~ CV-18-595577-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE _____ <u>MR.</u>)	WEEKDAY <u>FRIDAY</u> , THE # <u>20th</u>
)	
JUSTICE _____ <u>HAINES</u>)	DAY OF MONTH <u>APRIL</u> , 20YR <u>2018</u>

~~PLAINTIFF~~[†]

~~Plaintiff~~

AMERICAN IRON & METAL COMPANY INC.

Applicant

- and -

~~DEFENDANT~~

~~Defendant~~

1340923 ONTARIO INC. and
WAXMAN REALTY COMPANY INC.

Respondents

APPLICATION UNDER SUBSECTION 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, AS AMENDED

ORDER
(appointing Receiver)

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

THIS ~~MOTION~~APPLICATION made by the ~~Plaintiff~~²Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing ~~[RECEIVER'S NAME]~~A. Farber & Partners Inc. as receiver ~~[and manager]~~ (in such ~~capacities~~capacity, the "Receiver") without security, of all of the assets, undertakings and properties of ~~[DEBTOR'S NAME]~~ (the "Debtor"1340923 Ontario Inc. and Waxman Realty Company Inc. (the "Debtors") acquired for, or used in relation to a business carried on by the ~~Debtor~~Debtors, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of ~~[NAME]~~Kamila Wirpszo sworn ~~[DATE]~~April 11, 2018 (the "Wirpszo Affidavit") and the Exhibits thereto and the Report to the Court of the Proposed Receiver (the "Proposed Receiver's Report"), and on hearing the submissions of counsel for ~~[NAMES]~~the applicant and the respondent, no one appearing for ~~[NAME]~~any other person on the service list although duly served as appears from the affidavit of service of ~~[NAME]~~Margie Napolitano sworn ~~[DATE]~~April 12, 2018 and on reading the consent of ~~[RECEIVER'S NAME]~~A. Farber & Partners Inc. to act as the Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of ~~Motion~~Application and the ~~Motion~~Application is hereby abridged and validated³ so that this motion 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, ~~[RECEIVER'S NAME]~~A. Farber & Partners Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the ~~Debtor~~Debtors acquired for, or used in relation to a business carried on by the ~~Debtor~~Debtors, including all proceeds thereof (the "Property").

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

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

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) ~~(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) ~~(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) ~~(c)~~ to manage, operate, and carry on the business of the ~~Debtor~~ Debtors, if any, including the powers to enter into any agreements, incur any obligations in the ordinary course of business,
- d) to cease to carry on all or any ~~part of the~~ business, or cease to perform any contracts of the ~~Debtor~~ Debtors;
- e) ~~(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) ~~(f)~~ to receive and collect all monies and accounts now owed or hereafter owing to the ~~Debtor~~ Debtors and to exercise all remedies of the ~~Debtor~~ Debtors in collecting such monies, including, without limitation, to enforce any security held by the ~~Debtor~~ Debtors;

- g) ~~(g)~~ to settle, extend or compromise any indebtedness owing to the ~~Debtor~~Debtors;
- h) ~~(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~~Debtors, or any of them, for any purpose pursuant to this Order;
- i) ~~(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~~Debtors, or any of them, the Property or the Receiver, and to settle or compromise any such proceedings.⁴ The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- j) ~~(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) ~~(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 \$~~_____~~5,000, provided that the aggregate consideration for all such transactions does not exceed \$~~_____~~25,000; and
- (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;
- and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, ~~for~~ section 31 of the Ontario *Mortgages*

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

Act, as the case may be,⁵ shall not be required, and in each case the *Ontario Bulk Sales Act* shall not apply.

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

⁵ ~~If the Receiver will be dealing with assets in other provinces, consider adding references to applicable statutes in other provinces. If this is done, those statutes must be reviewed to ensure that the Receiver is exempt from or can be exempted from such notice periods, and further that the Ontario Court has the jurisdiction to grant such an exemption.~~

defined below), including the ~~Debtor~~Debtors, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the ~~Debtor~~Debtors, (ii) all of ~~its~~their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on ~~its~~their 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~~Debtors, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the

information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

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~~DEBTORS OR THE PROPERTY

9. THIS COURT ORDERS that no Proceeding against or in respect of the ~~Debtor~~Debtors 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~~Debtors 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~~Debtors, 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~~Debtors to carry on any business which the ~~Debtor is~~Debtors are not lawfully entitled to carry on, (ii) exempt the Receiver or the ~~Debtor~~Debtors 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~~Debtors, or any of them, 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~~Debtors, or any of them, 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~~Debtors 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~~Debtors' 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~~Debtors 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~~Debtors shall remain the employees of the ~~Debtor~~Debtors until such time as the Receiver, on the ~~Debtor's~~Debtors' 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~~[Debtors](#), and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

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

LIMITATION ON THE RECEIVER'S LIABILITY

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

RECEIVER'S ACCOUNTS

18. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to

the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.⁶

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

20. 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 \$~~_____~~75,000 (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.

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

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/http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 [of the Rules of Civil Procedure \(Ontario\) \(the "Rules"\)](#) 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 ~~<@>~~ <https://farbergroup.com/engagements/waxman-realty>.

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~~Debtors' creditors or other interested parties at their respective addresses as last shown on the records of the ~~Debtor~~Debtors 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 Confidential Exhibit to the Wirpszo Affidavit be and is hereby sealed pending further Order of this Court.

28. THIS COURT ORDERS that the Confidential Appendices to the Proposed Receiver's Report be and are hereby sealed pending further Order of this Court.

29. ~~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.

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

31. ~~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.

32. ~~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.

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

34. ~~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.

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

35. ~~1-~~ THIS IS TO CERTIFY that ~~[RECEIVER'S NAME]~~ A. Farber & Partners Inc., the receiver (the "Receiver") of the assets, undertakings and properties ~~[DEBTOR'S NAME]~~ of 1340923 Ontario Inc. and Waxman Realty Company Inc. (the "Debtors") acquired for, or used in relation to a business carried on by the ~~Debtor~~ Debtors, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the 20th day of April, ~~20~~ 2018 (the "Order") made in an action having Court file number ~~CL~~ CV-18-595577-00CL, 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.

36. ~~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.

37. ~~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.

38. ~~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.

39. ~~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.

40. ~~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.

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

DATED the ____ day of _____, 20__.

~~[RECEIVER'S NAME]~~ A. Farber & Partners Inc., solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____
Name:
Title:

AMERICAN IRON & METAL
COMPANY INC.
Applicant

and 1340923 ONTARIO INC. and
WAXMAN REALTY COMPANY
INC.

Court File No: CV-18-595577-00CL

Respondents

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

ORDER

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Input:	
Document 1 ID	interwovenSite://DMS/LEGAL/28933071/1
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Document 2 ID	interwovenSite://DMS/LEGAL/28932599/4
Description	#28932599v4<LEGAL> - Receivership Order - April 20, 2018
Rendering set	Standard

Legend:	
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Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	118
Deletions	139
Moved from	0

TAB 4

Court File No. CV-18-595577-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MR.)	FRIDAY, THE 20th
)	
JUSTICE HAINEY)	DAY OF APRIL, 2018

AMERICAN IRON & METAL COMPANY INC.

Applicant

- and -

1340923 ONTARIO INC. and
WAXMAN REALTY COMPANY INC.

Respondents

APPLICATION UNDER SUBSECTION 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, AS AMENDED**

ORDER
(Sale Process)

THIS APPLICATION made by the Applicant for, among other things, approval of the stalking horse sale process appended as Schedule “A” hereto (the “**Sale Process**”) to be administered by A. Farber & Partners Inc. (“**Farber**”), in its capacity as the Court-appointed receiver (in such capacity, the “**Receiver**”) of all the assets, undertakings and properties of the Respondents (the “**Debtors**”), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Kamila Wirpszo sworn April 11, 2018 and the Exhibits thereto and the Report of Farber in its proposed capacity of the Receiver dated

April [date], 2018 (the “**First Report**”), and on hearing the submissions of counsel for the Applicant, the Receiver and such other counsel as were present, no one appearing for any other person on the service list, although duly served as appears from the affidavit of service of Margie Napolitano sworn April 12, 2018,

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

2. THIS COURT ORDERS that the Sale Process be and is hereby approved and the Receiver be and is hereby authorized to conduct the Sale Process, including, without limitation and if applicable, the Auction (as defined in the Sale Process), and to perform its obligations thereunder.

3. THIS COURT ORDERS that the asset purchase agreement executed by the Applicant, substantially in the form attached to the First Report (the “**Stalking Horse Agreement**”), be and is hereby approved as the Stalking Horse Bid (as defined in the Sale Process).

4. THIS COURT ORDERS that the Receiver be and is hereby authorized to execute the Stalking Horse Agreement and to perform its obligations thereunder.

5. THIS COURT ORDERS that the Break Fee provided for (and defined) in the Stalking Horse Agreement be and is hereby approved, and that the Receiver is authorized and directed to pay Break Fee to the Stalking Horse Bidder forthwith in the event that such Break Fee becomes owing pursuant to the terms and conditions of the Stalking Horse Agreement.

6. THIS COURT ORDERS that to secure the Receiver’s obligations to pay the Break Fee, as provided for in paragraph 5 of this Order, the Stalking Horse Bidder is hereby granted a first ranking priority charge over the Real Property Interests (as defined in the Sale Process) up to an amount not exceeding the amount of the Break Fee.

GENERAL

7. 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, to grant representative status to the Receiver in any foreign proceeding, or to assist the Receiver and its agents in carrying out the terms of this Order.

8. 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.

SCHEDULE "A"

STALKING HORSE SALE PROCESS

Purpose

1. The within stalking horse sale process (the “**Stalking Horse Sale Process**”) will be conducted by A. Farber & Partners Inc. in its capacity as court-appointed receiver (the “**Receiver**”) of all the assets, undertakings and properties of Waxman Realty Company Inc. (“**Waxman**”) and 1340923 Ontario Inc. (together with Waxman, the “**Debtors**”), in consultation with the Debtors’ stakeholders, as the Receiver deems appropriate. The purpose of the Stalking Horse Sale Process is to identify one or more purchasers of all the Debtors’ right, title and interest in and to (and only to the extent of all the Debtors’ right, title and interest in and to) (collectively, the “**Real Property Interests**”): (i) the real property municipally known as 143 Adams Boulevard in Brantford, Ontario and legally described in PIN 32281-0152 (LT); and (ii) the real property municipally known as 4350 Harvester Road in Burlington, Ontario and legally described in PIN 07034-0014 (LT).
2. Unless otherwise indicated herein, any event that occurs on a day that is not a business day shall be deemed to occur on the next business day.

Sale Process Procedures

3. The Receiver will compile a list of prospective purchasers (together with any other party expressing an interest in the Real Property Interests, the “**Interested Parties**”). The Receiver will make best efforts to canvass the interest of all Interested Parties.
4. The Sale Process will be conducted by the Receiver and will provide Interested Parties with the opportunity to submit offers to purchase the Real Property Interests.
5. The Receiver shall cause a notice of the Stalking Horse Sale Process to be published in The Globe and Mail (National Edition), as well as any other publications as the Receiver may deem appropriate, within five (5) days following the issuance an Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) approving the Stalking Horse Sale Process (the “**Stalking Horse Sale Process Order**”), or as soon as practicable thereafter.

6. After the issuance of the Stalking Horse Sale Process Order, the Receiver will distribute to Interested Parties an interest solicitation letter (the **"Teaser"**) which will provide an overview of the opportunity to purchase the Real Property Interests. A form of confidentiality agreement (**"CA"**) will be attached to the interest solicitation letter that Interested Parties will be required to sign in order to gain access to confidential information and to commence performing due diligence (each Interested Party who signs a CA being referred to herein as, a **"Prospective Offeror"**).
7. The Receiver will provide to each Prospective Offeror access to an electronic data room (which will include certain financial and other information with respect to the Real Property Interests). The Receiver will also facilitate diligence by Prospective Offerors, including arranging site visits.
8. Information pertaining to the Stalking Horse Sale Process will be posted on the Receiver's website, including the within Stalking Horse Sales Process Terms, the Stalking Horse Sale Process Order, a CA and the Agreement of Purchase and Sale, dated April •, 2018 (the **"Stalking Horse Bid"**), between the Receiver and American Iron & Metal Company Inc. (**"AIM"** or the **"Stalking Horse Bidder"**).
9. The Receiver shall have the right to limit any Prospective Offeror's access to confidential information. This will include limiting access, if deemed appropriate, to parties who the Receiver reasonably believes are not likely to be serious offerors.

Submission of Offers

10. In order to be accepted by the Receiver, any competing bid (each, a **"Competing Bid"**) for the Real Property Interests must be on substantially the same terms and conditions as those contained in the Stalking Horse Bid, except with respect to the Purchase Price (as defined in the Stalking Horse Bid). Any Competing Bid accepted by the Receiver as a superior bid to the Stalking Horse Bid is, in each case, a **"Superior Bid"**.
11. The Receiver shall, in its sole discretion, determine whether any Competing Bid is a Superior Bid, provided that no Competing Bid shall qualify as a Superior Bid unless it meets the following minimum criteria:

- (a) it must be received by the Receiver, in its entirety, by no later than the Bid Deadline (as set out in the Sale Process Timeline below);
 - (b) it must be submitted in the form of a duly executed agreement of purchase and sale, blacklined against the Stalking Horse Bid, showing any and all variations from the Stalking Horse Bid;
 - (c) it must be accompanied by a cash deposit (the “**Deposit**”) in an amount equal to the sum of ten percent of the aggregate purchase price of such Competing Bid by way of certified cheque or wire, payable pursuant to the terms of such Competing Bid, and which is not subject to any encumbrances;
 - (d) it must remain open for acceptance and completion until approval by the Court of an agreement of purchase and sale in respect of the Real Property Interests;
 - (e) it must be on terms no less favourable and no more burdensome or conditional than the terms of the Stalking Horse Bid;
 - (f) it must not contain any contingency relating to due diligence or financing or any other material conditions precedent to the bidder's obligation to close that are not otherwise contained in the Stalking Horse Bid;
 - (g) it must be made by one or more bidders who can demonstrate the financial ability to consummate the transaction contemplated by such Competing Bid on the terms specified therein; and
 - (h) it must be for an aggregate purchase price at least equal to the sum of the Purchase Price (as defined in the Stalking Horse Bid) plus the Break Fee (as defined in the Stalking Horse Bid) and an additional minimum increment of \$150,000.
12. The Deposit will be refunded in the event a Competing Bid, as submitted, is not accepted by the Receiver or if a party who submitted a Superior Offer is not the Winning Bidder (defined below).

The Winning Bid and Auction Process

13. In the event that one or more Superior Bid is lodged with the Receiver in accordance with the terms hereof, the Receiver will distribute the following documentation by no later than 5:00 p.m. (Toronto time) on May 24, 2018 to the Stalking Horse Bidder and the maker(s) of each Superior Bid:
- (a) an invitation to an auction of the Real Property Interests to be held on or before 5:00 p.m. (Toronto time) on May 25, 2018 at the offices of the Receiver (the **"Auction"**);
 - (b) a copy of the bid that the Receiver, acting in its sole and unfettered discretion, having regard to all the features of the bids, believes to be the most favourable bid as between the Stalking Horse Bid and all the Superior Bids (the **"Lead Bid"**); and
 - (c) a copy of a set of rules for the conduct of the Auction, to be established by the Receiver, acting in its sole and unfettered discretion, with a view of maximizing the purchase price for the Real Property Interests (the **"Auction Rules"**), provided that the Auction Rules shall in all events provide that: (i) all bids made at the Auction shall be in accordance with the terms and conditions of the Lead Bid, except for the aggregate purchase price which will be subject to improvement through bidding in the Auction; (ii) each bid made in the course of the Auction shall exceed the aggregate purchase price payable pursuant to the preceding bid (or, in the case of the first bid made at the Auction, the Lead Bid) by no less than \$50,000; and (iii) the highest bid received at the Auction shall be the winning bid (the **"Winning Bid"**).
14. Upon acceptance of the Winning Bid at the Auction, there shall be a binding agreement of purchase and sale between the successful winning bidder (the **"Winning Bidder"**) and the Receiver (the **"Winning Bid Agreement"**), in which case the Winning Bid Agreement shall be constituted by:
- (a) the Stalking Horse Bid or the agreement of purchase and sale submitted to the Receiver by the Winning Bidder, as the case may be, and as amended pursuant to the Auction; and
 - (b) the acceptance of the Winning Bid.

15. In the event that there is no Superior Bid lodged with the Receiver in accordance with the terms hereof, the Stalking Horse Bid and the Stalking Horse Bidder shall be declared to be the Winning Bid, the Winning Bid Agreement and the Winning Bidder, as applicable.
16. Once the Winning Bid Agreement is determined, the Receiver will bring a motion to the Court seeking approval of the Winning Bid Agreement, vesting the Real Property Interests in and to the Winning Bidder and authorizing the Receiver to undertake such actions as may be necessary or appropriate to carry out the sale transaction.

Other Terms

17. At any time during the Sale Process, the Receiver may, upon reasonable notice to the service list, apply to the Court for advice and directions with respect to the discharge of its powers and duties hereunder.
18. The sale of the Real Property Interests is strictly on an "as is, where is" basis.
19. Other than as provided in the Stalking Horse Bid, no other party shall be paid any break, termination or similar fee. For greater certainty, all Interested Parties, bidders and the Winning Bidder shall be responsible for their own fees, including legal fees, and costs relating to any transaction.
20. The Receiver, in consultation with AIM, may amend, supplement or terminate this sale procedure.

Sale Process Timeline

	Event	Timing
1.	Compile a list of interested parties through consultation with the Debtors and the Farber network of advisors and investors in the real estate sector	On or before April 20, 2018
2.	Send a teaser (the " Teaser ") and confidentiality agreement (" CA ") to all parties identified by Farber and the Debtors as potentially having an interest in the purchased assets (the " Purchased Assets ").	Within 2 business days of issuance of the Stalking Horse Sale Process Order (referred to as the " Sale Process Order ")

	Event	Timing
3.	<p>Information pertaining to this opportunity will be posted on the Receiver's website: www.farbergroup.com which will include:</p> <ul style="list-style-type: none"> • A copy of the Stalking Horse Agreement of Purchase and Sale between the Receiver and American Iron & Metal Company Inc. (the "Purchaser"); • The Stalking Horse Sales Process and related terms and conditions; • The Sale Process Order; and • A CA from the Receiver. 	Within 2 business days of issuance of the Sale Process Order
4.	The Proposal Trustee shall advertise the Real Property Interests and Sale Process in <i>The Globe & Mail</i> (National Edition).	Within 5 business days of the Sale Process Order
5.	Interested Parties expressing an interest in participating in the Stalking Horse Sale Process will be required to execute the CA, upon which execution Interested Parties will receive available information in respect of the Purchased Assets and Stalking Horse Sale Process, including access to the Receiver's virtual data room, once established, which will also include a Confidential Information Memorandum (" CIM ") setting out the purchase opportunity. In addition, parties wishing to undertake further due diligence will be provided with an opportunity to conduct site visits and review further additional information not available from the virtual data room. Any such sites visits are to be coordinated through the Receiver.	Through to no later than May 22, 2018
6.	<p>Interested Parties will have until 4:00 pm Eastern Daylight Time, on Tuesday, May 22, 2018 (the "Bid Deadline") to submit competing bids (hereinafter called "Competing Bids"), each of which must be pursuant to the Stalking Horse Bidding Procedures and, amongst other matters, will include a cash deposit equal to 10% of the Interested Party's Bid for the Real Property Interests (the "Deposit"). The Deposit will be refunded in the event an Offer, as submitted, is not accepted by the Receiver.</p> <p>Competing Bids are to be made using the Stalking Horse Agreement of Purchase and Sale ("APS") template and are to be without conditions, other than a condition for Court Approval.</p>	On or before 4:00 PM (EDT), May 22, 2018

	Event	Timing
7.	<p>In the event one or more superior bids ("Superior Bids") are lodged with the Receiver, in accordance with the Sale Process Order, the Receiver will distribute the following documents by no later than 5:00 p.m. EDT on May 24, 2018 to the Purchaser and each party that makes a Superior Bid:</p> <ul style="list-style-type: none"> • An invitation to an auction of the Purchased Assets to be held on or before 5:00 p.m. on May 25, 2018; • A copy of the bid that the Receiver, in its sole and unfettered discretion, believes to be the most favourable bid as between the Stalking Horse Bid and all of the Superior Bids (the "Lead Bid"); • A copy of a set of rules for the Auction established by the Receiver acted in its sole and unfettered discretion with a view of maximizing the purchase price of the Purchased Assets <p>In the event the Receiver selects a Competing Bid at the Auction, there shall be a binding agreement of purchase and sale between the winning bidder ("Winning Bidder"), while the Stalking Horse bidder will be paid the Break Fee following the closing of the sale with the Winning Bidder.</p>	On or prior to 5:00 p.m. EDT on May 25, 2018.
8.	In the event there is no Superior Bid lodged with the Receiver, the Purchaser shall be declared the Winning Bidder.	On or prior to May 25, 2018
9	Once the Winning Bid Agreement is determined (either item 7 or 8) the Receiver will make a motion to Court to obtain an Approval and Vesting Order on or prior to June 8, 2018	On or prior to June 8, 2018
11	Closing of the sale with the Winning Bidder on or prior to June 20, 2018.	On or prior to June 20, 2018

American Iron & Metal Company Inc.
Applicant

and

1340923 Ontario Inc. et al
Respondents

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE -
COMMERCIAL LIST

Proceeding commenced at Toronto

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Applicant and Respondents

Court File No.: CV-18-595577-00CL

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APPLICATION RECORD

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