RBC Royal Bank

[redacted]

Royal Bank of Canada
700 – 1871 Hollis Street
Halifax, Nova Scotia B3J 0C3

[redacted]

February 24, 2025

Deloitte Restructuring Inc.
Suite 800, 1741 Lower Water Street
Halifax, NS B3J 0J2

Attention: James Foran

Dear Sirs:

Re: David Levine, Sir Humphrey Limited, and First Metro Commercial Realty Corporation (the "Levine Group" or the "Company")

David Levine (**"Levine"**), Sir Humphrey Limited (**"SHL"**), and First Metro Commercial Realty Corporation (**"FMCR"**) (collectively, the **"Companies"**) are currently indebted to the Royal Bank of Canada (the **"Secured Creditor"**) in the aggregate amount of $1,763,315.13, which indebtedness is secured by the following (collectively the **"Security"**):

Levine

- Collateral mortgage dated December 20, 2012 in the amount of $250,000 in respect of real property at 168 Water Street, St John's, unconditionally guaranteed by FMCR, and registered at the Registry as #572225 on December 20, 2012;
- General assignment of rents from Levine in respect of real property at 168 Water Street, St John's, NL dated December 20, 2012 and registered in the Registry on December 20, 2012 as # 572226;
- A site-specific security agreement from Levine over personal property in relation to 168 Water Street, St John's, NL dated December 20, 2012 and registered in the PPR on December 18, 2012 as # 10619377;
- A guarantee and postponement of claim dated December 12, 2012 granted by FMCR in favour of the Bank limited to the amount of $250,000
- Mortgage dated March 27, 2019 from Levine in the amount of $1,000,000 in respect of real property at 146-152 Water Street, St John's, registered at the Registry as #894569 on April 5, 2019;
- General assignment of rents from Levine in respect of real property at 146-152 Water Street, St John's, NL dated March 27, 2019 and registered in the Registry on April 5, 2019 as # 894570;
- A site-specific security agreement from Levine over personal property in relation to 146-152 Water Street, St John's, NL dated March 27, 2019 and registered in the PPR on April 2, 2019 as # 16793994;
- BDC Eligible Borrower Representations and Warranties of Levine and related Form of Waiver of FMCR, each dated on or about July 7, 2021;

SHL

- A first mortgage from SHL and Levine as co-borrowers, in the amount of $875,000 in respect of real property at 177-183 Duckworth Street, St John's dated September 15, 2017 and registered in the Registry on Sept. 19, 2017 as # 830875
- A general assignment of rents from SHL in respect of real property at 177-183 Duckworth Street, St John's, NL dated September 15, 2017 and registered in the Registry on Sept. 19, 2017 as # 830876; and
- A site-specific security agreement from SHL over personal property in relation to 177-183 Duckworth Street, St John's, NL dated September 13, 2017 and registered in the PPR on September 15, 2017 as # 15322506;

FMCR

- A collateral mortgage from FMCR and Levine as co-borrowers in the amount of $355,000 in respect of real property at 202 Water Street, St John's dated February 10, 2014 and registered in the Registry on February 21, 2014 as # 641781
- A general assignment of rents from FMCR in respect of real property at 202 Water Street, St John's, NL dated February 10, 2014 and registered in the Registry on February 21, 2014 as # 641782;
- A site-specific security agreement over personal property in relation to 202 Water Street, St John's, NL dated February 10, 2014 and registered in the PPR on February 17, 2014 as # 11710910;
- A first mortgage from FMCR, and Levine as co-borrower, in the amount of $432,000 in respect of real property at 302/304 Water Street, St John's dated February 10, 2014 and registered in the Registry on February 21, 2014 as # 641794
- A general assignment of rents from FMCR in respect of real property at 302/304 Water Street, St John's, NL dated February 10, 2014 and registered in the Registry on February 21, 2014 as # 641795; and
- A site-specific security agreement over personal property in relation to 302/304 Water Street, St John's, NL dated February 10, 2014 and registered in the PPR on February 17, 2014 as # 11711041;

Events of default have occurred and the Security (being in full force and effect) has now become enforceable. The Secured Creditor hereby appoints Deloitte Restructuring Inc. ("**Deloitte**") as Receiver and Manager (the "**Receiver**") with each and every power and authority specified in that regard by the Security including, without limitation, the power to take all steps to sell or otherwise dispose of the assets secured.

For greater certainty, all monies received by Deloitte after providing for all costs, charges and expenses of or incidental to the exercise of its powers, including legal fees, shall be applied in and towards the satisfaction of any and all obligations, debts and liabilities of the Companies to the Secured Creditor in such manner as the Secured Creditor in its sole discretion may direct.

The Secured Creditor agrees and undertakes to guarantee payment of Deloitte's reasonable fees, expenses, costs and disbursements (including, without limitation, reasonable legal fees on a scale as between a solicitor and his own client provided that the Secured Creditor's prior written consent to retain such legal counsel is first obtained) which Deloitte may incur in acting herein.

The rights and powers conferred hereby are in supplement to and not in substitution for any rights that the Secured Creditor may have from time to time.

DATED at Halifax, NS this 21st day of February, 2025.

ROYAL BANK OF CANADA

[redacted]

ACCEPTANCE OF APPOINTMENT

Deloitte Restructuring Inc. hereby accepts the foregoing appointment as Receiver and Manager as defined above for Royal Bank of Canada and agrees to act as such Receiver and Manager in accordance with the terms hereof.

DATED at Halifax, NS this 24th day of February 2025.

DELOITTE RESTRUCTURING INC.

Per:

James Foran, CPA, CA, CIRP, LIT
Senior Vice President