

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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

B E T W E E N:

**C & K MORTGAGE SERVICES INC., BAMBURGH HOLDINGS INC.,
YERUSHA INVESTMENTS INC., 1008118 ONTARIO LIMITED,
CANADIAN WESTERN TRUST COMPANY, E. MANSON INVESTMENTS LTD.,
CORY NOORLANDER, B & M HANDELMAN INVESTMENTS LTD.,
CAROL HANDELMAN, BEATRICE SPIEGEL, RANDY SPIEGEL,
STACEY SPIEGEL and COMFORT CAPITAL INC.**

Applicants

and

**VILLAGE DEVELOPMENTS INC., PAUL DEBATTISTA,
2865595 ONTARIO INC. and 2865594 ONTARIO INC.**

Respondents

APPLICATION RECORD

June 1, 2023

DICKINSON WRIGHT LLP

Barristers & Solicitors
199 Bay Street
Suite 2200, Box 447
Commerce Court Postal Station
Toronto, ON M5L 1G4

DAVID P. PREGER (36870L)

Email: dpreger@dickinsonwright.com

Tel: 416-646-4606

LISA S. CORNE (27974M)

Email: lcorne@dickinsonwright.com

Tel: 416-646-4608

Lawyers for the Applicants

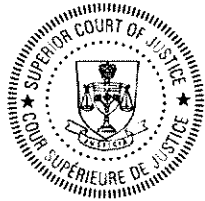
TO: **SERVICE LIST**

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Court File No.

**ONTARIO
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**IN THE MATTER OF SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*,
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 ACT, R.S.O. 1990 C. C.43, AS AMENDED**

B E T W E E N:

(Court Seal)

**C & K MORTGAGE SERVICES INC., BAMBURGH HOLDINGS INC.,
 YERUSHA INVESTMENTS INC., 1008118 ONTARIO LIMITED,
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 STACEY SPIEGEL and COMFORT CAPITAL INC.**

Applicants

- and -

**VILLAGE DEVELOPMENTS INC., PAUL DEBATTISTA,
 2865595 ONTARIO INC. and 2865594 ONTARIO INC.**

Respondents

NOTICE OF APPLICATION

TO THE RESPONDENTS

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

THIS APPLICATION will come on for a hearing *(choose one of the following)*

- ☐ In person
- ☐ By telephone conference
- ☒ By video conference

at the following location:

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Commercial List Court, 330 University Avenue, Toronto, ON

(Courthouse address or telephone conference or video conference details, such as a dial-in number, access code, video link, etc. if applicable)

on **June 13, 2023 at 9:30am** before a judge presiding over the Commercial List to set a date for the hearing of the application. *(or on a day to be set by the registrar).*

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 Applicants' lawyer or, where the Applicants do not have a lawyer, serve it on the Applicants, 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 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 Applicants' lawyer or, where the Applicants do not have a lawyer, serve it on the Applicants, 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 June 2, 2023 Issued by Local Registrar

Address of court office: Superior Court of Justice
 330 University Avenue, 9th Floor
 Toronto ON
 M5G 1R7

TO: **VILLAGE DEVELOPMENTS INC.**
 7686 Appleby Line
 Milton ON L9E 0N

AND TO: **PAUL DEBATTISTA**
 7686 Appleby Line
 Milton ON L9E 0N1

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AND TO: **2865595 ONTARIO INC.**
7686 Appleby Line
Milton ON L9E 0N1

AND TO: **2865594 ONTARIO INC.**
7686 Appleby Line
Milton ON L9E 0N1

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APPLICATION

1. The Applicants make application for:
 - (a) if necessary, an Order abridging and validating the time for service and filing of this Notice of Application and the Application Record and dispensing with further service thereof;
 - (b) an Order, in the form attached hereto as Schedule “A”, pursuant to section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3 (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C-43 (the “**CJA**”), appointing Alvarez & Marsal (Canada) Inc. as receiver and manager (in such capacities, the “**Receiver**”) of all of the assets, undertakings and properties of the Respondents (individually, a “**Debtor**” and, collectively, the “**Debtors**”), including and without in any way limiting the generality of the foregoing, the properties known municipally as 248 and 250 Martin Street, Milton, Ontario, 72 Ontario Street and 446 Pine Street, Milton, Ontario, 7686 Appleby Line, Milton, Ontario, 194 Bronte Street South, Milton, Ontario and 17 Bronte Street South, Milton, Ontario (collectively, the “**Properties**”), and all proceeds thereof;
 - (c) its costs of this proceeding, plus all applicable taxes; and
 - (d) such further and other relief as to this Honourable Court may seem just.
2. The grounds for the application are:

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- (a) the Debtor Paul DeBattista is a real estate developer. The three corporate Debtors are Ontario corporations controlled by Mr. DeBattista;
- (b) collectively, the Applicants advanced six separate loans to the Debtors, in the aggregate principal amount of \$9.6 Million (collectively, the “Loans”);
- (c) each of the Loans is secured by a senior ranking charge registered against one of the Properties. The Applicants also hold security over the personal property of the Debtors, notice of which is registered under the *Personal Property Security Act* (Ontario);
- (d) on April 1, 2023, each of the Debtors defaulted in the payment of interest due under the Loans;
- (e) on April 28, 2023, the Applicants made demand for payment under the Loans and issued notices of intention to enforce security pursuant to section 244 of the BIA;
- (f) notwithstanding the demands and the expiry of the statutory ten day notice period under the BIA, the Debtors have failed to repay the Loans. As of April 27, 2023, the aggregate amount owing under Loans was \$10,030,912.50;
- (g) under the security documents given in connection with the Loans, the Applicants are contractually entitled to appoint a receiver upon default;;
- (h) all of the Properties are encumbered with further subordinate-ranking secured debt in favour of numerous other creditors;

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- (i) there is litigation over the property municipally known as 194 Bronte Street South;
 - (j) the second-ranking chargee of the 194 Bronte Street South property has obtained a default judgment against the Debtor Village Developments Inc.;
 - (k) the third-ranking chargee of the property municipally known as 17 Bronte Street South has issued a Notice of Sale under its charge. The redemption period under its Notice of Sale will expire on June 15, 2023;
 - (l) it is critical that a general stay of proceedings be imposed;
 - (m) a Court-supervised receivership will facilitate a fair, transparent and orderly marketing and sale process for the disposition of the Debtors' assets, undertakings and properties and provide a forum for the determination for the relative priorities among the Debtors' creditors;
 - (n) in the circumstances, it is just and convenient that a receiver and manager be appointed immediately;
 - (o) section 243(1) of the BIA, section 101 of the CJA, and Rules 3.02(1), 16.08 and 14.05(3)(d), (e), (f), (g) and (h) of the *Rules of Civil Procedure*; and
 - (p) such further and other grounds as the Applicants' lawyers may advise.
3. The following documentary evidence will be used at the hearing of the application:
- (a) Affidavit of Gary Gruneir, sworn May 31, 2023 and the Exhibits thereto;

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- (b) The Consent of Alvarez & Marsal (Canada) Inc. to act as the Receiver; and
- (c) Such further and other evidence as the Applicants' lawyers may advise and this Honourable Court may permit.

(June 2, 2023)

DICKINSON WRIGHT LLP

Barristers & Solicitors

199 Bay Street

Suite 2200, Box 447

Commerce Court Postal Station

Toronto, ON M5L 1G4

DAVID P. PREGER (36870L)

Email: dpreger@dickinsonwright.com

Tel: (416) 646-4606

LISA S. CORNE (27974M)

Email: lcorne@dickinsonwright.com

Tel: 416-646-4608

Fax: (844) 670-6009

Lawyers for the Applicants

Schedule "A"

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE)
)
JUSTICE •) DAY OF •, 2023

**C & K MORTGAGE SERVICES INC., BAMBURGH HOLDINGS INC.,
YERUSHA INVESTMENTS INC., 1008118 ONTARIO LIMITED,
CANADIAN WESTERN TRUST COMPANY, E. MANSON INVESTMENTS LTD.,
CORY NOORLANDER, B & M HANDELMAN INVESTMENTS LTD.,
CAROL HANDELMAN, BEATRICE SPIEGEL, RANDY SPIEGEL,
STACEY SPIEGEL and COMFORT CAPITAL INC.**

- and -

**VILLAGE DEVELOPMENTS INC., PAUL DEBATTISTA,
2865595 ONTARIO INC. and 2865594 ONTARIO INC.**

ORDER
(appointing Receiver)

Developments Inc., Paul DeBattista, 2865595 Ontario Inc. and 2865594 Ontario Inc. (collectively, the “Debtors”) was heard this day by Zoom judicial videoconference due to the COVID-19 pandemic.

ON READING the affidavit of Gary Gruneir sworn May 31, 2023 and the Exhibits thereto and on hearing the submissions of counsel for the Applicants, no one appearing for • although duly served as appears from the affidavit of service of • sworn •, 2023 and on reading the consent of Alvarez & Marsal (Canada) Inc., to act as the Receiver,

SERVICE

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

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, Alvarez & Marsal (Canada) Inc., is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtors, including and without in any way limiting the generality of the foregoing, the lands and premises described in Schedules “A1”, “A2”, “A3”, “A4” and “A5” attached hereto, and 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, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtors;
- (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 Debtors or any part or parts thereof;
- (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, 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, 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) with the approval of this Court, to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business, 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;
- (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, 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.

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.

WRIT OF POSSESSION

4. THIS COURT ORDERS that leave be and is hereby granted to issue a writ of possession in respect of the lands and premises described in Schedule "A3" hereto in order that the Sheriff of the Regional Municipality of Halton give possession of the lands and premises described in Schedule "A3" hereto to the Receiver without delay.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

5. THIS COURT ORDERS that (i) the Debtors, (ii) all of the current and former directors, officers of those Debtors which are corporations, (iii) all of the Debtors' employees, agents, accountants and legal counsel, (iv) all shareholders of those Debtors which are corporations, (v) all other persons acting on any instructions or behalf of any of the Debtors, and (vi) 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.

6. 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 6 or in paragraph 7 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.

7. 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.

8. 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

9. 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

10. 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

11. 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

12. 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, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

13. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtors 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

14. 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

15. 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

16. 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

17. 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

18. 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

19. 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.

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

21. 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

22. 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 \$1,000,000 (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.

23. 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.

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

25. 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

26. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL '<•>'.

27. 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

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

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

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

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

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

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

SCHEDULE "A1"

Municipal Address **248 Martin Street, Milton ON**

PIN PIN: 24951-0085 (LT)

Description Legal Description: PT LT 15, CON 2 TRAFALGAR NEW SURVEY,
PART 1, 20R4787; MILTON/TRAFALGAR

Municipal Address **250 Martin Street, Milton ON**

PIN PIN: 24951-0086 (LT)

Description Legal Description: PT LT 15, CON 2 TRAFALGAR NEW SURVEY,
PART 1, 2, 20R4095; EXCEPT PT 1, 20R4787; S/T M20911; MILTON

SCHEDULE "A2"

Municipal **72 Ontario Street, Milton ON**
Address
PIN PIN: 24954-0168 (LT)
Description Legal Description: LT 9, BLK 17, PL 9, (AKA TEETZEL'S SURVEY),
W OF ONTARIO ST, EXCEPT PT 3, 20R3309 ; TOWN OF MILTON

Municipal **446 Pine Street, Milton ON**
Address
PIN PIN: 24954-0169 (LT)
Description Legal Description: LT 8, BLK 17, PL 9. (AKA TEETZEL'S SURVEY),
W OF ONTARIO ST, EXCEPT 254152 ; MILTON

~

SCHEDULE "A3"

Municipal **7686 Appleby Line, Milton ON**
Address

PIN PIN: 24965-0118 (LT)
Description Legal Description: PT LT 15, CON 5 NNS, AS IN 546162, MILTON/NELSON

SCHEDULE “A4”

<i>Municipal address</i>	194 Bronte Street South, Milton ON
<i>PIN</i>	PIN: 24962-4100 (LT)
<i>Description</i>	Legal Description: PT LT 13, CON 1 TRAFALGAR NEW SURVEY, PART 1, 20R3661 EXCEPT PT 14 20R18868; TOWN OF MILTON

SCHEDULE "A5"

<i>Municipal address</i>	17 Bronte Street South, Milton ON
<i>PIN</i>	PIN: 24952-0157 (LT)
<i>Description</i>	Legal Description: PT LT 2 NLK 1 ON PL 7 BEING PT 2 ON PL 20R- 19786; S/T EASE IN GROSS OVER PT 1 ON PL 20R-21184 AS IN HR 1594215; TOWN OF MILTON TOWN OF MILTON

SCHEDULE "B"

RECEIVER CERTIFICATE

CERTIFICATE NO. ●

AMOUNT \$ ●

1. THIS IS TO CERTIFY that Alvarez & Marsal (Canada) Inc., the receiver (the "Receiver") of the assets, undertakings and properties of Village Developments Inc., Paul DeBattista, 2865595 Ontario Inc. and 2865594 Ontario Inc. (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 • day of •, 20• (the "Order") made in an application having Court file number •-CL-•, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$•, being part of the total principal sum of \$• which the Receiver is authorized to borrow under and pursuant to the Order.

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

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

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

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

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

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

DATED the _____, day of _____.

Alvarez & Marsal (Canada) Inc., solely in its capacity
as Receiver of the Property, and not in its personal
capacity

Per: _____

Name:

Title:

C & K MORTGAGE SERVICES INC. et al.
Applicants

-and-
Respondents

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT
TORONTO

ORDER

DICKINSON WRIGHT LLP
Barristers & Solicitors
199 Bay Street
Suite 2200, Box 447
Commerce Court Postal Station
Toronto, ON M5L 1G4

DAVID P. PREGGER (36870L)
Email: dpregger@dickinsonwright.com
Tel: 416646-4606

LISA S. CORNE (27974M)
Email: lcorne@dickinsonwright.com
Tel: 416-646-4608
Fax: 844-670-6009

Lawyers for the Applicants

C & K MORTGAGE SERVICES INC. Applicants	-and- VILLAGE DEVELOPMENTS INC. et al. Respondents	Court File No.
ONTARIO SUPERIOR COURT OF JUSTICE COMMERCIAL LIST		
PROCEEDING COMMENCED AT TORONTO		
NOTICE OF APPLICATION		
DICKINSON WRIGHT LLP Barristers & Solicitors 199 Bay Street Suite 2200, Box 447 Commerce Court Postal Station Toronto, ON M5L 1G4		
DAVID P. PREGER (36870L) Email: dpreg@rickinsonwright.com Tel: (416) 646-4606		
LISA S. CORNE (27974M) Email: lcorne@rickinsonwright.com Tel: 416-646-4608 Fax: (844) 670-6009		
Lawyers for the Applicants		

TAB 2

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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

B E T W E E N:

(Court Seal)

**C & K MORTGAGE SERVICES INC., BAMBURGH HOLDINGS INC.,
YERUSHA INVESTMENTS INC., 1008118 ONTARIO LIMITED,
CANADIAN WESTERN TRUST COMPANY, E. MANSON INVESTMENTS LTD.,
CORY NOORLANDER, B & M HANDELMAN INVESTMENTS LTD.,
CAROL HANDELMAN, BEATRYCE SPIEGEL, RANDY SPIEGEL,
STACEY SPIEGEL and COMFORT CAPITAL INC.**

Applicants

- and -

**VILLAGE DEVELOPMENTS INC., PAUL DEBATTISTA,
2865595 ONTARIO INC. and 2865594 ONTARIO INC.**

Respondents

AFFIDAVIT OF GARY GRUNEIR
(Sworn May 31, 2023)

I, GARY GRUNEIR, of the City of Markham, in the Province of Ontario, **MAKE OATH**
AND SAY:

1. I am the President and principal broker of the Applicant C & K Mortgage Services Inc., a licensed mortgage broker which carries on business as Rescom Capital (“**Rescom**”). I have been a broker of private mortgage loans for over 30 years. Rescom originated and administers six separate secured loans advanced by the Applicants to the Respondents (collectively, the “**Debtors**”

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and individually a “**Debtor**”). As such, I have personal knowledge of the matters to which I hereinafter depose.

I. OVERVIEW

2. I am swearing this affidavit in support of an application to appoint Alvarez & Marsal (Canada) Inc., as court-appointed receiver without security of the assets, undertakings and property of the Debtors. I confirm that these proceedings are taken with the full support and consent of each of the Applicants.

3. The Debtor Paul DeBattista is a real estate developer who resides in Milton, Ontario. The three corporate Debtors are Ontario corporations controlled by Mr. DeBattista. Copies of corporate profile reports in respect of each of the corporate Debtors are attached, collectively, as **Exhibit A**.

4. Collectively, the Applicants advanced six separate secured loans to the Debtors (collectively, the “**Loans**”). Each of the Loans is secured by a charge over real property owned by one of the Debtors.

5. On April 1, 2023, each of the Debtors defaulted in the payment of interest due under the Loans.

6. On April 28, 2023, the Applicants, through their counsel, made demand for payment under the Loans and issued notices of intention to enforce security under section 244 of the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”).

7. Notwithstanding the demands and the expiry of the statutory ten day notice period under the BIA, the Debtors have failed to repay the Loans. As of April 27, 2023, the aggregate amount owing under Loans was \$10,030,912.50.

II. LOANS AND SECURITY

8. A summary of the parties to each of the Loans, and the real property security held by the Applicants in respect thereof, is set out below:

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Applicants	Debtor	Principal Amount	Real Property Security
Rescom and Canadian Western Trust Company	2865595 Ontario Inc.	\$2,750,000.00	248 and 250 Martin Street, Milton, Ontario PIN: 24951-0085 PIN: 24951-0086
Rescom and Canadian Western Trust Company	2865594 Ontario Inc.	\$2,500,000.00	72 Ontario Street and 446 Pine Street, Milton, Ontario PIN: 24954-0168 PIN: 24954-0169
Rescom	Mr. DeBattista	\$2,200,000.00	7686 Appleby Line, Milton, Ontario PIN: 24965-0118
Cory Noorlander, B&M Handelman Investments Ltd, Carol Handelman, E. Manson Investments Ltd., Beatryce Spiegel, Randy Spiegel, Stacey Spiegel and Comfort Capital Inc. (collectively, the “ 194 Bronte Lenders ”)	Village Developments, Inc.	\$1,450,000.00	194 Bronte Street South, Milton, Ontario PIN: 24962-4100
Bamburgh Holdings Inc., Yerusha Investments Inc. and 1008118 Ontario Limited	Village Developments, Inc.	\$400,000.00	17 Bronte Street South, Milton, Ontario (1 st charge) PIN: 24952-0157
Canadian Western Trust Company	Village Developments, Inc.	\$300,000.00	17 Bronte Street South, Milton, Ontario (2 nd charge) PIN: 24952-0157

A. 248 and 250 Martin Street, Milton

9. Pursuant to a commitment letter given by Rescom dated June 16, 2021, as amended by an amendment dated July 21, 2021, Rescom and Canadian Western Trust Company (“**CWT**”) extended a loan in the principal amount of \$2,750,000.00 to the Debtor 2865595 Ontario Inc. (“**595**”). A copy of the commitment letter, as amended, is attached as **Exhibit B**.

10. 595 is the owner of property municipally known as 248 and 250 Martin Street, in Milton, Ontario (the “**Martin Street Property**”). The Martin Street Property is comprised of 2 separate

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parcels which together comprise approximately 1.04 acres in size. The Martin Street Property is improved with five self-contained residential units and a specialty automotive shop.

11. As security for the loan to 595, Rescom and CWT hold, among other security, a first-ranking charge and assignment of rents registered on title to the Martin Street Property on October 29, 2021. Copies of the charge and notice of assignment of rents are attached, collectively, as **Exhibit C**.

12. Copies of the parcel registers in respect of the Martin Street Property are attached, collectively, as **Exhibit D**.

13. As appears from the parcel registers, in addition to the charge and notice of assignment of rents registered in favour of Rescom and CWT, the following subordinate charges are registered on title to the Martin Street Property:

Reg. Num.	Date	Instrument Type	Amount	Secured Party
HR1755488	2020/12/31	Charge	\$4,000,000.00	Hyot GP Inc. and Valour Partners High Yield Opportunity LP
HR1840801	2021/10/29	Charge	\$5,250,000.00	2487586 Ontario Inc. and Pine-Ontario Development Ltd.

14. Pursuant to a postponement of interest registered on October 29, 2021, Hyot GP Inc. and Valour Partners High Yield Opportunity LP postponed all of their rights under their charge in favour of Rescom and CWT's charge. A copy of the registered postponement is attached as **Exhibit E**.

15. The charge held by 2487586 Ontario Inc. and Pine-Ontario Development Ltd. was registered after the charge and assignment of rents held by the Rescom and CWT was registered.

16. 595's indebtedness to Rescom and CWT is also secured against all of the personal property of 595 pursuant to a general security agreement. A copy of the general security agreement is attached as **Exhibit F**. Notice of Rescom and CWT's security interest in the personal property of

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595 is registered under the *Personal Property Security Act* (Ontario) (the “**PPSA**”). A copy of the *PPSA* search report in respect of 595 is attached as **Exhibit G**.

B. 72 Ontario Street and 446 Pine Street, Milton

17. Pursuant to a commitment letter given by Rescom dated June 16, 2021, as amended by an amendment dated July 21, 2021, Rescom and CWT extended a loan in the principal amount of \$2,500,000.00 to the Debtor 2865594 Ontario Inc. (“**594**”). A copy of the commitment letter, as amended, is attached as **Exhibit H**.

18. 594 is the owner of property municipally known as 72 Ontario Street and 446 Pine Street, in Milton, Ontario (collectively, the “**Pine Street Property**”). The Pine Street Property is comprised of two separate parcels which together comprise approximately .43 acres in size. The Pine Street Property is improved with a detached dwelling, and is the site of a proposed multi-residential development.

19. Rescom and CWT’s loan to 594 is secured by, among other security, a first-ranking charge and assignment of rents registered on title to the Pine Street Property on October 29, 2021. Copies of the charge and notice of assignment of rents which are attached, collectively, as **Exhibit I**.

20. Copies of the parcel registers in respect of the Pine Street Property are attached, collectively, as **Exhibit J**.

21. As appears from the parcel registers, in addition to the charge and notice of assignment of rents registered in favour of Rescom and CWT, the following subordinate encumbrances are registered on title to the Pine Street Property:

Reg. Num.	Date	Instrument Type	Amount	Secured Party
HR1755517	2020/12/31	Charge	\$4,000,000.00	Hyot GP Inc. and Valour Partners High Yield Opportunity, L.P
HR1840801	2021/10/29	Charge	\$5,250,000.00	2487586 Ontario Inc. and Pine-Ontario Development Ltd.

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22. 594's indebtedness to Rescom and CWT is also secured against all of the personal property of 594 pursuant to a general security agreement. A copy of the general security agreement is attached as **Exhibit K**.

23. Notice of Rescom and CWT's security interest in the personal property of 594 is registered under the *PPSA*. A copy of the *PPSA* search report in respect of 594 is attached as **Exhibit L**.

C. 7686 Appleby Line, Milton

24. Pursuant to a commitment letter given by Rescom dated November 26, 2019, Rescom advanced a loan in the principal amount of \$2,200,000.00 million to Mr. DeBattista personally. A copy of the commitment letter is attached as **Exhibit M**.

25. Rescom's loan to Mr. DeBattista is secured by, among other security, a charge registered on title to property owned by Mr. DeBattista municipally known as 7686 Appleby Line, in Milton, Ontario (the "**Appleby Property**"). The Appleby Property is a 45.58 acre residential property with a bungalow dwelling.

26. As security for the loan, Rescom holds assignments of a first charge over the Appleby Property and assignment of rents from Valour Mortgage Services Inc. Copies of the charge and assignment of rents registered on title to the title to the Appleby Property on May 13, 2016 are attached, collectively, as **Exhibit N**. According to the charge, Rose DiBattista, Mr. DiBattista's spouse, consented to the charge being given. Copies of the transfers of the charge and assignment of rents registered to the title to the Appleby Property, respectively on March 11, 2020 and March 12, 2020 in favour of Rescom are attached, collectively, as **Exhibit O**.

27. A copy of the parcel register in respect of the Appleby Property is attached as **Exhibit P**. As appears from the parcel register, in addition to the charge and notice of assignment of rents held by Rescom, the following subordinate encumbrances are registered on title to the Appleby Property:

-7-

Reg. Num.	Date	Instrument Type	Amount	Secured Party
HR1357051	2006/05/13	Charge	\$ 400,000.00	9929916 Canada Inc., as assignee
HR1357042	2016/05/13	Charge	\$ 150,000.00	9929916 Canada Inc., as assignee
HR1267536	2015/05/22	Charge	\$1,408,853.00	Carrier, Laurent
HR1840810	2021/10/29	Charge	\$ 500,000.00	Pine-Ontario Development Ltd. and 2487586 Ontario Inc.

28. Mr. DiBattista's indebtedness to Rescom is also secured against all of his personal property pursuant to a general security agreement. A copy of the general security agreement is attached as **Exhibit Q**.

29. Notice of Rescom's security interest in the personal property of Mr. DiBattista is registered under the *PPSA*. A copy of a *PPSA* search summary in respect of Mr. DiBattista is attached as **Exhibit R**.

D. 194 Bronte Street South, Milton

30. Pursuant to a commitment letter given by Rescom dated December 4, 2019, the Applicants Cory Noorlander, B&M Handelman Investments Ltd., Carol Handelman, E. Manson Investments Ltd., Beatryce Spiegel, Randy Spiegel, Stacey Spiegel and Comfort Capital Inc. (collectively, the "**194 Bronte Lenders**") advanced a loan in the principal amount of \$1,450,000.00 to Village Developments Inc. A copy of the commitment letter is attached as **Exhibit S**.

31. Village Developments Inc. is the owner of property municipally known as 194 Bronte Street South, in Milton Ontario (the "**194 Bronte Property**"). The 194 Bronte Property is a residential property improved with a single family detached dwelling on a .63 acre parcel.

32. The indebtedness of Village Developments Inc. to the 194 Bronte Lenders is secured by, among other things, a first-ranking charge and assignment of rents registered on title to the 194 Bronte Property on January 29, 2020. Copies of the charge and notice of assignment of rents are attached, collectively, as **Exhibit T**.

33. A copy of the parcel register in respect of the 194 Bronte Property is attached as **Exhibit U**. As appears from the parcel register, the only other encumbrances on title are a subordinate-ranking charge in the principal amount of \$385,000.00 and an assignment of rents registered in favour of 1978667 Ontario Inc.

34. Village Developments Inc.'s indebtedness to the 194 Bronte Lenders is also secured against all of the personal property of Village Developments Inc. pursuant to a general security agreement. A copy of the general security agreement is attached as **Exhibit V**.

35. Notice of the 194 Bronte Lender's security interest in the personal property of Village Developments Inc. is registered under the *PPSA*. A copy of the *PPSA* search report in respect of Village Developments Inc. is attached as **Exhibit W**.

36. The 194 Bronte Lenders were recently notified that Village Developments Inc. is a party to an action commenced by Ornella Group Inc., BioInsight Inc. and Peter Giampuzzi (collectively, the "**Plaintiffs**") in the Ontario Superior Court of Justice for specific performance of an agreement of purchase and sale in respect of the 194 Bronte Property. Copies of the pleadings are attached, collectively, as **Exhibit X**.

37. A copy of an Amendment and Extension to Agreement of Purchase and Sale dated December 20, 2022, first received by the Applicants' counsel from the Plaintiffs' counsel in the action on May 17, 2023, is attached as **Exhibit Y**.

38. According to a Court Case Search, a copy of which is attached as **Exhibit Z**, a default judgment in the amount \$760,396.48 was obtained by 1978667 Ontario Inc., the second-ranking chargee of the 194 Bronte Property, against Village Developments Inc. on September 8, 2022.

E. 17 Bronte Street South, Milton

39. Village Developments Inc. is the owner of property municipally known as 17 Bronte Street South, in Milton, Ontario (the "**17 Bronte Property**"). The 17 Bronte Property is a vacant residential redevelopment site of approximately .17 acres in size.

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i. First Charge

40. Pursuant to a commitment letter given by Rescom dated March 6, 2020, Bamburgh Holdings Inc., Yerusha Investments Inc. and 1008118 Ontario Limited (collectively, the “**17 Bronte First Lenders**”) advanced a loan in the principal amount of \$400,000.00 to Village Developments Inc. A copy of the commitment letter is attached as **Exhibit AA**.

41. The indebtedness of Village Developments, Inc. to the 17 Bronte First Lenders is secured by, among other things, a first-ranking charge registered on title to 17 Bronte Property on March 10, 2020. A copy of the charge is attached as **Exhibit BB**.

42. Village Developments Inc.’s indebtedness to the 17 Bronte First Lenders is also secured against the personal property of Village Developments Inc. pursuant to a general security agreement. A copy of the general security agreement is attached as **Exhibit CC**.

43. Notice of the 17 Bronte First Lender’s security interest in the personal property of Village Developments Inc. is registered under the *PPSA*.

ii. Second Charge

44. Pursuant to a commitment letter given by Rescom dated June 7, 2021, CWT advanced a loan in the principal amount of \$300,000.00 to Village Developments Inc. A copy of the commitment letter is attached as **Exhibit DD**.

45. The indebtedness of Village Developments, Inc. to CWT is secured by a second-ranking charge registered on title to the 17 Bronte Property on July 19, 2021. A copy of the charge is attached as **Exhibit EE**.

46. Village Developments Inc.’s indebtedness to CWT is also secured against the personal property of Village Developments, Inc. pursuant to a general security agreement. A copy of the general security agreement is attached as **Exhibit FF**.

47. Notice of the CWT’s security interest in the personal property of Village Developments Inc. is registered under the *PPSA*.

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iii. Subordinate-Ranking Charges

48. A copy of the parcel registered in respect of the 17 Bronte Property is attached as **Exhibit GG**.

49. As appears from the parcel register, in addition to the first charge, notice of assignment of rents and second charge, the following subordinate encumbrances are registered on title to the Appleby Property:

Reg. Num.	Date	Instrument Type	Amount	Secured Party
HR1685555	2020/02/21	Charge	\$250,000.00	GTA Solid Contracting Inc.
HR1867328	2022/02/11	Charge	\$200,000.00	John Robinson

50. On May 1, 2023, GTA Sold Contracting Inc. issued a Notice of Sale under its charge. According to the Notice of Sale, as of April 20, 2023, the sum of \$503,122.09 was owing under the charge and the redemption period will expire on June 15, 2023. A copy of the Notice of Sale is attached as **Exhibit HH**.

III. DEFAULT AND DEMAND FOR PAYMENT

51. On April 1, 2023, each of the Debtors defaulted in the payment of interest due under the Loans. By letter dated April 28, 2023, counsel for the Applicants delivered formal demands under the Loans, together with notices of intention to enforce security, pursuant to section 244 of the BIA. Copies of the demand letters and Notices of Intention to Enforce Security are attached, collectively, as **Exhibit II**.

52. Despite the demands and the expiry of the 10 day statutory notice period under the BIA, the Debtors have made no payment to the Applicants.

53. On May 16, 2023, the Debtors acknowledged in writing that the aggregate amount owing under the Loans was \$10,030,912.50 as of April 27, 2023. A copy of the acknowledgment is attached as **Exhibit JJ**.

IV. REQUEST TO APPOINT RECEIVER

54. The appointment of Alvarez & Marsal (Canada) Inc. as receiver and manager of the assets, undertakings and property of the Debtors is just and convenient in the circumstances for the following reasons:

- (a) notwithstanding the issuance of demands and section 244 BIA notices, the indebtedness owing under the Loans has not been repaid;
- (b) the statutory ten day period under the BIA has expired;
- (c) under the security documents given in connection with the Loans, the Applicants are contractually entitled to appoint a receiver upon default;
- (d) there is litigation over the 194 Bronte Property;
- (e) the second-ranking chargee of the 194 Bronte Property has obtained a default judgment against Village Developments Inc.;
- (f) the third-ranking chargee of the 17 Bronte Property has issued a Notice of Sale under its charge and the redemption period will expire on June 15, 2023;
- (g) all of the properties which secure the Loans are encumbered with subordinate-ranking secured debt; and
- (h) a Court-supervised receivership will facilitate a fair and transparent sale process, for the disposition of the Debtors' assets, undertakings and properties and provide a forum for the determination of the relative priorities among the Debtors' creditors.

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SWORN by **GARY GRUNEIR**, at the City of Markham, before me at the City of Toronto, in the Province of Ontario, May 31, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A blue ink signature, appearing to be 'DP', written over a horizontal line.

Commissioner for Taking Affidavits
(or as may be)

DAVID PREGER

A black ink signature, appearing to be 'GR', written over a horizontal line.

GARY GRUNEIR

This is Exhibit “A” referred to in the Affidavit of GARY GRUNEIR sworn by GARY GRUNEIR of the City of Markham, before me at the City of Toronto, in the Province of Ontario, on May 31, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

DAVID P. PREGER



Ministry of Public and
Business Service Delivery

Profile Report

VILLAGE DEVELOPMENTS INC. as of May 10, 2023

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	VILLAGE DEVELOPMENTS INC.
Ontario Corporation Number (OCN)	2590883
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	August 04, 2017
Registered or Head Office Address	7686 Appleby Line, Milton, Ontario, Canada, L9E 0N1

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

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

Active Director(s)

Minimum Number of Directors	1
Maximum Number of Directors	10

Name	PAUL DEBATTISTA
Address for Service	7686 Appleby Line, Milton, Ontario, Canada, L9E 0N1
Resident Canadian	Yes
Date Began	August 04, 2017

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

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Active Officer(s)**Name****Position****Address for Service****Date Began**

PAUL DEBATTISTA

Secretary

7686 Appleby Line, Milton, Ontario, Canada, L9E 0N1

July 05, 2021

Name**Position****Address for Service****Date Began**

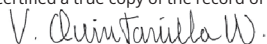
PAUL DEBATTISTA

President

7686 Appleby Line, Milton, Ontario, Canada, L9E 0N1

August 04, 2017

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.



Director/Registrar

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Corporate Name History

Name

Effective Date

VILLAGE DEVELOPMENTS INC.

August 04, 2017

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V. Quintanilla W.

Director/Registrar

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Active Business Names

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

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V. Quintanilla W.

Director/Registrar

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Expired or Cancelled Business Names

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

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V. Quintanilla W.

Director/Registrar

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Document List

Filing Name	Effective Date
CIA - Notice of Change PAF: LI CHENG - OTHER	July 20, 2021
CIA - Notice of Change PAF: LEROY BLETA - OTHER	November 14, 2019
CIA - Initial Return PAF: DINO MAZZORATO - OTHER	December 20, 2018
Annual Return - 2018 PAF: PAUL DEBATTISTA - DIRECTOR	December 09, 2018
BCA - Articles of Incorporation	August 04, 2017

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

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Director/Registrar

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Ministry of Public and
Business Service Delivery

Profile Report

2865594 ONTARIO INC. as of May 10, 2023

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	2865594 ONTARIO INC.
Ontario Corporation Number (OCN)	2865594
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	September 09, 2021
Registered or Head Office Address	7686 Appleby Line, Milton, Ontario, Canada, L9E 0N1

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

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Active Director(s)**Minimum Number of Directors**

1

Maximum Number of Directors

10

Name

PAUL DEBATTISTA

Address for Service

7686 Appleby Line, Milton, Ontario, Canada, L9E 0N1

Resident Canadian

Yes

Date Began

September 09, 2021

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

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Active Officer(s)

Name	PAUL DEBATTISTA
Position	President
Address for Service	7686 Appleby Line, Milton, Ontario, Canada, L9E 0N1
Date Began	September 09, 2021
Name	PAUL DEBATTISTA
Position	Secretary
Address for Service	7686 Appleby Line, Milton, Ontario, Canada, L9E 0N1
Date Began	September 09, 2021
Name	PAUL DEBATTISTA
Position	Treasurer
Address for Service	7686 Appleby Line, Milton, Ontario, Canada, L9E 0N1
Date Began	September 09, 2021

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

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Corporate Name History

Name

2865594 ONTARIO INC.

Effective Date

September 09, 2021

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V. Quintanilla W.

Director/Registrar

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Active Business Names

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

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

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Expired or Cancelled Business Names

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

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

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Document List

Filing Name	Effective Date
CIA - Initial Return PAF: DEBATTISTA PAUL - DIRECTOR	September 29, 2021
BCA - Articles of Incorporation	September 09, 2021

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Ministry of Public and
Business Service Delivery

Profile Report

2865595 ONTARIO INC. as of May 18, 2023

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	2865595 ONTARIO INC.
Ontario Corporation Number (OCN)	2865595
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	September 09, 2021
Registered or Head Office Address	7686 Appleby Line, Milton, Ontario, Canada, L9E 0N1

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

Director/Registrar

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Active Director(s)**Minimum Number of Directors**

1

Maximum Number of Directors

10

Name

PAUL DEBATTISTA

Address for Service

7686 Appleby Line, Milton, Ontario, Canada, L9E 0N1

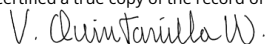
Resident Canadian

Yes

Date Began

September 09, 2021

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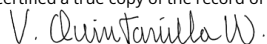
Director/Registrar

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Active Officer(s)

Name	PAUL DEBATTISTA
Position	President
Address for Service	7686 Appleby Line, Milton, Ontario, Canada, L9E 0N1
Date Began	September 09, 2021
Name	PAUL DEBATTISTA
Position	Secretary
Address for Service	7686 Appleby Line, Milton, Ontario, Canada, L9E 0N1
Date Began	September 09, 2021
Name	PAUL DEBATTISTA
Position	Treasurer
Address for Service	7686 Appleby Line, Milton, Ontario, Canada, L9E 0N1
Date Began	September 09, 2021

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Corporate Name History

Name

2865595 ONTARIO INC.

Effective Date

September 09, 2021

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V. Quintanilla W.

Director/Registrar

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Active Business Names

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V. Quintanilla W.

Director/Registrar

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Expired or Cancelled Business Names

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Director/Registrar

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Document List

Filing Name	Effective Date
CIA - Initial Return PAF: DEBATTISTA PAUL - DIRECTOR	September 29, 2021
BCA - Articles of Incorporation	September 09, 2021

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This is Exhibit “B” referred to in the Affidavit of GARY GRUNEIR sworn by GARY GRUNEIR of the City of Markham, before me at the City of Toronto, in the Province of Ontario, on May 31, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

DAVID P. PREGER



RESCOM Capital
1670 Bayview Avenue, Suite 400
Toronto, Ontario M4G 3C2

T. 416.485.2838
F. 416.482.4043
www.rescomcapital.com

June 16, 2021

2725431 Ontario limited.
Paul Di Battista
7686 Appleby Line
Milton, Ontario
L9E 0N1

Dear: Sir:

Re: 248 & 250 Martin St, Milton, Ontario

This letter will serve as our commitment to arrange blanket mortgage financing on the above captioned properties.

Loan Amount: TWO MILLION, SEVEN HUNDRED, FIFTY THOUSAND DOLLARS (\$2,750,000)

Interest Rate: 9.75% percent per annum, calculated and payable interest only monthly.

Term: 1 year

Privileges: The mortgage will be closed for three months and open thereafter upon receipt of 30 days written notice and payment of one month's interest bonus.

Amortization: Interest only.



Security:

1. A first mortgage on the lands known as 248 & 250 Martin St. Milton, Ontario
2. A first general assignment of rents.
3. A first general security agreement in a form satisfactory to the lender's solicitor.
4. The personal guarantee of Paul Di Battista.
5. Corporate guarantee of 2725431 Ontario limited.
6. An assignment of all plans and studies, related to the proposed development and applications.
7. Such other reasonable documentation as the lender's solicitor may consider advisable.

Advance of Funds: The advance of funds will be made when the lender's solicitor can provide their certificate(s) of title and when all other conditions precedent to such advance as stated herein are satisfied. Advance of funds will be subject to the following conditions.

17

Conditions:

1. Satisfactory appraisal by CHS Realty Advisors, indicating an as is combined value of not less than \$4,250,000. It is a further condition for the making of this loan that the appraiser provide the lender with a Letter authorizing the lender that they may rely on the appraisal for lending purposes.
2. Satisfactory evidence that the properties are zoned to permit the proposed use and there are no outstanding work orders or notices of violations from any governmental departments. The mortgagor will provide all appropriate consents to obtain such information.
3. Confirmation that the properties at 248 & 250 Martin St. Milton were purchased for \$4,250,000.
4. Satisfactory review of the project planner's report as to the development feasibility and status. This is to be reviewed by the lender's planner at a cost not to exceed \$5,000 plus HST. This will include reviewing the following: *PLANNING REPORT TO BE PROVIDED BY BOUSFIELDS.* 
 - a) Functioning Service Reports (FSR)
 - b) Satisfactory of Current Zoning By-Law
 - c) Geotechnical Investigation
 - d) Environmental Reports
 - e) Proposed Site plan and drawings
 - f) PAC report
 - g) Planners Report for Development Application
 - h) Noise impact study
 - i) Any and all other development reports completed to date
5. All local improvement charges, realty taxes and other charges affecting the properties shall have been paid to the date of the advance of funds. The charge shall include a provision for the collection of property taxes by the lender, at the lender's option. Payment of taxes by the lender can be waived or asked for at any time during the term of the mortgage. The lender acknowledges that the outstanding realty taxes affecting the property in question will be satisfied out of the advance of funds hereunder.
6. All reasonable engineering, inspections, title, survey and legal customary expenses of the lender are for the account of and shall be paid by the borrower.
7. Satisfactory physical site inspection.
8. Title and all security must be satisfactory to the lender's solicitor.
9. Title insurance in a form satisfactory to the lender's solicitor. 

10. The lender shall be provided with original or certified copies of insurance policies. The coverage, terms and insurance company must be satisfactory to the lender.

11. The borrower and guarantors shall provide financial and supporting information as the lender may require, including the following: Unaudited Financial Statements; and Net Worth Statements.

12. In the event of the borrower selling, transferring or conveying title to the lands, or if there is a change in the beneficial ownership, the mortgage will become due and payable, save and except the transfer from the current owner to a corporation of which the corporation shall have as its officer, director and majority shareholder, the borrower's shareholders with satisfactory evidence to the mortgagee. It is understood and agreed that such a transfer shall not relieve the borrower from its obligations.

13. In the event that any payment is returned to the lenders for any cause whatsoever, including there being insufficient funds in the borrower's account to cover same, the lender will be entitled to reimbursement for all bank charges related to the dishonoured cheque in addition, the lender or administrator's time for collection will be charged at a rate of \$300 per hour and all time will be docketed and charged to the borrower's account. These charges will apply to all administration costs related to any default under the mortgage including but not limited to collection costs related to late payments, insurance cancellation and work orders affecting the property.

14. Any payment (other than payment of the regular payments of interest) that is made after 1:00 p.m. on any date or 11:00 a.m. on a Friday or the business day preceding a statutory holiday, shall be deemed for the purpose of calculation of interest, to have been made and received on the next bank business day. For greater certainty, if funds are received (or deemed received) on a Friday after 11:00 a.m. or the day preceding a statutory holiday, interest will be payable to the next bank business day.

15. In the event the loan is not repaid at the time or times provided within the charge, the lender will not be required to accept payment of the principal monies without first receiving three (3) months' notice in writing or receiving three (3) months interest bonus in advance of the principal monies.

16. If at any time before or after the advance, there is or has been any material discrepancy or inaccuracy in any written information, statements or representations therefore made or furnished by or on behalf of the borrower, then the lender shall be entitled forthwith to cancel the lender's obligations hereunder or declare any monies therefore advanced with interest to be forthwith due and payable and retain all fees provided by the borrower.

17. In the event of default, Rescom Capital will be appointed as the lender's manager and will be entitled to a fee of \$350 per hour for its services and such fee will be charged to the borrower's account.

18. The borrower will complete and application on the lenders standard form and will provide photo identification for all guarantors and signing officers for the corporation.

19. If the borrower is a corporation, a list of every legal or beneficial owner of, or person who exercises direct or indirect control or direction over more than 25% of the voting rights attached to the outstanding voting securities of the corporation must be provided.

20. *These questions must be asked and answered to comply with the new regulations of the Financial Services Commission of Ontario (FSCO), that went into affect on July 1, 2018.*

Has the developer or any of the principals of the developer (directors, officers, owners, partners or majority shareholders) been involved in any of the following:

(a) Been convicted, found guilty of or currently charged with any criminal or regulatory offence under any law of any province, territory, state or country
Yes/ No?

(b) Currently the subject of any civil proceedings or any unsatisfied judgements imposed by a civil court in Canada or elsewhere, against the

developer, against the principals personally, or against a business in which they have an interest in at least ten percent of the equity shares or ownership shares of the business? Yes/ No

(c) Within the five years before the date of this form, bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person. Yes/ No

(d) Been the subject of a regulatory investigation or proceeding, or has otherwise been subject to regulatory sanctions Yes/ No

21. This commitment is open for acceptance until 5:00 PM on June 17, 2021.

22. The first advance must be drawn down and qualified for by July 15, 2021 failing which this letter of proposal will be terminated.

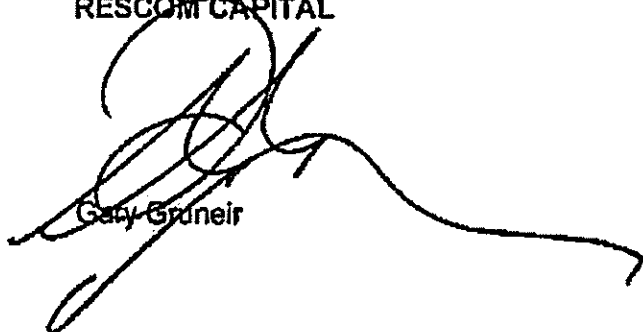
Inspection Fee: \$1,000

17

This commitment is issued on the understanding that your acceptance will be accompanied by a cheque payable to Rescom Capital for \$20,000 which shall be deemed earned as a standby fee upon acceptance hereof and which will be credited toward the commission payable when the proceeds of the loan are advanced. The fee shall be forfeited if the loan is not proceeded with, due to any cause whatsoever other than the lender's default. Notwithstanding such retention, you shall remain liable for all fees and costs as referred to herein.

Yours truly,

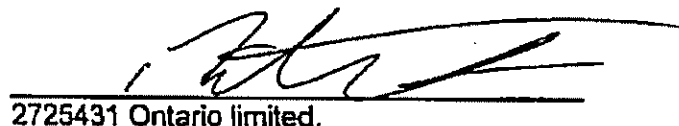
RESCOM CAPITAL



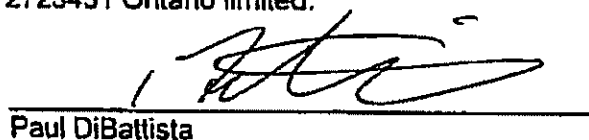
Gary Gruneir

The undersigned hereby accepts the above terms and conditions.

Dated this 16 day of JUNE, 2021.



2725431 Ontario limited.



Paul DiBattista



Village Developments INC



RESCOM Capital
1570 Bayview Avenue, Suite 400
Toronto, Ontario M4G 3C2

T. 416.485.2536
F. 416.482.4043
www.rescomcapital.com

6

June 16, 2021

2725431 Ontario limited.
Paul DiBattista
7686 Appleby Line
Milton, On
L9E 0N1

Dear Sir:

Re: 248 & 250 Martin St, Milton, Ontario

Further to our letter of proposal dated June 16, 2021, this letter forms part of the conditions thereof. Your costs in obtaining the loan shall be \$82,500. Legal costs, inspection fees and disbursements are additional and such fees will be deducted from the first advance of funds. If the loan is not proceeded with, due to any cause whatsoever other than the lender's default, you shall remain liable for all fees and costs as referred to herein.

Any fees earned as a result of acceptance of this Commitment Letter, together with any expenses or costs incurred by Rescom Capital, including but not limited to, appraisal, re-appraisal, inspections, re-inspections, title searches, plan review, soil tests, survey, environmental assessments and legal costs on a solicitor and its client basis, are deemed to be a charge on the Subject Property referred to herein and Rescom Capital may file and maintain a caveat on the title to the Subject Property to protect that charge and the Borrower(s) and Guarantor(s) do hereby mortgage to Rescom Capital the amount necessary to pay all fees and expenses as detailed herein as a charge against the Subject Property.

Yours truly
Rescom Capital

Gary Gruneir

The undersigned hereby accepts the above terms and conditions.
Dated this 16 day of JUNE, 2021.

2725431 Ontario limited.

Paul DiBattista

Village Developments INC



RESCOM Capital
1870 Bayview Avenue, Suite 400
Toronto, Ontario M4G 3C2

T. 416.485.2838
F. 416.482.4043
www.rescomcapital.com

July 21, 2021

AMENDMENT

2725431 Ontario limited.
Village Developments Inc.
Paul DeBattista
7686 Appleby Line
Milton, Ontario
L9E 0N1

Dear Sir:

Re: 248 & 250 Martin St. Milton, Ontario

This letter will serve as an amendment to our commitment dated June 16, 2021. Please note the following changes and/or additions:

1. An amount equal to twelve months interest (~~\$243,750~~ ^{(268,125) KXH 170}) will be deducted from the advance of funds to be distributed in a lump sum payment to the investors. If the loan is repaid prior to the maturity date, any unused interest will be credited to the borrower's account.
2. The deposit will be reduced from \$20,000 to \$10,000.
3. The closing date will be August 5th, 2021.

All other terms to remain the same as set out in our commitment of June 16, 2021.

Yours truly,

RESCOM CAPITAL


Gary Gruneir

The undersigned hereby accepts the above terms and conditions.

Dated this 21 day of JULY, 2021.


2725431 Ontario limited.


Paul DeBattista


Village Developments INC

This is Exhibit “C” referred to in the Affidavit of GARY GRUNEIR sworn by GARY GRUNEIR of the City of Markham, before me at the City of Toronto, in the Province of Ontario, on May 31, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

DAVID P. PREGER

LRO # 20 **Charge/Mortgage**

Received as HR1840792 on 2021 10 29 at 12:46

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

yyyy mm dd Page 1 of 12

Properties

PIN 24951 - 0085 LT Interest/Estate Fee Simple
 Description PT LT 15, CON 2 TRAFALGAR NEW SURVEY, PART 1, 20R4787 ; MILTON/TRAFALGAR
 Address 248 MARTIN STREET MILTON

PIN 24951 - 0086 LT Interest/Estate Fee Simple
 Description PT LT 15, CON 2 TRAFALGAR NEW SURVEY, PART 1, 2, 20R4095 ; EXCEPT PT 1, 20R4787 ; S/T M20911 ; MILTON.
 Address 250 MARTIN ST MILTON

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 2865595 ONTARIO INC.
 Address for Service 7686 Appleby Line
 Milton, Ontario
 L9E 0N1

I, Paul DeBattista, President, have the authority to bind the corporation.

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

Chargee(s)	Capacity	Share
Name C & K MORTGAGE SERVICES INC.		an undivided \$2,500,000 / \$2,750,000 interest
Address for Service 1670 Bayview Avenue Suite 400 Toronto, Ontario M4G 3C2		
Name CANADIAN WESTERN TRUST COMPANY		an undivided \$250,000 / \$2,750,000 interest
Address for Service 750 Cambie Street Suite 300 Vancouver, BC V6B 0A2		

Statements

Schedule: See Schedules

Provisions

Principal \$2,750,000.00 Currency CDN
 Calculation Period monthly, not in advance
 Balance Due Date 2022/09/01
 Interest Rate 9.75%
 Payments \$22,343.75
 Interest Adjustment Date 2021 09 01
 Payment Date first day of each and every month
 First Payment Date 2021 10 01
 Last Payment Date 2022 09 01
 Standard Charge Terms 200033
 Insurance Amount Full insurable value
 Guarantor Village Developments Inc. and Paul DeBattista

Additional Provisions

Canadian Western Trust Company (Incorporation No. A46845) holds its interest in this Charge/Mortgage in trust for RRIF 112661 (Cecile

LRO # 20 Charge/Mortgage

Received as HR1840792 on 2021 10 29 at 12:46

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

yyyy mm dd Page 2 of 12

Additional Provisions

Erich).

Signed By

Kimberly Anne Gabriel

1 Adelaide Street E., Suite 801
Toronto
M5C 2V9acting for
Chargor(s)

Signed 2021 10 25

Tel 416-869-1234

Fax 416-869-0547

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

Submitted By

GARFINKLE, BIDERMAN LLP

1 Adelaide Street E., Suite 801
Toronto
M5C 2V9

2021 10 29

Tel 416-869-1234

Fax 416-869-0547

Fees/Taxes/Payment

Statutory Registration Fee \$65.30

Total Paid \$65.30

File Number

Chargor Client File Number :

2677-632

SCHEDULE "A" - Additional Provisions

1. Letter of Commitment

Any reference in this Charge to the Commitment Letter or Letter of Commitment (the "Commitment Letter" or "Letter of Commitment") shall mean the Commitment Letter referable to this transaction dated June 16, 2021 (and any amendments thereto, if applicable).

This Charge shall secure any and all amounts owing by the Chargor to the Chargee pursuant to the Letter of Commitment.

All provisions of the Letter of Commitment are hereby incorporated into this Charge.

Any default by the Mortgagor with regard to any provision of the Letter of Commitment shall constitute a default under this Charge.

2. Interest Rate

The mortgage shall bear interest at the rate of 9.750% per annum, compounded and payable monthly, not in advance. Interest at the aforesaid rate on the amounts advanced from time to time shall be payable on the first day of each and every month throughout the term of the Charge and the principal sum (with all unpaid accrued interest) shall become due and payable on September 1, 2022. The parties hereto acknowledge and agree that the Chargee shall not be deemed to reinvest any monthly or other payments received by it hereunder.

In case default shall be made in payment of any sum to become due for interest at any time appointed for payment in this Charge, compound interest shall be payable and the sum in arrears for interest from time to time, as well after as before maturity and judgment, shall bear interest at the rate provided for in this Charge. In the event the interest and compound interest are not paid one month from the time of default, a rest shall be made, and compound interest at the rate provided for in this Charge shall be payable on the aggregate amount then due, as well after as before maturity and judgment, and so on from time to time, and all such interest and compound interest shall be a charge upon the Charged Property.

The Chargee shall have the right to deduct from any advance interest from the date of advance to the interest adjustment date.

3. Prepayment Privilege

This Charge shall be closed for a period of three months and thereafter, provided this Charge is not in default, the Chargor shall have the right of prepaying the whole amount hereby secured upon thirty day's written notice by the Chargor to the Chargee and further upon payment of one month's interest on the amount so prepaid as a bonus.

4. Default

In addition to any other Default Clauses set out in this Charge, or in the Standard Charge Terms referred to herein, the monies hereby secured, together with interest thereon as aforesaid, shall become payable and the security hereby constituted shall become enforceable immediately upon demand by the Chargee on the occurrence or happening of any of the following events ("Event(s) of Default"):

- (a) the Chargor makes default in the payment of the principal, interest or other monies hereby secured or any principal or interest payment and other monies owed by it to the Chargee whether secured by this Charge or not;
- (b) the Chargor makes default in the payment of principal, interest or other monies secured by any other Charges registered against the Charged Property whether in priority to or subsequent to this Charge;
- (c) the Chargor makes material default in the observance or performance of any written covenant or undertaking heretofore or hereafter given by it to the Chargee, whether contained herein or not and pertaining to the assets or the financial condition of the Chargor and such default has not been cured within fifteen (15) days of written notice thereof being delivered to the Chargor;
- (d) if any statement, information (oral or written) or representation heretofore or hereafter made or given by or on behalf of the Chargor to the Chargee and pertaining to the assets or the financial condition of the Chargor, and whether contained herein or not is false, inaccurate and/or misleading in any material respect;

- (e) an order is made or an effective resolution passed for the winding-up, liquidation, amalgamation or reorganization of the Chargor, or a petition is filed for the winding up of the Chargor;
- (f) the Chargor becomes insolvent or makes a general assignment for the benefit of its creditors or otherwise acknowledges its insolvency; or the Chargor makes a bulk sale of its assets; or a bankruptcy petition or receiving order is filed or presented against the Chargor;
- (g) any proceedings with respect to the Chargor are commenced under the Companies' Creditors Arrangement Act;
- (h) any execution, sequestration, extent or any other process of any Court becomes enforceable against the Chargor or a distress or analogous process is levied upon the property and assets of the Chargor or any part thereof, which in the opinion of the Chargee is a substantial part, and remains unsatisfied for such period as would permit such property to be sold thereunder, less two (2) business days, provided that such process is not in good faith disputed and, in that event, if the Chargor shall desire to contest such process it shall give security to the Chargee which, in the absolute discretion of the Chargee, shall be deemed sufficient to pay in full the amount claimed in the event it shall be held to be a valid claim;
- (i) the Chargor ceases or threatens to cease to carry on its business or the Chargor commits or threatens to commit any act of bankruptcy or insolvency;
- (j) the property hereby mortgaged and charged (the "Charged Property") or any part thereof, other than sales of lots containing fully completed single family dwellings to bona fide purchasers for value, with prior written approval by the Chargee, are sold by the Chargor or if there is a change in the present effective voting control of the Chargor or a change in the beneficial ownership of the Chargor or the assets or any one of them;
- (k) the monies secured hereby, together with interest thereon shall not be repaid to the Chargee when due;
- (l) the Chargor makes any default with regard to any provision of the Commitment Letter.

5. Chargee May Remedy Default

If the Chargor should fail to perform any covenant or agreement of the Chargor hereunder, the Chargee may itself perform or cause to be performed such covenant or agreement and all expenses incurred or payments made by the Chargee in so doing, together with interest thereon at the rate set forth herein, shall be added to the indebtedness secured herein and shall be paid by the Chargor and be secured by this Charge together with all other indebtedness secured thereby, provided however that the foregoing shall not in any way be interpreted as an obligation of the Chargee.

6. Construction Liens

Provided also that upon the registration of any construction lien against title to the charged property which is not discharged within a period of ten (10) days from the registration thereof, all monies hereby secured shall, at the option of the Chargee, forthwith become due and payable.

The Chargee may at its option, withhold from any advances for which the Chargor may have qualified, such holdbacks as the Chargee in its sole discretion, considers advisable to protect its position under the provisions of the Construction Act, R.S.O. 1990, c. C30 so as to secure its priority over any construction liens, until the Chargee is fully satisfied that all construction lien periods have expired and that there are no preserved or perfected liens outstanding. Nothing in this clause shall be construed to make the Chargee an "owner" or "payer" as defined under the Construction Act, R.S.O. 1990, c. C30, nor shall there be, or be deemed to be, any obligation by the Chargee to retain any holdback which may be required by the said legislation. Any holdback which may be required to be made by the owner or payer shall remain solely the Chargor's obligation. The Chargor hereby covenants and agrees to comply in all respects with the provisions of the Construction Act, R.S.O. 1990, c. C30.

7. Construction Loan

Provided that the Chargor and Chargee agree that if this is a construction loan, the following conditions shall apply:

- (a) the Chargor further covenants that all installation of services and construction on the lands hereby secured shall be carried out by reputable contractors with

sufficient experience in a project of this nature and size, which contractors must be approved by the Chargee and which approval shall not be unreasonably withheld;

- (b) that the installation of services and the construction of dwellings on the said lands, once having been commenced, shall be continued in a good and workmanlike manner, with all due diligence and in substantial accordance with the plans and specifications delivered to the Chargee and to the satisfaction of the Municipality and all governmental and regulatory authorities having jurisdiction;
- (c) provided that should the servicing and construction on the said lands cease for any reason whatsoever (strike, material shortages, weather and conditions or circumstances beyond the control of the Chargor excepted), for a period of fifteen (15) consecutive days unless explained to the satisfaction of the Chargee acting reasonably (Saturdays, Sundays and Statutory holidays excepted), then the monies hereby secured, at the option of the Chargee shall immediately become due and payable. In the event that construction does cease, then the Chargee shall have the right, at its sole option, to assume complete control of the servicing and construction of the project on the said lands in such manner and on such terms as it deems advisable. The cost of completion of servicing and construction of the project by the Chargee and all expenses incidental thereto shall be added to the principal amount of the Charge, together with a management fee of fifteen percent (15%) of the costs of the construction completed by the Chargee. All costs and expenses, as well as the said management fee shall bear interest at the rate as herein provided for and shall form part of the principal secured hereunder and the Chargee shall have the same rights and remedies with respect to collection of same as it would have with respect to collection of principal and interest hereunder or at law;
- (d) at the option of the Chargee, at all times there shall be a holdback of ten percent (10%) with respect to work already completed;
- (e) all advances which are made from time to time hereunder shall be based on Certificate of the Chargee's agents prepared at the expense of the Chargor, which Certificates shall without limitation certify the value of the work completed and the estimated costs of any uncompleted work and such Certificates shall further certify that such completed construction and/or servicing to the date of such Certificate shall be in accordance with the approved plans and specifications for the said construction and further, in a good and workmanlike manner and in accordance with the permits issued for such servicing and construction and in accordance with all municipal and other governmental requirements of any authority having jurisdiction pertaining to such servicing and construction and there shall be no outstanding work orders or other requirements pertaining to servicing and construction on the said lands. Such Certificates with respect to any values shall not include materials on the site which are not incorporated into the buildings or the services;
- (f) At all times there shall be sufficient funds unadvanced under this Charge to complete the construction as well as a holdback of ten (10%) with respect to work already completed.

8. **Environmental**

- (a) "Hazardous Substances" includes:
 - (i) any substances that, if added to any water or emitted into the air would create or contribute to the creation of a condition of such water or air that is detrimental to its use by or to the health, safety or welfare of persons or animals or cause damage to plant life or Charged property;
 - (ii) any radioactive materials or explosives;
 - (iii) any substances declared from time to time to be hazardous, dangerous or toxic under any applicable federal, provincial or municipal law, by-law, regulation or other enactment, including without limitation, asbestos; and
 - (iv) any other substances which is or may become hazardous, toxic or dangerous to persons or Charged property.
- (b) The Chargor hereby represents, warrants, covenants and agrees to and with the Chargee that:

- (i) to the best of the knowledge of the Chargor after due and diligent inquiry, there are no Hazardous Substances on the Charged property no Hazardous Substances have ever been used, stored or located on the Charged property and no part of the Charged property is or has ever been contaminated by any Hazardous Substances;
 - (ii) no Hazardous Substances shall be brought onto or used on the Charged property without the prior written consent of the Chargee;
 - (iii) any Hazardous Substances brought onto the Charged property or used by any person on the Charged property shall be transported, used and stored only in accordance with all applicable laws, regulations, by-laws and other lawful requirements, prudent industrial standards and any other requirements of the Chargee;
 - (iv) no use of the Charged property will be allowed which may cause or increase the likelihood of the escape, seepage, leakage, spillage, release or discharge of any Hazardous Substances on, from or under the Charged property or permit any policy of insurance in respect to the Charged property to be cancelled; and
 - (v) the Chargor shall promptly notify the Chargee as soon as it knows or suspects that any Hazardous Substances have been brought onto the Charged property or that there is any actual, threatened or potential escape, seepage, leakage, spillage, release or discharge of any Hazardous Substances on, from or under the Charged property.
- (c) The Chargor shall indemnify and save harmless the Chargee, its officers, directors, employees, agents and shareholders against and from all loss, costs and damages (including, without limitation, all legal fees and disbursements) which they or any of them may suffer, incur or become liable for by reason of or arising out of the use, generation, storage, escape, seepage, leakage, spillage, release, disposal or presence on, from or under the Charged property of any Hazardous Substances including, without limitation the cost of any reports as to compliance with or breach of the provisions of this paragraph 8 which the Chargee, acting reasonably may obtain at any time and from time to time.

9. **Miscellaneous**

The Chargor agrees as follows:

- (a) The Chargor shall keep the Charged Property and buildings, erections and improvements thereon in good condition and repair according to the nature and description thereof, respectively, and the Chargee may, whenever it deems necessary, by its agent, enter upon and inspect the Charged Property and make such repairs as it deems necessary, and the reasonable cost of such inspection and repairs with interest at the rate aforesaid shall be added to the Charge debt and be payable forthwith and be a charge upon the Charged Property prior to all claims thereon subsequent to this Charge.
- (b) to pay taxes, utilities and other operating and maintenance costs and provide evidence thereof to the Chargee;
- (c) to perform all governmental requirements and obligations as required;
- (d) to deliver to the Chargee all reasonable financial information deemed necessary by the Chargee, when requested including, within one hundred and twenty (120) days of the end of each fiscal year of the Chargor, furnishing to the Chargee audited financial statements prepared at the expense of the Chargor and, additionally, within one hundred and twenty (120) days of the end of the fiscal year of the operation of the Charged Property by the Chargor, furnishing to the Chargee an audited annual operating statement prepared at the expense of the Chargor, which statement, notwithstanding the generality of the foregoing, shall set forth the gross rents and other revenue derived by the Chargor from the Charged Property, the costs and expenses of the operation and maintenance of the Charged Property and such information and explanation in respect of the foregoing as may be required by the Chargee and such statements shall be required to be prepared by a duly qualified chartered accountant and/or certified public accountant suitable to the Chargee and the correctness of such statements shall be duly supported by the affidavit of a director or officer of the Chargor.

- (e) to comply with all covenants and reporting requirements set out in the Commitment Letter;
- (f) to provide or comply with such other covenants and terms as the Chargee may reasonably require.

10. Restriction on Transfer

In the event of the Chargor selling, transferring or conveying title or its rights to a purchaser, transferee or grantee not approved by the Chargee or in the event of a change in the legal or beneficial ownership of the Property, the Mortgagor or the Chargor, not approved in writing by the Chargee, then, at the sole option of the Chargee, all monies secured, together with all accrued and unpaid interest thereon and any other amounts due under this Charge shall become due and payable.

11. Assignment of Condominium Voting Rights

In the event that the property or any part thereof is or becomes a unit within a Condominium Corporation, the Chargee shall have all rights to vote on all matters relating to the said Condominium Corporation, in the place of and on behalf of the Chargor, and the Chargor hereby assigns unto the Chargee all such voting rights.

In the event that the property or any part thereof is or becomes a Common Element Condominium Corporation, the Chargee shall have all rights to vote on all matters relating to the said Common Element Condominium Corporation in the place of and on behalf of the Chargor, to the extent that the Chargor would have such rights, and the Chargor hereby assigns unto the Chargee all such voting rights.

The Chargor agrees that voting control of the Chargor shall not change during the currency of this loan without the prior written consent of the Chargee.

12. Subsequent Financing

No financing subsequent to the Chargee's facilities shall be permitted, without the prior written consent of the Chargee which consent shall not be unreasonably withheld.

13. NSF and Late Payment Charge

In the event that any payment is returned to the lender for any cause whatsoever, including there being insufficient funds in the borrower's account to cover same, the lender will be entitled to reimbursement for all bank charges related to the dishonoured cheque in addition, the lender or administrator's time for collection will be charged at a rate of \$300 per hour and all time will be docketed and charged to the borrower's account. These charges will apply to all administration costs related to any default under the mortgage including but not limited to collection costs related to late payments, insurance cancellation and work orders affecting the property. All payments (other than regular monthly payments of interest) must be received no later than 1:00 PM or they shall be deemed earned the following business day. Payments being made on a Friday or on a business day preceding a statutory holiday must be received no later than 11:00 AM or they shall be deemed earned the following business day. For greater certainty, if funds are not received before the times stipulated herein, interest will continue to accrue to the next bank business day. All payments not made by the due date will be subject to the lender's administration costs in processing same.

14. Default

In the event default is made in the payment of any principal money, at the time or times provided herein, the Chargee will not be required to accept payment of the principal monies without first receiving three (3) months notice in writing or receiving three (3) months interest bonus in advance payment of the principal monies.

15. Manager's Fee

In the event of default herein, Rescom Capital will be appointed as the Chargee's Manager. at the Chargee's discretion and will be entitled to a fee of \$300.00 per hour for its services and such fee will be charged to the Chargor's account, and added to the amount owing under this Charge.

16. Post-dated Cheques

The Chargor shall supply a series of post-dated cheques to each of the Chargee(s) (or as directed) on or before the advance and any renewal or extension thereof.

17. Statement Charge

The Chargor shall pay to the Chargee the sum of \$100.00 for every statement requested by the Chargor, or any party on behalf of the Chargor or any party interested in the Charged Property and provided by the Chargee.

18. Commencing of Proceedings

The Chargor shall pay to the Chargee (exclusive of legal costs) the sum of \$500.00 for each and every instance the Chargee is required to institute default or enforcement proceedings under this Charge.

19. Insurance

Without limiting the generality of any provision of this Charge, the Chargor shall carry such liability, rental, boiler, fire and other insurance coverage in such amounts as required by the Chargee. Written evidence of continuance of such insurance from the insurer under such policy or policies to the effect that coverage has been extended for a minimum of at least one year and all premiums with respect to such extended term of such coverage have been paid for in full shall be produced to the Chargee at least thirty (30) days before expiration of any term of such respective policy; otherwise the Chargee may provide therefor and charge the premium paid and interest thereon at the rate provided in this Charge to the Chargor and the same shall be payable forthwith and shall also be a charge upon the Charged Property together with a penalty of \$500.00.

Notwithstanding any other provision to the contrary, statutory or otherwise, in the event of any moneys becoming payable pursuant to an insurance policy with respect to buildings located on the Charged Property, the Chargee may at its option require the said moneys to be applied by the Chargor in making good the loss or damage in respect of which the money is received, or in the alternative, may require that any or all of the moneys so received to applied in or towards satisfaction of any or all of the indebtedness secured hereunder whether or not the same has become due.

Provided also that the covenant for insurance hereinbefore contained shall provide that loss, if any, shall be payable to the said Chargee, as its interest may appear, subject to the Chargee's standard form of mortgage clause or the standard form of mortgage clause approved by the Insurance Bureau of Canada which shall be attached to the policy of insurance and form part thereof.

20. Payment of Taxes

With respect to municipal taxes, school taxes and local improvement rates (hereinafter referred to as "Taxes") chargeable against the Charged Property, the Chargor covenants and agrees with the Chargee that:

- (a) The Chargee may deduct from any advance of the moneys secured by this Charge an amount sufficient to pay the Taxes which have become due and payable during any calendar year;
- (b) The Chargee may at its sole option estimate the amount of the Taxes chargeable against the Charged Property payable in each year and the Chargor shall forthwith upon demand of the Chargee pay to the Chargee one-twelfth (1/12) of the estimated annual amount of such Taxes on the dates on which instalments of principal and interest are payable during the term of this Charge commencing with the 1st day of the first full month of the term of this Charge. The Chargee may at its option apply such payments to the Taxes so long as the Chargor is not in default under any covenant or agreement contained in this Charge, but nothing herein contained shall obligate the Chargee to apply such payments on account of Taxes more often than yearly. Provided, however, that if the Chargor shall pay any sum or sums to the Chargee to apply on account of Taxes, and if before the same shall have been so applied, there shall be default by the Chargor in respect of any payment of principal or interest as herein provided, the Chargee may at its option apply such sum or sums in or towards payment of the principal

and/or interest in default. If the Chargor desires to take advantage of any discounts or avoid any penalties in connection with the payment of Taxes, the Chargor may pay to the Chargee such additional amounts as are required for that purpose.

- (c) In the event that the Taxes actually charged in one (1) calendar year, together with any interest and penalties thereon, exceed the estimated amount, the Chargor shall pay to the Chargee on demand the amount required to make up the deficiency. The Chargee may at its option, pay any of the Taxes when payable, either before or after they are due, without notice, or may make advances therefor in excess of the then amount of any credit held by the Chargee for the said Taxes. Any excess amount advanced by the Chargee shall be secured as an additional principal sum under this Charge and shall bear the same rate of interest as aforesaid until repaid by the Chargor.
- (d) The Chargor shall transmit to the Chargee forthwith after receipt of same the assessment notices, Tax bills and other notices affecting the imposition of Taxes upon the Charged Property
- (e) In no event shall the Chargee be liable for any interest on any amount paid to it as hereinbefore required and the moneys so received may be held with its own funds pending payment or application thereof as hereinbefore provided, provided that in the event that the Chargee does not utilize the funds received on account of Taxes in any calendar year, such amount or amounts may be held by the Chargee on account of any pre-estimate of Taxes required for the next succeeding calendar year, or at the Chargee's option the Chargee may repay such amount to the Chargor without any interest.
- (f) The Chargor shall in all instances be responsible for the payment of any and all penalties resulting out of any late payment of current Tax instalments or any arrears of Taxes, and at no time shall such penalty be the responsibility of the Chargee.
- (g) The Chargor shall deliver to the Chargee on or before December 31st in each such calendar year, written evidence from the taxing authority having jurisdiction with respect to the municipal realty Taxes levied and assessed against the Charged Property, such evidence to be to the effect that all Taxes for the current calendar year and any preceding calendar year have been paid in full. In the event of the failure of the Chargor to comply with the covenant as aforesaid, the Chargee shall be entitled to charge a servicing fee for each written enquiry directed to such taxing authority or the relevant taxation office for the purpose of ascertaining the status of the Tax account pertaining to the Charged Property, together with any costs payable to the taxing authority for such information. Such servicing fee is hereby agreed to be a fair and equitable one under the circumstances and is intended to cover the Chargee's administrative costs and shall not be deemed a penalty.

21. Appointment of a Receiver

NOTWITHSTANDING anything herein contained, it is declared and agreed that at any time, and from time to time, when there shall be default under the provisions of these presents, the Chargee may at such time, and from time to time, and with or without entering into possession of the Charged Property appoint in writing a receiver (the "**Receiver**" which term shall include a receiver/manager) of the Charged Property, or any part thereof, and of the rents and profits thereof and with or without security and may from time to time by similar writing remove any such Receiver and appoint another in its place and stead, and in the making of any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor. The Chargor hereby agrees and consents to the appointment of the Receiver of the Chargee's choice and without limitation, whether pursuant to this Charge, the Mortgages Act, the Construction Act, R.S.O. 1990, c. C30 or pursuant to the Courts of Justice Act (as the Chargee may at its sole option require). Without limitation, the purpose of such appointment shall be the orderly management, administration and/or sale of the Charged Property and every part thereof.

Upon the appointment of any such Receiver or Receivers from time to time the following provisions shall apply:

- (a) a statutory declaration of an officer of the Chargee as to default under the provisions of these presents shall be conclusive evidence thereof;
- (b) every such Receiver shall be the irrevocable agent or attorney of the Chargor for the collection of all rents falling due with respect to the Charged Property, and every part thereof, whether in respect of any tenancies created in priority to these presents or subsequent thereto;
- (c) the Chargee may from time to time fix the remuneration of every such Receiver who shall be entitled to deduct same out of the Charged Property or the proceeds thereof;
- (d) each such Receiver shall, so far as concerns responsibility and liability for its acts or omissions, be deemed to be the agent or attorney of the Chargor and in no event the agent of the Chargee;
- (e) the appointment of every such Receiver by the Chargee shall not incur or create any liability on the part of the Chargee to the Receiver in any respect and such appointment or anything which may be done by any such Receiver or the removal of any such Receiver or the termination of any such Receivership shall not have the effect of constituting the Chargee a chargee in possession with respect to the Charged Property or any part thereof;
- (f) the Receiver shall have the power to rent any portion of the Charged Property for such terms and subject to such provisions as it may deem advisable or expedient and in so doing such Receiver shall be acting as the attorney or agent of the Chargor and shall have the authority to execute any lease of any such premises in the name and on behalf of the Chargor and the Chargor undertakes to ratify and confirm whatever acts such Receiver may do in the Charged Property;
- (g) every such Receiver shall have full power to complete any unfinished construction upon the Charged Property;
- (h) any such Receiver shall have full power to carry on or concur in the carrying on of the business of the Chargor, and to employ and discharge such agents, workmen, accountants and other individuals or companies as are required to carry on the said business, upon such terms and with such salaries, wages or remuneration as it shall think proper, and to repair and keep in repair the Charged Property and to do all necessary acts and things for the carrying on of the business of the Chargor and the protection of the Charged Property;
- (i) any such Receiver shall have the power to sell or lease or concur in selling or leasing the Charged Property, or any part thereof, and to carry any such sale or lease into effect by conveying in the name of or on behalf of the Chargor or otherwise; and any such sale may be made either at public auction or private sale as to the Receiver may seem best and any such sale may be made from time to time as to the whole or any part of the Charged Property; and the Receiver may make any stipulations as to title or conveyance or commencement of title or otherwise as it shall deem proper;
- (j) any such Receiver shall have the power to borrow money to carry on the business of the Chargor or to maintain the whole or any part of the Charged Property, in such amounts as the Receiver may from time to time deem necessary and in so doing, the Receiver may issue certificates that may be payable when the Receiver thinks expedient and shall bear interest as stated therein and the amounts from time to time payable under such certificates shall charge the Charged Property in priority to this Charge;
- (k) any such Receiver shall have the power to execute and prosecute all suits, proceedings and actions which the Receiver in its opinion considers necessary for the proper protection of the Charged Property, to defend all suits, proceedings and actions against the Chargor or the Receiver, to appear in and conduct the prosecution and defence of any suit, proceeding or action then pending or thereafter instituted and to appeal any suit, proceeding or action;

- (l) any such Receiver shall have the full power to manage, operate, amend, repair, alter or extend the Charged Property, or any part thereof, in the name of the Chargor for the purpose of securing the payment of rentals from the Charged Property or any part thereof;
- (m) any such Receiver shall not be liable to the Chargor to account: for moneys or damages other than cash received by it with respect to the Charged Property or any part thereof and out of such cash so received every such Receiver shall pay in the following order:
 - (i) its remuneration;
 - (ii) all payments made or incurred by the Receiver in connection with the management, operation, amendment, repair, alteration or extension of the Charged Property or any part thereof;
 - (iii) in payment of interest, principal and other money which may from time to time be or become a charge upon the Charged Property in priority to moneys owing hereunder and all taxes, insurance premiums and every other proper expenditure made or incurred by it with respect to the Charged Property or any part thereof;
 - (iv) in payment of all interest and arrears of interest and any other moneys remaining unpaid hereunder;
 - (v) the residue of any money so received by the Receiver shall be applied to the principal sum or any other amounts from time to time owing under this Charge;
 - (vi) subject to subparagraph (v) above, in the discretion of the Receiver, interest, principal and other moneys which may from time to time constitute a charge or encumbrance on the Charged Property subsequent in priority or subordinate to the interest of the Chargee under this Charge;

and that such Receiver may in its discretion retain reasonable reserves to meet accruing amounts and anticipated payments in connection with any of the foregoing, and further, that any surplus remaining in the hands of the Receiver, after payments made and such reasonable reserves retained as aforesaid, shall be payable to the Chargor.

Provided that save as to moneys payable to the Chargor pursuant to subparagraph (m) of this Paragraph, the Chargor hereby releases and discharges the Chargee and every such Receiver from every claim of every nature, whether sounding in damages for negligence or trespass or otherwise, which may arise or be caused to the Chargor or any person claiming through or under it by reason or as a result of anything done by the Chargee or any such Receiver under the provisions of this Paragraph, unless such claim be the direct and proximate result of bad faith or gross neglect.

The Chargor hereby irrevocably appoints the Chargee as its attorney to execute such consent or consents and all such documents as may be required in the sole discretion of the Chargee and/or its solicitor so as to give effect to the foregoing provisions and the signature of such attorney shall be valid and binding on the Chargor and all parties dealing with the Chargor, the Chargee and/or Receiver and/or with respect to the Charged Property in the same manner as if such documentation was duly executed by the Chargor itself.

22. Payments

- (a) All payments shall be applied firstly on account of interest calculated as aforesaid on the balance of the principal amount outstanding from time to time except that in the case of default hereunder, the Chargee may then apply any payment(s) received during default in whatever order it may elect as between taxes, interest, repairs, insurance, legal fees (on a solicitor and client basis) or any other payments made on behalf of the Chargor. All payments and charges and fees upon which H.S.T. is chargeable shall include an additional H.S.T. component.

23. Notice

Any notice, election, demand, declaration or request which may or is required to be given or made pursuant to this Charge, shall (unless otherwise required by law or set out in this Charge) be given or made in writing and shall be served personally upon an individual party for whom it is intended or upon any executive officer of a corporate party for whom it is intended or mailed by prepaid registered mail:

- (a) in the case of the Chargor at:

7686 Appleby Line
Milton, Ontario, L9E 0N1

Attention: Mr. Paul DeBattista

- (b) in the case of Chargee at:

c/o C & K Mortgage Services Inc.
1670 Bayview Avenue
Suite 400
Toronto, Ontario
M4G 3C2

Attention: Mr. Gary Gruneir

- (c) Canadian Western Trust Company
750 Cambie Street
Suite 300
Vancouver, BC
V6B 0A2

or such other address (or in the case of a corporate party in care of such other officer) as any party may from time to time advise the other parties hereto by notice in writing as aforesaid. The date of receipt of any such notice, election, demand, declaration or request, shall be the date of delivery of such notice, election, demand or request if delivered personally or if mailed as aforesaid shall be deemed to be the third juridical day next following the date of such mailing. If at the date of any such mailing there is a general interruption in the operation of the postal service in the Province of Ontario which does or is likely to delay the delivery by mail of such notice, election, demand or request, it shall be served personally.

24. Invalidity

If any of the terms, covenants or conditions of this Charge shall be void for any reason, it shall be severed from the remainder of the provisions hereof and the remaining provisions shall remain in full force and effect notwithstanding such severance.

25. Power of Sale

PROVIDED that in the event power of sale proceedings are taken, the Chargee as vendors may sell the property on terms and if the result is that any mortgages taken back are at a rate lower than the rate for the first and/or second mortgagee in the industry then the Chargee shall be entitled to sell these charges at a discount and the discount shall form part of the loss incurred by the Chargee and be recoverable against the Chargor.

SCHEDULE "A" - Additional Provisions

1. Letter of Commitment

Any reference in this Charge to the Commitment Letter or Letter of Commitment (the "Commitment Letter" or "Letter of Commitment") shall mean the Commitment Letter referable to this transaction dated June 16, 2021 (and any amendments thereto, if applicable).

This Charge shall secure any and all amounts owing by the Chargor to the Chargee pursuant to the Letter of Commitment.

All provisions of the Letter of Commitment are hereby incorporated into this Charge.

Any default by the Mortgagor with regard to any provision of the Letter of Commitment shall constitute a default under this Charge.

2. Interest Rate

The mortgage shall bear interest at the rate of 9.750% per annum, compounded and payable monthly, not in advance. Interest at the aforesaid rate on the amounts advanced from time to time shall be payable on the first day of each and every month throughout the term of the Charge and the principal sum (with all unpaid accrued interest) shall become due and payable on September 1, 2022. The parties hereto acknowledge and agree that the Chargee shall not be deemed to reinvest any monthly or other payments received by it hereunder.

In case default shall be made in payment of any sum to become due for interest at any time appointed for payment in this Charge, compound interest shall be payable and the sum in arrears for interest from time to time, as well after as before maturity and judgment, shall bear interest at the rate provided for in this Charge. In the event the interest and compound interest are not paid one month from the time of default, a rest shall be made, and compound interest at the rate provided for in this Charge shall be payable on the aggregate amount then due, as well after as before maturity and judgment, and so on from time to time, and all such interest and compound interest shall be a charge upon the Charged Property.

The Chargee shall have the right to deduct from any advance interest from the date of advance to the interest adjustment date.

3. Prepayment Privilege

This Charge shall be closed for a period of three months and thereafter, provided this Charge is not in default, the Chargor shall have the right of prepaying the whole amount hereby secured upon thirty day's written notice by the Chargor to the Chargee and further upon payment of one month's interest on the amount so prepaid as a bonus.

4. Default

In addition to any other Default Clauses set out in this Charge, or in the Standard Charge Terms referred to herein, the monies hereby secured, together with interest thereon as aforesaid, shall become payable and the security hereby constituted shall become enforceable immediately upon demand by the Chargee on the occurrence or happening of any of the following events ("Event(s) of Default"):

- (a) the Chargor makes default in the payment of the principal, interest or other monies hereby secured or any principal or interest payment and other monies owed by it to the Chargee whether secured by this Charge or not;
- (b) the Chargor makes default in the payment of principal, interest or other monies secured by any other Charges registered against the Charged Property whether in priority to or subsequent to this Charge;
- (c) the Chargor makes material default in the observance or performance of any written covenant or undertaking heretofore or hereafter given by it to the Chargee, whether contained herein or not and pertaining to the assets or the financial condition of the Chargor and such default has not been cured within fifteen (15) days of written notice thereof being delivered to the Chargor;
- (d) if any statement, information (oral or written) or representation heretofore or hereafter made or given by or on behalf of the Chargor to the Chargee and pertaining to the assets or the financial condition of the Chargor, and whether contained herein or not is false, inaccurate and/or misleading in any material respect;

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- (e) an order is made or an effective resolution passed for the winding-up, liquidation, amalgamation or reorganization of the Chargor, or a petition is filed for the winding up of the Chargor;
- (f) the Chargor becomes insolvent or makes a general assignment for the benefit of its creditors or otherwise acknowledges its insolvency; or the Chargor makes a bulk sale of its assets; or a bankruptcy petition or receiving order is filed or presented against the Chargor;
- (g) any proceedings with respect to the Chargor are commenced under the Companies' Creditors Arrangement Act;
- (h) any execution, sequestration, extent or any other process of any Court becomes enforceable against the Chargor or a distress or analogous process is levied upon the property and assets of the Chargor or any part thereof, which in the opinion of the Chargee is a substantial part, and remains unsatisfied for such period as would permit such property to be sold thereunder, less two (2) business days, provided that such process is not in good faith disputed and, in that event, if the Chargor shall desire to contest such process it shall give security to the Chargee which, in the absolute discretion of the Chargee, shall be deemed sufficient to pay in full the amount claimed in the event it shall be held to be a valid claim;
- (i) the Chargor ceases or threatens to cease to carry on its business or the Chargor commits or threatens to commit any act of bankruptcy or insolvency;
- (j) the property hereby mortgaged and charged (the "Charged Property") or any part thereof, other than sales of lots containing fully completed single family dwellings to bona fide purchasers for value, with prior written approval by the Chargee, are sold by the Chargor or if there is a change in the present effective voting control of the Chargor or a change in the beneficial ownership of the Chargor or the assets or any one of them;
- (k) the monies secured hereby, together with interest thereon shall not be repaid to the Chargee when due;
- (l) the Chargor makes any default with regard to any provision of the Commitment Letter.

5. Chargee May Remedy Default

If the Chargor should fail to perform any covenant or agreement of the Chargor hereunder, the Chargee may itself perform or cause to be performed such covenant or agreement and all expenses incurred or payments made by the Chargee in so doing, together with interest thereon at the rate set forth herein, shall be added to the indebtedness secured herein and shall be paid by the Chargor and be secured by this Charge together with all other indebtedness secured thereby, provided however that the foregoing shall not in any way be interpreted as an obligation of the Chargee.

6. Construction Liens

Provided also that upon the registration of any construction lien against title to the charged property which is not discharged within a period of ten (10) days from the registration thereof, all monies hereby secured shall, at the option of the Chargee, forthwith become due and payable.

The Chargee may at its option, withhold from any advances for which the Chargor may have qualified, such holdbacks as the Chargee in its sole discretion, considers advisable to protect its position under the provisions of the Construction Act, R.S.O. 1990, c. C30 so as to secure its priority over any construction liens, until the Chargee is fully satisfied that all construction lien periods have expired and that there are no preserved or perfected liens outstanding. Nothing in this clause shall be construed to make the Chargee an "owner" or "payer" as defined under the Construction Act, R.S.O. 1990, c. C30, nor shall there be, or be deemed to be, any obligation by the Chargee to retain any holdback which may be required by the said legislation. Any holdback which may be required to be made by the owner or payer shall remain solely the Chargor's obligation. The Chargor hereby covenants and agrees to comply in all respects with the provisions of the Construction Act, R.S.O. 1990, c. C30.

7. Construction Loan

Provided that the Chargor and Chargee agree that if this is a construction loan, the following conditions shall apply:

- (a) the Chargor further covenants that all installation of services and construction on the lands hereby secured shall be carried out by reputable contractors with

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- sufficient experience in a project of this nature and size, which contractors must be approved by the Chargee and which approval shall not be unreasonably withheld;
- (b) that the installation of services and the construction of dwellings on the said lands, once having been commenced, shall be continued in a good and workmanlike manner, with all due diligence and in substantial accordance with the plans and specifications delivered to the Chargee and to the satisfaction of the Municipality and all governmental and regulatory authorities having jurisdiction;
 - (c) provided that should the servicing and construction on the said lands cease for any reason whatsoever (strike, material shortages, weather and conditions or circumstances beyond the control of the Chargor excepted), for a period of fifteen (15) consecutive days unless explained to the satisfaction of the Chargee acting reasonably (Saturdays, Sundays and Statutory holidays excepted), then the monies hereby secured, at the option of the Chargee shall immediately become due and payable. In the event that construction does cease, then the Chargee shall have the right, at its sole option, to assume complete control of the servicing and construction of the project on the said lands in such manner and on such terms as it deems advisable. The cost of completion of servicing and construction of the project by the Chargee and all expenses incidental thereto shall be added to the principal amount of the Charge, together with a management fee of fifteen percent (15%) of the costs of the construction completed by the Chargee. All costs and expenses, as well as the said management fee shall bear interest at the rate as herein provided for and shall form part of the principal secured hereunder and the Chargee shall have the same rights and remedies with respect to collection of same as it would have with respect to collection of principal and interest hereunder or at law;
 - (d) at the option of the Chargee, at all times there shall be a holdback of ten percent (10%) with respect to work already completed;
 - (e) all advances which are made from time to time hereunder shall be based on Certificate of the Chargee's agents prepared at the expense of the Chargor, which Certificates shall without limitation certify the value of the work completed and the estimated costs of any uncompleted work and such Certificates shall further certify that such completed construction and/or servicing to the date of such Certificate shall be in accordance with the approved plans and specifications for the said construction and further, in a good and workmanlike manner and in accordance with the permits issued for such servicing and construction and in accordance with all municipal and other governmental requirements of any authority having jurisdiction pertaining to such servicing and construction and there shall be no outstanding work orders or other requirements pertaining to servicing and construction on the said lands. Such Certificates with respect to any values shall not include materials on the site which are not incorporated into the buildings or the services;
 - (f) At all times there shall be sufficient funds unadvanced under this Charge to complete the construction as well as a holdback of ten (10%) with respect to work already completed.

8. Environmental

- (a) "Hazardous Substances" includes:
 - (i) any substances that, if added to any water or emitted into the air would create or contribute to the creation of a condition of such water or air that is detrimental to its use by or to the health, safety or welfare of persons or animals or cause damage to plant life or Charged property;
 - (ii) any radioactive materials or explosives;
 - (iii) any substances declared from time to time to be hazardous, dangerous or toxic under any applicable federal, provincial or municipal law, by-law, regulation or other enactment, including without limitation, asbestos; and
 - (iv) any other substances which is or may become hazardous, toxic or dangerous to persons or Charged property.
- (b) The Chargor hereby represents, warrants, covenants and agrees to and with the Chargee that:

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- (i) to the best of the knowledge of the Chargor after due and diligent inquiry, there are no Hazardous Substances on the Charged property no Hazardous Substances have ever been used, stored or located on the Charged property and no part of the Charged property is or has ever been contaminated by any Hazardous Substances;
 - (ii) no Hazardous Substances shall be brought onto or used on the Charged property without the prior written consent of the Chargee;
 - (iii) any Hazardous Substances brought onto the Charged property or used by any person on the Charged property shall be transported, used and stored only in accordance with all applicable laws, regulations, by-laws and other lawful requirements, prudent industrial standards and any other requirements of the Chargee;
 - (iv) no use of the Charged property will be allowed which may cause or increase the likelihood of the escape, seepage, leakage, spillage, release or discharge of any Hazardous Substances on, from or under the Charged property or permit any policy of insurance in respect to the Charged property to be cancelled; and
 - (v) the Chargor shall promptly notify the Chargee as soon as it knows or suspects that any Hazardous Substances have been brought onto the Charged property or that there is any actual, threatened or potential escape, seepage, leakage, spillage, release or discharge of any Hazardous Substances on, from or under the Charged property.
- (c) The Chargor shall indemnify and save harmless the Chargee, its officers, directors, employees, agents and shareholders against and from all loss, costs and damages (including, without limitation, all legal fees and disbursements) which they or any of them may suffer, incur or become liable for by reason of or arising out of the use, generation, storage, escape, seepage, leakage, spillage, release, disposal or presence on, from or under the Charged property of any Hazardous Substances including, without limitation the cost of any reports as to compliance with or breach of the provisions of this paragraph 8 which the Chargee, acting reasonably may obtain at any time and from time to time.

9. Miscellaneous

The Chargor agrees as follows:

- (a) The Chargor shall keep the Charged Property and buildings, erections and improvements thereon in good condition and repair according to the nature and description thereof, respectively, and the Chargee may, whenever it deems necessary, by its agent, enter upon and inspect the Charged Property and make such repairs as it deems necessary, and the reasonable cost of such inspection and repairs with interest at the rate aforesaid shall be added to the Charge debt and be payable forthwith and be a charge upon the Charged Property prior to all claims thereon subsequent to this Charge.
- (b) to pay taxes, utilities and other operating and maintenance costs and provide evidence thereof to the Chargee;
- (c) to perform all governmental requirements and obligations as required;
- (d) to deliver to the Chargee all reasonable financial information deemed necessary by the Chargee, when requested including, within one hundred and twenty (120) days of the end of each fiscal year of the Chargor, furnishing to the Chargee audited financial statements prepared at the expense of the Chargor and, additionally, within one hundred and twenty (120) days of the end of the fiscal year of the operation of the Charged Property by the Chargor, furnishing to the Chargee an audited annual operating statement prepared at the expense of the Chargor, which statement, notwithstanding the generality of the foregoing, shall set forth the gross rents and other revenue derived by the Chargor from the Charged Property, the costs and expenses of the operation and maintenance of the Charged Property and such information and explanation in respect of the foregoing as may be required by the Chargee and such statements shall be required to be prepared by a duly qualified chartered accountant and/or certified public accountant suitable to the Chargee and the correctness of such statements shall be duly supported by the affidavit of a director or officer of the Chargor.

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- (e) to comply with all covenants and reporting requirements set out in the Commitment Letter;
- (f) to provide or comply with such other covenants and terms as the Chargee may reasonably require.

10. Restriction on Transfer

In the event of the Chargor selling, transferring or conveying title or its rights to a purchaser, transferee or grantee not approved by the Chargee or in the event of a change in the legal or beneficial ownership of the Property, the Mortgagor or the Chargor, not approved in writing by the Chargee, then, at the sole option of the Chargee, all monies secured, together with all accrued and unpaid interest thereon and any other amounts due under this Charge shall become due and payable.

11. Assignment of Condominium Voting Rights

In the event that the property or any part thereof is or becomes a unit within a Condominium Corporation, the Chargee shall have all rights to vote on all matters relating to the said Condominium Corporation, in the place of and on behalf of the Chargor, and the Chargor hereby assigns unto the Chargee all such voting rights.

In the event that the property or any part thereof is or becomes a Common Element Condominium Corporation, the Chargee shall have all rights to vote on all matters relating to the said Common Element Condominium Corporation in the place of and on behalf of the Chargor, to the extent that the Chargor would have such rights, and the Chargor hereby assigns unto to the Chargee all such voting rights.

The Chargor agrees that voting control of the Chargor shall not change during the currency of this loan without the prior written consent of the Chargee.

12. Subsequent Financing

No financing subsequent to the Chargee's facilities shall be permitted, without the prior written consent of the Chargee which consent shall not be unreasonably withheld.

13. NSF and Late Payment Charge

In the event that any payment is returned to the lender for any cause whatsoever, including there being insufficient funds in the borrower's account to cover same, the lender will be entitled to reimbursement for all bank charges related to the dishonoured cheque in addition, the lender or administrator's time for collection will be charged at a rate of \$300 per hour and all time will be docketed and charged to the borrower's account. These charges will apply to all administration costs related to any default under the mortgage including but not limited to collection costs related to late payments, insurance cancellation and work orders affecting the property. All payments (other than regular monthly payments of interest) must be received no later than 1:00 PM or they shall be deemed earned the following business day. Payments being made on a Friday or on a business day preceding a statutory holiday must be received no later than 11:00 AM or they shall be deemed earned the following business day. For greater certainty, if funds are not received before the times stipulated herein, interest will continue to accrue to the next bank business day. All payments not made by the due date will be subject to the lender's administration costs in processing same.

14. Default

In the event default is made in the payment of any principal money, at the time or times provided herein, the Chargee will not be required to accept payment of the principal monies without first receiving three (3) months notice in writing or receiving three (3) months interest bonus in advance payment of the principal monies.

15. Manager's Fee

In the event of default herein, Rescom Capital will be appointed as the Chargee's Manager, at the Chargee's discretion and will be entitled to a fee of \$300.00 per hour for its services and such fee will be charged to the Chargor's account, and added to the amount owing under this Charge.

16. Post-dated Cheques

The Chargor shall supply a series of post-dated cheques to each of the Chargee(s) (or as directed) on or before the advance and any renewal or extension thereof.

17. Statement Charge

The Chargor shall pay to the Chargee the sum of \$100.00 for every statement requested by the Chargor, or any party on behalf of the Chargor or any party interested in the Charged Property and provided by the Chargee.

18. Commencing of Proceedings

The Chargor shall pay to the Chargee (exclusive of legal costs) the sum of \$500.00 for each and every instance the Chargee is required to institute default or enforcement proceedings under this Charge.

19. Insurance

Without limiting the generality of any provision of this Charge, the Chargor shall carry such liability, rental, boiler, fire and other insurance coverage in such amounts as required by the Chargee. Written evidence of continuance of such insurance from the insurer under such policy or policies to the effect that coverage has been extended for a minimum of at least one year and all premiums with respect to such extended term of such coverage have been paid for in full shall be produced to the Chargee at least thirty (30) days before expiration of any term of such respective policy; otherwise the Chargee may provide therefor and charge the premium paid and interest thereon at the rate provided in this Charge to the Chargor and the same shall be payable forthwith and shall also be a charge upon the Charged Property together with a penalty of \$500.00.

Notwithstanding any other provision to the contrary, statutory or otherwise, in the event of any moneys becoming payable pursuant to an insurance policy with respect to buildings located on the Charged Property, the Chargee may at its option require the said moneys to be applied by the Chargor in making good the loss or damage in respect of which the money is received, or in the alternative, may require that any or all of the moneys so received to applied in or towards satisfaction of any or all of the indebtedness secured hereunder whether or not the same has become due.

Provided also that the covenant for insurance hereinbefore contained shall provide that loss, if any, shall be payable to the said Chargee, as its interest may appear, subject to the Chargee's standard form of mortgage clause or the standard form of mortgage clause approved by the Insurance Bureau of Canada which shall be attached to the policy of insurance and form part thereof.

20. Payment of Taxes

With respect to municipal taxes, school taxes and local improvement rates (hereinafter referred to as "**Taxes**") chargeable against the Charged Property, the Chargor covenants and agrees with the Chargee that:

- (a) The Chargee may deduct from any advance of the moneys secured by this Charge an amount sufficient to pay the Taxes which have become due and payable during any calendar year;
- (b) The Chargee may at its sole option estimate the amount of the Taxes chargeable against the Charged Property payable in each year and the Chargor shall forthwith upon demand of the Chargee pay to the Chargee one-twelfth (1/12) of the estimated annual amount of such Taxes on the dates on which instalments of principal and interest are payable during the term of this Charge commencing with the 1st day of the first full month of the term of this Charge. The Chargee may at its option apply such payments to the Taxes so long as the Chargor is not in default under any covenant or agreement contained in this Charge, but nothing herein contained shall obligate the Chargee to apply such payments on account of Taxes more often than yearly. Provided, however, that if the Chargor shall pay any sum or sums to the Chargee to apply on account of Taxes, and if before the same shall have been so applied, there shall be default by the Chargor in respect of any payment of principal or interest as herein provided, the Chargee may at its option apply such sum or sums in or towards payment of the principal

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and/or interest in default. If the Chargor desires to take advantage of any discounts or avoid any penalties in connection with the payment of Taxes, the Chargor may pay to the Chargee such additional amounts as are required for that purpose.

- (c) In the event that the Taxes actually charged in one (1) calendar year, together with any interest and penalties thereon, exceed the estimated amount, the Chargor shall pay to the Chargee on demand the amount required to make up the deficiency. The Chargee may at its option, pay any of the Taxes when payable, either before or after they are due, without notice, or may make advances therefor in excess of the then amount of any credit held by the Chargee for the said Taxes. Any excess amount advanced by the Chargee shall be secured as an additional principal sum under this Charge and shall bear the same rate of interest as aforesaid until repaid by the Chargor.
- (d) The Chargor shall transmit to the Chargee forthwith after receipt of same the assessment notices, Tax bills and other notices affecting the imposition of Taxes upon the Charged Property
- (e) In no event shall the Chargee be liable for any interest on any amount paid to it as hereinbefore required and the moneys so received may be held with its own funds pending payment or application thereof as hereinbefore provided, provided that in the event that the Chargee does not utilize the funds received on account of Taxes in any calendar year, such amount or amounts may be held by the Chargee on account of any pre-estimate of Taxes required for the next succeeding calendar year, or at the Chargee's option the Chargee may repay such amount to the Chargor without any interest.
- (f) The Chargor shall in all instances be responsible for the payment of any and all penalties resulting out of any late payment of current Tax instalments or any arrears of Taxes, and at no time shall such penalty be the responsibility of the Chargee.
- (g) The Chargor shall deliver to the Chargee on or before December 31st in each such calendar year, written evidence from the taxing authority having jurisdiction with respect to the municipal realty Taxes levied and assessed against the Charged Property, such evidence to be to the effect that all Taxes for the current calendar year and any preceding calendar year have been paid in full. In the event of the failure of the Chargor to comply with the covenant as aforesaid, the Chargee shall be entitled to charge a servicing fee for each written enquiry directed to such taxing authority or the relevant taxation office for the purpose of ascertaining the status of the Tax account pertaining to the Charged Property, together with any costs payable to the taxing authority for such information. Such servicing fee is hereby agreed to be a fair and equitable one under the circumstances and is intended to cover the Chargee's administrative costs and shall not be deemed a penalty.

21. Appointment of a Receiver

NOTWITHSTANDING anything herein contained, it is declared and agreed that at any time, and from time to time, when there shall be default under the provisions of these presents, the Chargee may at such time, and from time to time, and with or without entering into possession of the Charged Property appoint in writing a receiver (the "**Receiver**" which term shall include a receiver/manager) of the Charged Property, or any part thereof, and of the rents and profits thereof and with or without security and may from time to time by similar writing remove any such Receiver and appoint another in its place and stead, and in the making of any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor. The Chargor hereby agrees and consents to the appointment of the Receiver of the Chargee's choice and without limitation, whether pursuant to this Charge, the Mortgages Act, the Construction Act, R.S.O. 1990, c. C30 or pursuant to the Courts of Justice Act (as the Chargee may at its sole option require). Without limitation, the purpose of such appointment shall be the orderly management, administration and/or sale of the Charged Property and every part thereof.

Upon the appointment of any such Receiver or Receivers from time to time the following provisions shall apply:

- (a) a statutory declaration of an officer of the Chargee as to default under the provisions of these presents shall be conclusive evidence thereof;
- (b) every such Receiver shall be the irrevocable agent or attorney of the Chargor for the collection of all rents falling due with respect to the Charged Property, and every part thereof, whether in respect of any tenancies created in priority to these presents or subsequent thereto;
- (c) the Chargee may from time to time fix the remuneration of every such Receiver who shall be entitled to deduct same out of the Charged Property or the proceeds thereof;
- (d) each such Receiver shall, so far as concerns responsibility and liability for its acts or omissions, be deemed to be the agent or attorney of the Chargor and in no event the agent of the Chargee;
- (e) the appointment of every such Receiver by the Chargee shall not incur or create any liability on the part of the Chargee to the Receiver in any respect and such appointment or anything which may be done by any such Receiver or the removal of any such Receiver or the termination of any such Receivership shall not have the effect of constituting the Chargee a chargee in possession with respect to the Charged Property or any part thereof;
- (f) the Receiver shall have the power to rent any portion of the Charged Property for such terms and subject to such provisions as it may deem advisable or expedient and in so doing such Receiver shall be acting as the attorney or agent of the Chargor and shall have the authority to execute any lease of any such premises in the name and on behalf of the Chargor and the Chargor undertakes to ratify and confirm whatever acts such Receiver may do in the Charged Property;
- (g) every such Receiver shall have full power to complete any unfinished construction upon the Charged Property;
- (h) any such Receiver shall have full power to carry on or concur in the carrying on of the business of the Chargor, and to employ and discharge such agents, workmen, accountants and other individuals or companies as are required to carry on the said business, upon such terms and with such salaries, wages or remuneration as it shall think proper, and to repair and keep in repair the Charged Property and to do all necessary acts and things for the carrying on of the business of the Chargor and the protection of the Charged Property;
- (i) any such Receiver shall have the power to sell or lease or concur in selling or leasing the Charged Property, or any part thereof, and to carry any such sale or lease into effect by conveying in the name of or on behalf of the Chargor or otherwise; and any such sale may be made either at public auction or private sale as to the Receiver may seem best and any such sale may be made from time to time as to the whole or any part of the Charged Property; and the Receiver may make any stipulations as to title or conveyance or commencement of title or otherwise as it shall deem proper;
- (j) any such Receiver shall have the power to borrow money to carry on the business of the Chargor or to maintain the whole or any part of the Charged Property, in such amounts as the Receiver may from time to time deem necessary and in so doing, the Receiver may issue certificates that may be payable when the Receiver thinks expedient and shall bear interest as stated therein and the amounts from time to time payable under such certificates shall charge the Charged Property in priority to this Charge;
- (k) any such Receiver shall have the power to execute and prosecute all suits, proceedings and actions which the Receiver in its opinion considers necessary for the proper protection of the Charged Property, to defend all suits, proceedings and actions against the Chargor or the Receiver, to appear in and conduct the prosecution and defence of any suit, proceeding or action then pending or thereafter instituted and to appeal any suit, proceeding or action;

- 9 -

- (l) any such Receiver shall have the full power to manage, operate, amend, repair, alter or extend the Charged Property, or any part thereof, in the name of the Chargor for the purpose of securing the payment of rentals from the Charged Property or any part thereof;
- (m) any such Receiver shall not be liable to the Chargor to account for moneys or damages other than cash received by it with respect to the Charged Property or any part thereof and out of such cash so received every such Receiver shall pay in the following order:
 - (i) its remuneration;
 - (ii) all payments made or incurred by the Receiver in connection with the management, operation, amendment, repair, alteration or extension of the Charged Property or any part thereof;
 - (iii) in payment of interest, principal and other money which may from time to time be or become a charge upon the Charged Property in priority to moneys owing hereunder and all taxes, insurance premiums and every other proper expenditure made or incurred by it with respect to the Charged Property or any part thereof;
 - (iv) in payment of all interest and arrears of interest and any other moneys remaining unpaid hereunder;
 - (v) the residue of any money so received by the Receiver shall be applied to the principal sum or any other amounts from time to time owing under this Charge;
 - (vi) subject to subparagraph (v) above, in the discretion of the Receiver, interest, principal and other moneys which may from time to time constitute a charge or encumbrance on the Charged Property subsequent in priority or subordinate to the interest of the Chargee under this Charge;

and that such Receiver may in its discretion retain reasonable reserves to meet accruing amounts and anticipated payments in connection with any of the foregoing, and further, that any surplus remaining in the hands of the Receiver, after payments made and such reasonable reserves retained as aforesaid, shall be payable to the Chargor.

Provided that save as to moneys payable to the Chargor pursuant to subparagraph (m) of this Paragraph, the Chargor hereby releases and discharges the Chargee and every such Receiver from every claim of every nature, whether sounding in damages for negligence or trespass or otherwise, which may arise or be caused to the Chargor or any person claiming through or under it by reason or as a result of anything done by the Chargee or any such Receiver under the provisions of this Paragraph, unless such claim be the direct and proximate result of bad faith or gross neglect.

The Chargor hereby irrevocably appoints the Chargee as its attorney to execute such consent or consents and all such documents as may be required in the sole discretion of the Chargee and/or its solicitor so as to give effect to the foregoing provisions and the signature of such attorney shall be valid and binding on the Chargor and all parties dealing with the Chargor, the Chargee and/or Receiver and/or with respect to the Charged Property in the same manner as if such documentation was duly executed by the Chargor itself.

22. Payments

- (a) All payments shall be applied firstly on account of interest calculated as aforesaid on the balance of the principal amount outstanding from time to time except that in the case of default hereunder, the Chargee may then apply any payment(s) received during default in whatever order it may elect as between taxes, interest, repairs, insurance, legal fees (on a solicitor and client basis) or any other payments made on behalf of the Chargor. All payments and charges and fees upon which H.S.T. is chargeable shall include an additional H.S.T. component.

23. Notice

Any notice, election, demand, declaration or request which may or is required to be given or made pursuant to this Charge, shall (unless otherwise required by law or set out in this Charge) be given or made in writing and shall be served personally upon an individual party for whom it is intended or upon any executive officer of a corporate party for whom it is intended or mailed by prepaid registered mail:

- (a) in the case of the Chargor at:

7686 Appleby Line
Milton, Ontario, L9E 0N1

Attention: Mr. Paul DeBattista

- (b) in the case of Chargee at:

c/o C & K Mortgage Services Inc.
1670 Bayview Avenue
Suite 400
Toronto, Ontario
M4G 3C2

Attention: Mr. Gary Gruneir

- (c) Canadian Western Trust Company
750 Cambie Street
Suite 300
Vancouver, BC
V6B 0A2

or such other address (or in the case of a corporate party in care of such other officer) as any party may from time to time advise the other parties hereto by notice in writing as aforesaid. The date of receipt of any such notice, election, demand, declaration or request, shall be the date of delivery of such notice, election, demand or request if delivered personally or if mailed as aforesaid shall be deemed to be the third juridical day next following the date of such mailing. If at the date of any such mailing there is a general interruption in the operation of the postal service in the Province of Ontario which does or is likely to delay the delivery by mail of such notice, election, demand or request, it shall be served personally.

24. Invalidity

If any of the terms, covenants or conditions of this Charge shall be void for any reason, it shall be severed from the remainder of the provisions hereof and the remaining provisions shall remain in full force and effect notwithstanding such severance.

25. Power of Sale

PROVIDED that in the event power of sale proceedings are taken, the Chargee as vendors may sell the property on terms and if the result is that any mortgages taken back are at a rate lower than the rate for the first and/or second mortgagee in the industry then the Chargee shall be entitled to sell these charges at a discount and the discount shall form part of the loss incurred by the Chargee and be recoverable against the Chargor.

Properties

PIN 24951 - 0085 LT
 Description PT LT 15, CON 2 TRAFALGAR NEW SURVEY , PART 1 , 20R4787 ;
 MILTON/TRAFALGAR
 Address 248 MARTIN STREET
 MILTON

PIN 24951 - 0086 LT
 Description PT LT 15, CON 2 TRAFALGAR NEW SURVEY , PART 1, 2 , 20R4095 ; EXCEPT PT 1,
 20R4787 ; S/T M20911 ; MILTON.
 Address 250 MARTIN ST
 MILTON

Applicant(s)

The assignor(s) hereby assigns their interest in the rents of the above described land. The notice is based on or affects a valid and existing estate, right, interest or equity in land.

Name 2865595 ONTARIO INC.
 Address for Service 7686 Appleby Line
 Milton, Ontario
 L9E 0N1

I, Paul DeBattista, President, have the authority to bind the corporation.

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

Party To(s)**Capacity****Share**

Name	C & K MORTGAGE SERVICES INC.	an undivided \$2,500,000 / \$2,750,000 interest
Address for Service	1670 Bayview Avenue Suite 400 Toronto, Ontario M4G 3C2	
Name	CANADIAN WESTERN TRUST COMPANY	an undivided \$250,000 / \$2,750,000 interest
Address for Service	750 Cambie Street Suite 300 Vancouver, BC V6B 0A2	

Statements

The applicant applies for the entry of a notice of general assignment of rents.

This notice may be deleted by the Land Registrar when the registered instrument, HR1840792 registered on 2021/10/29 to which this notice relates is deleted

Schedule: See Schedules

Signed By

Kimberly Anne Gabriel	1 Adelaide Street E., Suite 801 Toronto M5C 2V9	acting for Applicant(s)	Signed	2021 10 25
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Tel 416-869-1234

Fax 416-869-0547

I have the authority to sign and register the document on behalf of all parties to the document.

Kimberly Anne Gabriel	1 Adelaide Street E., Suite 801 Toronto M5C 2V9	acting for Party To(s)	Signed	2021 10 25
-----------------------	---	---------------------------	--------	------------

Tel 416-869-1234

Fax 416-869-0547

I have the authority to sign and register the document on behalf of all parties to the document.

LRO # 20 Notice Of Assignment Of Rents-General

Received as HR1840793 on 2021 10 29 at 12:46

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

yyyy mm dd Page 2 of 4

Submitted By

GARFINKLE, BIDERMAN LLP

1 Adelaide Street E., Suite 801
Toronto
M5C 2V9

2021 10 29

Tel 416-869-1234

Fax 416-869-0547

Fees/Taxes/Payment

Statutory Registration Fee \$65.30

Total Paid \$65.30

File Number

Party To Client File Number : 2677-632

GENERAL ASSIGNMENT OF RENTS

B E T W E E N:

2865595 ONTARIO INC.

(hereinafter called the "Assignor")

OF THE FIRST PART:

- and -

C & K MORTGAGE SERVICES INC. AND CANADIAN WESTERN TRUST COMPANY

(hereinafter called the "Assignee")

OF THE SECOND PART.

WHEREAS the Assignor is the registered owner of the land and premises situate, lying and being PT LT 15, CON 2 TRAFALGAR NEW SURVEY, PART 1, 20R4787; MILTON TRAFALGAR and, PT LT 15, CON 2 TRAFALGAR NEW SURVEY, PART 1, 2, 20R4095; EXCEPT PT 1, 20R4787; S/T M20911; MILTON, Town of Milton, Regional Municipality of Halton, Halton Land Registry (NO.20), and municipally known as 248 & 250 Martin Street, Milton, Ontario, (hereinafter called the "Premises");

AND WHEREAS the Assignor may from time to time enter into leases of the Premises in favour of various tenants (the "Leases");

AND WHEREAS the Assignor has applied to the Assignee for a loan in the amount of \$2,750,000.00 or such lesser amount as may be advanced by the Assignee upon security of the said Premises (the "Mortgage"), which said loan the Assignee has agreed to make on condition among others that the Assignor should assign to the Assignee, its respective successors and assigns, the benefit of the said Leases and any and all renewals thereof as security for the payment of the monies secured by the said Mortgage and the performance of covenants contained therein.

NOW THEREFORE THIS INDENTURE WITNESSETH that in consideration of the Premises and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the Assignor doth hereby assign, transfer and set over unto the Assignee, its successors and assigns, the said Leases and all rents payable thereunder and all benefits and advantages to be derived therefrom to hold and receive the same unto the Assignee, its successors and assigns, until the monies due and accruing due under and by virtue of the said Mortgage have been fully paid and satisfied; such rents benefits and advantages hereby assigned include any payment to which the Assignor may become entitled pursuant to and in accordance with any proposal to surrender a lease or tenancy agreement made by a tenant, under the Bankruptcy and Insolvency Act.

PROVIDED that nothing herein contained shall be deemed to have the effect of making the Assignee responsible for the collection of the said rents or any part thereof or the performance of any covenants, terms or conditions either by the Lessor or the lessee, contained in the said Leases and that the Assignee shall not by virtue of these presents be deemed a mortgagee in possession of the said Premises; and provided further that the Assignee shall be liable to account only for such monies as may actually come into its hands by virtue of these presents, less proper collection charges, and that such money when so received by it, shall be applied on account of the said Mortgage and on account of taxes to which these payments are taken as collateral security.

AND PROVIDED FURTHER that if the rentals payable under the said Leases shall be overdue, the Assignee may take such action, steps or proceedings in its name or in the name of the Assignor as the Assignee shall deem advisable or necessary for the collection of the rentals so overdue.

AND PROVIDED FURTHER that the payments of rent provided to be paid in the said Leases.

as and when they fall due, are to be made to the Assignor until such time as the said Assignee acting in its sole discretion shall have notified the lessees to pay the said rent to the Assignee; the Assignor however, covenants and agrees with the Assignee not to collect rent from the said lessees other than at the time and in the manner in the said Lease provided.

AND PROVIDED FURTHER that the Assignor covenants that it will not reduce the rent, or release or otherwise diminish the obligations of the lessees, and will not terminate or accept a surrender of any lease without the consent of the Assignee.

AND PROVIDED FURTHER that the Assignor covenants that it will not consent to an assignment of any lessee's interest which would relieve the lessee from the liability for the payment of rent and performance of the conditions and covenants of the lessee.

THIS INDENTURE shall enure to the benefit of and be binding upon each of the parties hereto, their successors and assigns.

IN WITNESS WHEREOF the Assignor has executed this Agreement as of the ____ day of September, 2021.

2865595 Ontario Inc.

Per: 

Name: Paul DeBattista

Title: President

I have authority to bind the corporation.

This is Exhibit “D” referred to in the Affidavit of GARY GRUNEIR sworn by GARY GRUNEIR of the City of Markham, before me at the City of Toronto, in the Province of Ontario, on May 31, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

DAVID P. PREGER

LAND
REGISTRY
OFFICE #20

24951-0085 (LT)

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

PROPERTY DESCRIPTION: PT LT 15, CON 2 TRAFALGAR NEW SURVEY , PART 1 , 20R4787 ; MILTON/TRAFALGAR

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
FIRST CONVERSION FROM BOOK

PIN CREATION DATE:
1996/07/22

OWNERS' NAMES
2865595 ONTARIO INC.

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
<div><div>**EFFECTIVE 2000/07/29 THE NOTATION OF THE "BLOCK IMPLEMENTATION DATE" OF 1996/07/22 ON THIS PIN**</div><div>**WAS REPLACED WITH THE "PIN CREATION DATE" OF 1996/07/22**</div><div>** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **</div><div>**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:</div><div>** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *</div><div>** AND ESCHEATS OR FORFEITURE TO THE CROWN.</div><div>** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF</div><div>** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY</div><div>** CONVENTION.</div><div>** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.</div><div>**DATE OF CONVERSION TO LAND TITLES: 1996/07/22 **</div></div>						
239856	1968/01/10	BYLAW				C
20R4095	1979/01/22	PLAN REFERENCE				C
20R4787	1980/05/26	PLAN REFERENCE				C
522932	1980/06/12	AGREEMENT			THE CORPORATION OF THE TOWN OF MILTON	C
HR1755488	2020/12/31	CHARGE	\$4,000,000	2487586 ONTARIO INC.	HYOT GP INC. VALOUR PARTNERS HIGH YIELD OPPORTUNITY LP	C
HR1755489	2020/12/31	NO ASSGN RENT GEN		2487586 ONTARIO INC.	HYOT GP INC. VALOUR PARTNERS HIGH YIELD OPPORTUNITY LP	C
REMARKS: HR1755488.						
HR1840791	2021/10/29	TRANSFER	\$5,000,000	2487586 ONTARIO INC.	2865595 ONTARIO INC.	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.

LAND
REGISTRY
OFFICE #20

24951-0085 (LT)

PREPARED FOR Valerie01
ON 2023/05/25 AT 15:50:12

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
		REMARKS: PLANNING ACT STATEMENTS.				
HR1840792	2021/10/29	CHARGE	\$2,750,000	2865595 ONTARIO INC.	C & K MORTGAGE SERVICES INC. CANADIAN WESTERN TRUST COMPANY	C
HR1840793	2021/10/29	NO ASSGN RENT GEN		2865595 ONTARIO INC.	C & K MORTGAGE SERVICES INC. CANADIAN WESTERN TRUST COMPANY	C
		REMARKS: HR1840792				
HR1840799	2021/10/29	POSTPONEMENT		HYOT GP INC. VALOUR PARTNERS HIGH YIELD OPPORTUNITY LP	C & K MORTGAGE SERVICES INC. CANADIAN WESTERN TRUST COMPANY	C
		REMARKS: HR1755488 TO HR1840792				
HR1840801	2021/10/29	CHARGE	\$5,250,000	2865595 ONTARIO INC. 2865594 ONTARIO INC.	2487586 ONTARIO INC. PINE-ONTARIO DEVELOPMENT LTD.	C

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

LAND
REGISTRY
OFFICE #20

24951-0086 (LT)

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

PROPERTY DESCRIPTION: PT LT 15, CON 2 TRAFALGAR NEW SURVEY , PART 1, 2 , 20R4095 ; EXCEPT PT 1, 20R4787 ; S/T M20911 ; MILTON.

PROPERTY REMARKS: CORRECTION: INSTRUMENT NUMBER 20R11763 WAS OMITTED FROM THIS PROPERTY IN ERROR AND WAS ADDED AND CERTIFIED ON 1997/10/31 BY ANNA ROBLEY.

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
FIRST CONVERSION FROM BOOK

PIN CREATION DATE:
1996/07/22

OWNERS' NAMES
2865595 ONTARIO 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 (DELETED INSTRUMENTS NOT INCLUDED) ** **SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO: ** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES * ** AND ESCHEATS OR FORFEITURE TO THE CROWN. ** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF ** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY ** CONVENTION. ** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES. **DATE OF CONVERSION TO LAND TITLES: 1996/07/22 **						
239856	1968/01/10	BYLAW				C
20R4095	1979/01/22	PLAN REFERENCE				C
20R11763	1995/06/09	PLAN REFERENCE				C
HR1755488	2020/12/31	CHARGE	\$4,000,000	2487586 ONTARIO INC.	HYOT GP INC. VALOUR PARTNERS HIGH YIELD OPPORTUNITY LP	C
HR1755489	2020/12/31	NO ASSGN RENT GEN		2487586 ONTARIO INC.	HYOT GP INC. VALOUR PARTNERS HIGH YIELD OPPORTUNITY LP	C
REMARKS: HR1755488.						
HR1840791	2021/10/29	TRANSFER	\$5,000,000	2487586 ONTARIO INC.	2865595 ONTARIO 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 PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
HR1840792	2021/10/29	CHARGE	\$2,750,000	2865595 ONTARIO INC.	C & K MORTGAGE SERVICES INC. CANADIAN WESTERN TRUST COMPANY	C
HR1840793	2021/10/29	NO ASSGN RENT GEN		2865595 ONTARIO INC.	C & K MORTGAGE SERVICES INC. CANADIAN WESTERN TRUST COMPANY	C
HR1840799	2021/10/29	POSTPONEMENT		HYOT GP INC. VALOUR PARTNERS HIGH YIELD OPPORTUNITY LP	C & K MORTGAGE SERVICES INC. CANADIAN WESTERN TRUST COMPANY	C
HR1840801	2021/10/29	CHARGE	\$5,250,000	2865595 ONTARIO INC. 2865594 ONTARIO INC.	2487586 ONTARIO INC. PINE-ONTARIO DEVELOPMENT LTD.	C

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

This is Exhibit “E” referred to in the Affidavit of GARY GRUNEIR sworn by GARY GRUNEIR of the City of Markham, before me at the City of Toronto, in the Province of Ontario, on May 31, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

DAVID P. PREGER

Properties		
PIN	24951 - 0085 LT	
Description	PT LT 15, CON 2 TRAFALGAR NEW SURVEY , PART 1 , 20R4787 ; MILTON/TRAFALGAR	
Address	248 MARTIN STREET MILTON	
PIN	24951 - 0086 LT	
Description	PT LT 15, CON 2 TRAFALGAR NEW SURVEY , PART 1, 2 , 20R4095 ; EXCEPT PT 1, 20R4787 ; S/T M20911 ; MILTON.	
Address	250 MARTIN ST MILTON	

Source Instruments		
Registration No.	Date	Type of Instrument
HR1755488	2020 12 31	Charge/Mortgage

Party From(s)	
Name	HYOT GP INC.
Address for Service	3410 South Service Road Suite 201 Burlington, Ontario L7N 3T2
I, Richard Hall, have the authority to bind the corporation.	
This document is not authorized under Power of Attorney by this party.	
Name	VALOUR PARTNERS HIGH YIELD OPPORTUNITY LP
Address for Service	3410 South Service Road Suite 201 Burlington, Ontario L7N 3T2
I, Richard Hall, have the authority to bind the corporation.	
This document is not authorized under Power of Attorney by this party.	

Party To(s)		Capacity	Share
Name	C & K MORTGAGE SERVICES INC.		
Address for Service	1670 Bayview Avenue Suite 400 Toronto, Ontario M4G 3C2		
Name	CANADIAN WESTERN TRUST COMPANY		
Address for Service	750 Cambie Street Suite 300 Vancouver, British Columbia V6B 0A2		

Statements

The applicant postpones the rights under the selected instrument to the rights under an instrument registered as number HR1840792 registered on 2021/10/29

Schedule: This Postponement postpones Charge Number HR1755488 and General Assignment of Rents Number HR1755489 to Charge Number HR1840792 being a Charge in favour of C & K Mortgage Services Inc. and Canadian Western Trust Company and to General Assignment of Rents Number HR1840793.

This document relates to registration number(s)HR1755488; HR1755489; HR1840792 and HR1840793

Signed By

John Junior Vitulli	69 Hughson Street North Hamilton L8R 1G5	acting for Party From(s)	Signed	2021 10 29
---------------------	--	-----------------------------	--------	------------

Tel 905-528-8773

Fax 905-528-6543

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

Submitted By

VITULLI PROFESSIONAL CORPORATION

69 Hughson Street North
Hamilton
L8R 1G5

2021 10 29

Tel 905-528-8773

Fax 905-528-6543

Fees/Taxes/Payment

Statutory Registration Fee

\$65.30

Total Paid

\$65.30

File Number

Party To Client File Number :

2677-632

This is Exhibit “F” referred to in the Affidavit of GARY GRUNEIR sworn by GARY GRUNEIR of the City of Markham, before me at the City of Toronto, in the Province of Ontario, on May 31, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

DAVID P. PREGER

GENERAL SECURITY AGREEMENT

1. SECURITY INTEREST

- (a) For value received, 2865595 Ontario Inc. (the "Debtor"), hereby grants to C & K Mortgage Services Inc. and Canadian Western Trust Company (the "Lender"), by way of mortgage, charge, assignment and transfer, a security interest (the "Security Interest") in the undertaking of the Debtor and in all Goods (including all parts, accessories, special tools, additions and accessions thereto), Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles, and Securities now owned or hereafter owned or acquired by or on behalf of the Debtor (including such as may be returned to or repossessed by the Debtor) and in all proceeds and renewals thereof, accretions thereto and substitutions therefor (hereinafter collectively called "Collateral"), including without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of the Debtor:
- i. all inventory of whatever kind and wherever situate ("Inventory");
 - ii. all equipment (other than Inventory) of whatever kind including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures and vehicles;
 - iii. all book accounts and book debts, rents and leases, all Agreements of Purchase and Sale entered into or to be entered into and generally all accounts, debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including letters of credit and advices of credit, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by the Debtor ("Debts");
 - iv. all deeds, documents, writings, papers, books of account and other books relating to or being records of Debts, Chattel Paper or Documents of Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
 - v. all contractual rights and insurance claims and all goodwill, patents, trademarks, copyrights, and other industrial property;
 - vi. all contractual rights for the provision of materials, equipment and services including any applicable working drawings, plans, specifications, development and/or building approvals and permits;
 - vii. all monies other than trust monies lawfully belonging to others, Certificates and Interest Bearing Accounts;
 - viii. all property described in any schedule now or hereafter annexed hereto.
- (b) The Security Interest granted hereby shall not extend or apply to and Collateral shall not include the last day of the term of any lease or agreement therefor but upon the enforcement of the Security Interest the Debtor shall stand possessed of such term.
- (c) The terms "Goods", "Chattel Paper", "Documents of Title", "Equipment", "Consumer Goods", "Instruments", "Intangibles", "Securities", "Proceeds", "Inventory", and "Accession" whenever used herein shall be interpreted pursuant to their respective meanings when used in the Personal Property Security Act of Ontario, as amended from time to time (herein referred to as the "P.P.S.A."). Provided always that the term "Goods" when used herein shall not include "consumer goods" of the Debtor as that term is defined in the P.P.S.A. Any reference herein to "Collateral" shall, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof". The terms "Proceeds" whenever used herein and interpreted as above shall by way of example include trade-ins, equipment, cash, bank accounts, notes, chattel paper, goods, contract rights, accounts and any other personal property or obligation received when such collateral or proceeds are sold, exchanged, collected or otherwise disposed of.

2. INDEBTEDNESS SECURED

The Security Interest granted hereby secures payment and satisfaction of any and all obligations, indebtedness and liability of the Debtor to the Lender arising out of a mortgage of even date herewith and

any ultimate unpaid balance thereof registered against the lands municipally known as 248 & 250 Martin Street, Milton, Ontario (hereinafter called the "Indebtedness").

3. **REPRESENTATIONS AND WARRANTIES OF DEBTOR**

The Debtor represents and warrants and so long as this Security Agreement remains in effect shall be deemed to continuously represent and warrant that:

- (a) The Collateral is genuine and owned by the Debtor free of all interests, mortgages, liens, claims, charges or other encumbrances (hereinafter collectively called "Encumbrances"), save for those Encumbrances approved in writing by the Lender, prior to their creation or assumption;
- (b) Each Debt, Chattel Paper and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "Account Debtor"), and the amount represented by the Debtor to the Lender from time to time as owing by each Account Debtor or by all Account Debtors except for normal cash discounts where applicable, and no Account Debtor will have any defence, set off, claim or counterclaim against the Debtor which can be asserted against the Lender, whether in any proceeding to enforce Collateral or otherwise; and
- (c) The location specified as to business operations and records is accurate and complete and with respect to Goods constituting Collateral.

4. **COVENANTS OF THE DEBTOR**

So long as this Security Agreement remains in effect the Debtor covenants and agrees:

- (a) To defend the Collateral against the claims and demands of all other parties claiming the same or an interest therein; to keep the Collateral free from all Encumbrances, and not to sell, exchange, transfer, assign, lease, otherwise dispose of Collateral or any interest therein without the prior written consent of the Lender; provided always that, until default, the Debtor may, in the ordinary course of the Debtor's business, sell or lease inventory and, subject to Clause 6 hereof, use monies available to the Debtor;
- (b) To notify the Lender promptly of:
 - i. any change in the information contained herein or in the Schedules hereto relating to the Debtor, the Debtor's business or Collateral;
 - ii. the details of any significant acquisition of Collateral;
 - iii. the details of any claims or litigation affecting Collateral;
 - iv. any loss or damage to Collateral;
 - v. any default by any Account Debtor in payment or other performance of his obligations with respect to Collateral; and
 - vi. the return to or repossession by the Debtor of Collateral;
- (c) To keep the Collateral in good order, condition and repair and not to use Collateral in violation of the provisions of this Security Agreement or any other agreement relating to Collateral or any policy insuring Collateral or any applicable statute, law, by-law, rule, regulation or ordinance;
- (d) To do, execute, acknowledge and deliver such financing statements and further assignments, transfers, documents, acts, matters and things (including further schedules hereto) as may be reasonably requested by the Lender of or with respect to Collateral in order to give effect to these presents and to pay all costs for searches and filings in connection therewith;
- (e) To pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of the Collateral as and when the same become due and payable;

Page 3

- (f) To insure the Collateral for such periods, in such amounts, on such terms and against loss or damage by fire and such other risks as the Lender shall reasonably direct with loss payable to the Lender and the Debtor, as insureds, as their respective interest may appear, and to pay all premiums therefor;
- (g) To prevent Collateral, save Inventory sold or leased as permitted hereby, from being or becoming an Accession to other property not covered by this Security Agreement;
- (h) To carry on and conduct the business of the Debtor in a proper and efficient manner and so as to protect and preserve the Collateral and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for the Debtor's business as well as accurate and complete records concerning Collateral, and mark any and all such records and Collateral at the Lender's request so as to indicate the Security Interest;
- (i) To deliver to the Lender from time to time promptly upon request:
 - i. any Documents of Title, Instruments, Securities and Chattel Paper constituting, representing or relating to Collateral;
 - ii. all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to Collateral for the purpose of inspecting, auditing or copying the same;
 - iii. all financial statements prepared by or for the Debtor regarding the Debtor's business;
 - iv. all policies and certificates of insurance relating to Collateral; and
 - v. such information concerning Collateral, the Debtor and business and affairs as the Lender may reasonably request;
- (j) To have the premises professionally managed at all times.

5. **USE AND VERIFICATION OF COLLATERAL**

Subject to compliance with the Debtor's covenants herein and Clause 6 hereof, the Debtor may, until default, possess, operate, use, enjoy and deal with Collateral in the ordinary course of the Debtor's business in any manner not inconsistent with the provisions hereof; provided always that the Lender shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner the Lender may consider appropriate and the Debtor agrees to furnish all assistance and information and to perform all such acts as the Lender may reasonably request in connection therewith and for such purpose to grant to the Lender or its agents access to all places where Collateral may be located.

6. **COLLECTION OF DEBTS**

Before or after default under this Security Agreement, the Lender may notify all or any Account Debtors of the Security Interest and may also direct such Account Debtors to make all payments on Collateral to the Lender. The Debtor acknowledges that any payments on or other proceeds of Collateral received by the Debtor from Account Debtors, whether before or after notification of this Security Interest to Account Debtors and whether before or after default under this Security Agreement shall be received and held by the Debtor in trust for the Lender and shall be turned over to the Lender upon request.

7. **DISPOSITION OF MONIES**

Subject to any application requirements of the P.P.S.A., all monies collected or received by the Lender pursuant to or in exercise of any right it possesses with respect to Collateral shall be applied on account of Indebtedness in such manner as the Lender deems best or, at the option of the Lender, may be held unappropriated in a collateral account or released to the Debtor, all without prejudice to the liability of the Debtor or the rights of the Lender hereunder, and any surplus shall be accounted for as required by law.

8. **EVENTS OF DEFAULT**

The happening of any of the following events or conditions shall constitute default hereunder (hereinafter referred to as "default"):

- (a) The nonpayment when due, whether by acceleration or otherwise, of any principal or interest forming part of Indebtedness or the failure of the Debtor to observe or perform any obligation, covenant, term, provision, or condition contained in this Security Agreement or any other document or agreement between the Debtor and the Lender relating to the Indebtedness;
- (b) The bankruptcy or insolvency of the Debtor; the filing against the Debtor of a petition in bankruptcy; the making of an authorized assignment for the benefit of creditors by the Debtor; the appointment of a receiver or trustee for the Debtor or for any assets of the Debtor or the institution by or against the Debtor of any other type of insolvency proceeding under the Bankruptcy Act or otherwise;
- (c) Abandonment of the premises by the Debtor for a period in excess of eight (8) consecutive days and which the Debtor has not rectified within ten (10) days after delivery by the Lender to the Debtor of written notice of any abandonment.

9. **REMEDIES**

- (a) Upon default, the Lender may appoint or reappoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of the Lender or not, to be a receiver or receivers (hereinafter called a "Receiver", which term when used herein shall include a receiver and manager) of Collateral (including any interest, income or profits therefrom) and may remove any Receiver so appointed and appoint another in his stead. Any such Receiver shall, so far as concerns responsibility for his acts, be deemed the agent of the Debtor and not the Lender and the Lender shall not be in any way responsible for any misconduct, negligence, or non-feasance on the part of any such Receiver, his servants, agents or employees. Subject to the provisions of the instruments appointing him, any such Receiver shall have the power to take possession of Collateral, to preserve Collateral or its value, to carry on or concur in carrying on all or any part of the business of the Debtor and to sell, lease or otherwise dispose of or concur in selling, leasing or otherwise disposing of Collateral. To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others, including the Debtor, enter upon, use and occupy all premises owned or occupied by the Debtor wherein Collateral may be situate, maintain Collateral upon such premises, borrow money on a secured or unsecured basis and use Collateral directly in carrying on the Debtor's business or otherwise, as such Receiver shall, in his discretion, determine. Except as may be otherwise directed by the Lender, all monies received from time to time by such Receiver in carrying out his appointment shall be received in trust for and paid over to the Lender. Every such Receiver may, in the discretion of the Lender, be vested with all or any of the rights and powers of the Lender.
- (b) Upon default, the Lender may, either directly or indirectly or through its agents or nominees, exercise any or all of the powers and rights given to a Receiver by virtue of the foregoing sub-clause (a).
- (c) The Lender may take possession of, collect, demand, sue on, enforce, recover and receive Collateral and give valid and binding receipts and discharges therefor and in respect thereof and, upon default, the Lender may sell, lease or otherwise dispose of Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as to the Lender may seem reasonable.
- (d) In addition to those rights granted herein and in any other agreement now or hereafter in effect between the Debtor and the Lender and in addition to any other rights the Lender may have at law or in equity, the Lender shall have, both before and after default, all rights and remedies of a secured party under the P.P.S.A. Provided always, that the Lender shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, lease or otherwise dispose of Collateral or to institute any proceedings for such purposes. Furthermore, the Lender shall have no obligation to take any steps to preserve rights against prior parties to any Instrument or Chattel Paper whether Collateral or proceeds and whether or not in the Lender's possession and shall not be liable or accountable for failure to do so.
- (e) The Debtor acknowledges that the Lender or any Receiver appointed by it may take possession of Collateral wherever it may be located and by any method permitted by

law and the Debtor agrees upon request from the Lender or any such Receiver to assemble and deliver possession of Collateral at such place or places as directed.

- (f) The Debtor agrees to pay all costs, charges and expenses reasonably incurred by the Lender or any Receiver appointed by it, whether directly or for services rendered (including reasonable solicitors and auditors costs and other legal expenses and Receiver remuneration), in operating the Debtor's accounts, in preparing or enforcing this Security Agreement, taking custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting Indebtedness and all such costs, charges and expenses, together with any monies owing as a result of any borrowing by the Lender or any Receiver appointed by it, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of Collateral and shall be secured hereby.
- (g) The Lender will give the Debtor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of Collateral is to be made, as may be required by the P.P.S.A.
- (h) Upon failure of the Debtor to have the Premises professionally managed in accordance with clause 4(j) hereof, the Lender may, but shall not be obligated to appoint such professional manager or managers, as it may deem necessary in its sole discretion, to manage the Premises at the sole expense of the Debtor.

10. MISCELLANEOUS

- (a) The Debtor hereby authorizes the Lender to file such financing statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying Collateral or any permitted Encumbrances affecting Collateral) as the Lender may deem appropriate to perfect and continue the Security Interest, to protect and preserve Collateral and to realize upon the Security Interest, and the Debtor hereby irrevocably constitutes and appoints the Lender the true and lawful attorney of the Debtor, with the full power of substitution, to do any of the foregoing in the name of the Debtor whenever and wherever it may be deemed necessary or expedient.
- (b) Upon the Debtor's failure to perform any of its duties hereunder, the Lender may, but shall not be obligated to, perform any or all such duties, and the Debtor shall pay to the Lender, forthwith upon written demand therefor, an amount equal to the expense incurred by the Lender in so doing plus interest thereon from the date such expense is incurred until it is paid at the rate per annum set forth in the said mortgage.
- (c) The Lender may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with the Debtor, sureties and others and with Collateral and other security as the Lender may see fit without prejudice to the liability of the Debtor or the Lender's right to hold and realize the Security Interest. Furthermore, the Lender may demand, collect and sue on Collateral in either the Debtor's or the Lender's name on any and all cheques, commercial paper, and any other Instrument pertaining to or constituting Collateral.
- (d) No delay or omission by the Lender in exercising any right or remedy hereunder or with respect to any Indebtedness shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Furthermore, the Lender may remedy any default by the Debtor hereunder or with respect to any Indebtedness in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by the Debtor. All rights and remedies of the Lender granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.
- (e) The Debtor waives protest of any Instrument constituting Collateral at any time held by the Lender on which the Debtor is in any way liable and, subject to Clause 9(g) hereof, notice of any other action taken by the Lender.
- (f) This Security Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

- (g) Save for any schedules which may be added hereto pursuant to the provisions hereof, no modification, variation or amendment of any provision of this Security Agreement shall be made except by a written Agreement, executed by the parties hereto and no waiver of any provision hereof shall be effective unless in writing.
- (h) Subject to any provisions of this Agreement to the contrary, whenever either party hereto is required or entitled to notify or direct the other or to make a demand or request upon the other, such notice, direction, demand or request shall be in writing and shall be sufficiently given only if delivered to the party for whom it is intended at the principal address of such party herein set forth or as changed pursuant hereto or if sent by prepaid registered mail addressed to the party for whom it is intended at the principal address of such party herein set forth or as changed pursuant hereto. Either party may notify the other pursuant hereto of any change in such party's principal address to be used for the purpose hereof.

The address of each party is as follows:

Debtor:

2865595 Ontario Inc.
7686 Appleby Line
Milton, ON L9E 0N1

Lender:

C & K Mortgage Services Inc.
1670 Bayview Avenue, Suite 400
Toronto, Ontario M4G 3C2

-and-

Canadian Western Trust Company
750 Cambie Street
Suite 300
Vancouver, BC V6B 0A2

- (i) This Security Agreement and the security afforded hereby shall remain in full force and effect until all Indebtedness contracted for or created, shall be paid in full.
- (j) The headings used in this Security Agreement are for convenience only and are not to be considered a part of this Security Agreement and do not in any way limit or amplify the terms and provisions of this Security Agreement.
- (k) When the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with all grammatical changes necessary dependent upon the person referred to being a male, female, firm or corporation.
- (l) In the event any provisions of this Security Agreement, as amended from time to time, shall be deemed invalid or void, in whole or in part, by any Court of competent jurisdiction, the remaining terms and provisions of this Security Agreement shall remain in full force and effect.
- (m) Nothing herein contained shall in any way obligate the Lender to grant, continue, renew, extend time for payment of or accept anything which constitutes or would constitute Indebtedness.
- (n) The Security Interest created hereby is intended to attach when this Security Agreement is signed by the Debtor and delivered to the Lender.

COPY OF AGREEMENT

The Debtor hereby acknowledges receipt of a copy of this Security Agreement.

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IN WITNESS WHEREOF the Debtor has executed this Security Agreement under the hand of its authorized signing officers as of as of the ____ day of October, 2021.

2865595 Ontario Inc.

Per: 

Name: Paul DeBattista

Title: President

I have authority to bind the corporation.

This is Exhibit “G” referred to in the Affidavit of GARY GRUNEIR sworn by GARY GRUNEIR of the City of Markham, before me at the City of Toronto, in the Province of Ontario, on May 31, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

DAVID P. PREGER

RUN NUMBER : 138
 RUN DATE : 2023/05/18
 ID : 20230518140039.78

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

REPORT : PSSR060
 PAGE : 1
 (8519)

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 : 2865595 ONTARIO INC.

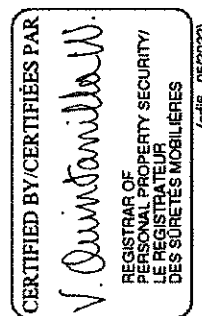
FILE CURRENCY : 17MAY 2023

ENQUIRY NUMBER 20230518140039.78 CONTAINS 8 PAGE(S), 3 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.

MCROBERTS (DICKINSON WRIGHT LLP) - DICKINSON WRIGHT LLP

199 BAY STREET
 TORONTO ON M5L 1G4



CONTINUED... 2



RUN NUMBER : 138
 RUN DATE : 2023/05/18
 ID : 20230518140039.78
 PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY RESPONSE
 CERTIFICATE
 REPORT : PSSR060
 PAGE : 2
 (8520)

TYPE OF SEARCH : BUSINESS DEBTOR

SEARCH CONDUCTED ON : 2865595 ONTARIO INC.
 FILE CURRENCY : 17MAY 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
 77755691

00	CAUTION FILING	PAGE NO. 001	TOTAL PAGES 2	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER 20211029 0950 1590 1826	REGISTERED UNDER P PPSA	REGISTRATION PERIOD 5
01	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME			
02	DEBTOR NAME	BUSINESS NAME	2865594	ONTARIO INC.			
03	ADDRESS	7686	APPLEBY LINE	MILTON			
04	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME			
05	DEBTOR NAME	BUSINESS NAME	2865595	ONTARIO INC.			
06	ADDRESS	7686	APPLEBY LINE	MILTON			
07	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME			
08	DEBTOR NAME	BUSINESS NAME	2487586	ONTARIO INC.			
09	ADDRESS	200-3410	SOUTH SERVICE ROAD	BURLINGTON	ON	L7N 3T2	

COLLATERAL CLASSIFICATION

10	CONSUMER	GOODS	INVENTORY	EQUIPMENT	ACCOUNT'S	OTHER	INCLUDED	MOTOR VEHICLE	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
	X	X	X	X	X	X	X					

YEAR MAKE
 MODEL
 V.I.N.

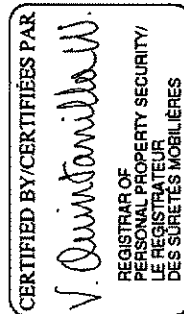
11 MOTOR
 12 VEHICLE
 13 GENERAL
 14 COLLATERAL
 15 DESCRIPTION

16 REGISTERING
 17 AGENT

ADDRESS 69 HUGHSON STREET NORTH HAMILTON ON L8R 1G5

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

CONTINUED... 3



REPORT : PSSR060
PAGE : 3
(8521)

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

RUN NUMBER : 138
RUN DATE : 2023/05/18
ID : 20230518140039.78

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : 2865595 ONTARIO INC.
FILE CURRENCY : 17MAY 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
777755691

01 CAUTION PAGE NO. OF PAGES TOTAL REGISTRATION NUMBER REGISTERED UNDER REGISTRATION PERIOD
FILING 002 2 20211029 0950 1590 1826

02 DEPTOR FIRST GIVEN NAME INITIAL SURNAME
03 NAME BUSINESS NAME VILLAGE DEVELOPMENTS INC. MILTON ONTARIO CORPORATION NO. ON L9E 0N1

04 ADDRESS 7686 APPLEBY LINE
05 DEPTOR FIRST GIVEN NAME INITIAL SURNAME
06 NAME BUSINESS NAME PAUL DEBATTISTA MILTON ONTARIO CORPORATION NO. ON L9E 0N1

07 ADDRESS 7686 APPLEBY LINE
08 SECURED PARTY / PINE-ONTARIO DEVELOPMENT INC.
09 LIEN CLAIMANT ADDRESS G5-3410 SOUTH SERVICE ROAD BURLINGTON ON L7N 3T2

10 COLLATERAL CLASSIFICATION
CONSUMER MOTOR VEHICLE AMOUNT DATE OF MATURITY OR MATURITY DATE
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED

11 YEAR MAKE MODEL V.I.N.

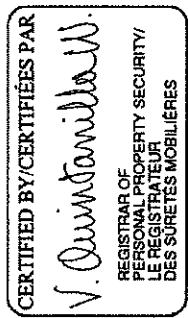
12 MOTOR VEHICLE

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING AGENT ADDRESS

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

CONTINUED... 4



REPORT : PSSR060
PAGE : 4
(8522)

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

RUN NUMBER : 138
RUN DATE : 2023/05/18
ID : 20230518140039.78

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : 2865595 ONTARIO INC.
FILE CURRENCY : 17MAY 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
777687435

01 CAUTION PAGE NO. OF TOTAL PAGES 2
FILING 001
20211027 1353 1590 1385 P PPSA 5

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
03 NAME BUSINESS NAME 2865594 ONTARIO INC.
04 ADDRESS 7686 APPLEBY LINE MILTON ONTARIO CORPORATION NO. L9E 0N1

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
06 NAME BUSINESS NAME 2865595 ONTARIO INC.
07 ADDRESS 7686 APPLEBY LINE MILTON ONTARIO CORPORATION NO. L9E 0N1

08 SECURED PARTY / PINE-ONTARIO DEVELOPMENT LTD
09 LIEN CLAIMANT ADDRESS G5-3410 SOUTH SERVICE ROAD BURLINGTON ON L7N 3T2

COLLATERAL CLASSIFICATION

10 CONSUMER
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MOTOR VEHICLE AMOUNT DATE OF MATURITY OR NO FIXED MATURITY DATE
X X X V.I.N.

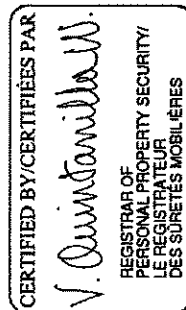
11 MOTOR YEAR MAKE MODEL
12 VEHICLE

13 GENERAL 1. GUARANTEE CONTAINING POSTPONEMENT OF CLAIM AND ASSIGNMENT OF DEBTS
14 COLLATERAL FROM PAUL DIBATTISTA AND 2. PLEDGE OF 25% OF THE ISSUED AND
15 DESCRIPTION OUTSTANDING SHARES IN THE CAPITAL STOCK OF 2865594 ONTARIO INC. AND

16 REGISTERING VITULLI PROFESSIONAL CORPORATION O/A VITULLI LAW GROUP
17 AGENT ADDRESS 69 HUGHSON STREET NORTH HAMILTON ON L8R 1G5

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

CONTINUED... 5



REPORT : PSSR060
PAGE : 5
(8523)

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

RUN NUMBER : 138
RUN DATE : 2023/05/18
ID : 20230518140039.78

TYPE OF SEARCH : BUSINESS DEBTOR

SEARCH CONDUCTED ON : 2865595 ONTARIO INC.
FILE CURRENCY : 17MAY 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
777687435

01 CAUTION PAGE NO. OF PAGES TOTAL
FILING 002 2 2
MOTOR VEHICLE REGISTRATION NUMBER SCHEDULE 20211027 1353 1590 1385
REGISTERED UNDER PERIOD

02 DEBTOR FIRST GIVEN NAME INITIAL SURNAME DEBATTISTA
03 NAME PAUL
04 BUSINESS NAME ADDRESS 7686 APPLEBY LINE MILTON
ONTARIO CORPORATION NO. L9E 0N1

05 DEBTOR FIRST GIVEN NAME INITIAL SURNAME
06 NAME
07 BUSINESS NAME ADDRESS
ONTARIO CORPORATION NO.

08 SECURED PARTY / 2487586 ONTARIO INC.
09 LIEN CLAIMANT ADDRESS 200-3410 SOUTH SERVICE ROAD BURLINGTON ON L7N 3T2

10 COLLATERAL CLASSIFICATION
CONSUMER
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MOTOR VEHICLE AMOUNT DATE OF MATURITY OR NO FIXED MATURITY DATE

11 MOTOR YEAR MAKE MODEL Y.I.N.

12 VEHICLE

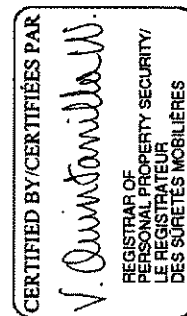
13 GENERAL 2865595 ONTARIO INC.

14 COLLATERAL
15 DESCRIPTION

16 REGISTERING
17 AGENT ADDRESS

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

CONTINUED... 6

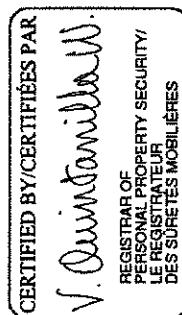


RUN NUMBER : 138
 RUN DATE : 2023/05/18
 ID : 20230518140039.78
 PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY RESPONSE
 CERTIFICATE
 REPORT : PSSR060
 PAGE : 6
 (8524)

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : 2865595 ONTARIO INC.
 FILE CURRENCY : 17/MAY 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00	FILE NUMBER	777096756									
01	CAUTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD				
		001	2		20211006 1240 1793 3378	P PPSA	5				
02	DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME						
03	BUSINESS NAME		2865595 ONTARIO INC.								
04	ADDRESS		7686 APPLEBY LINE		MILTON	ONTARIO CORPORATION NO. L9EUN1 ON					
05	DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME						
06	BUSINESS NAME										
07	ADDRESS					ONTARIO CORPORATION NO.					
08	SECURED PARTY / LIEN CLAIMANT	C & K MORTGAGE SERVICES INC.									
09	ADDRESS	1670 BAYVIEW AVENUE, SUITE 400 TORONTO ON M4G3C2									
10	COLLATERAL CLASSIFICATION	CONSUMER	GOODS	INVENTORY	EQUIPMENT	ACCOUNTS OTHER	MOTOR VEHICLE	AMOUNT	DATE OF MATURITY OR	NO FIXED	
		X	X	X	X	X	X			X	
11	MOTOR VEHICLE	YEAR	MAKE	MODEL	V.I.N.						
12	GENERAL COLLATERAL DESCRIPTION	GENERAL SECURITY AGREEMENT AND GENERAL ASSIGNMENT OF RENTS AND LEASES AND ASSIGNMENT OF CONSTRUCTION & SERVICING CONTRACTS IN CONNECTION WITH 248 & 250 MARTIN STREET, MILTON, ONTARIO									
13	REGISTERING AGENT	ADDRESS	GARFINKLE, BIDERMAN LLP (KAG FILE NO. 2677-632)								
14		1 ADELAIDE ST. EAST, SUITE 801	TORONTO ON M5C2V9								
15	*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***										
16	CONTINUED...										
17	7										



CERTIFIED BY/CERTIFIÉS PAR
 REGISTRAR OF
 PERSONAL PROPERTY SECURITY/
 LE REGISTREUR
 DES SURETES MOBILIERES
 (c) 17/05/2023



REPORT : PSSR060
PAGE : 7
(8525)

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

RUN NUMBER : 138
RUN DATE : 2023/05/18
ID : 20230518140039.78

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : 2865595 ONTARIO INC.
FILE CURRENCY : 17MAY 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
777096756

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
002 2 20211006 1240 1793 3378

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

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
06 NAME BUSINESS NAME
07 ADDRESS
ONTARIO CORPORATION NO.

08 SECURED PARTY / CANADIAN WESTERN TRUST COMPANY
LIEN CLAIMANT ADDRESS 750 CAMBIE STREET, SUITE 300 VANCOUVER BC V6B0A2

10 COLLATERAL CLASSIFICATION
CONSUMER INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED DATE OF Maturity OR NO. FIXED
GOODS Maturity DATE

11 MOTOR YEAR MAKE MODEL V.I.N.

12 VEHICLE

13 GENERAL

14 COLLATERAL

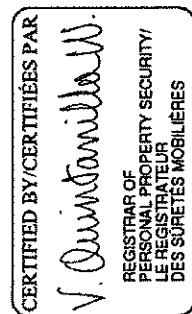
15 DESCRIPTION

16 REGISTERING

17 AGENT ADDRESS

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

CONTINUED... 8



RUN NUMBER : 138
RUN DATE : 2023/05/18
ID : 20230518140039.78

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

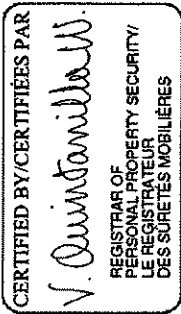
REPORT : PSSR060
PAGE : 8
(8526)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : 2865595 ONTARIO INC.
FILE CURRENCY : 17MAY 2023

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
77755691	20211029 0950 1590 1826		
777687435	20211027 1353 1590 1385		
777096756	20211006 1240 1793 3378		

3 REGISTRATION(S) ARE REPORTED IN THIS ENQUIRY RESPONSE.



This is Exhibit “H” referred to in the Affidavit of GARY GRUNEIR sworn by GARY GRUNEIR of the City of Markham, before me at the City of Toronto, in the Province of Ontario, on May 31, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

DAVID P. PREGER



RESCOM Capital
1670 Bayview Avenue, Suite 400
Toronto, Ontario M4G 3C2

T. 416.485.2638
F. 416.482.4043
www.rescomcapital.com

June 16, 2021

2725431 Ontario Limited
Paul DeBattista
7686 Appleby Line
Milton, Ontario
L9E 0N1

Dear Sir:

Re: 446 Pine St. & 72 Ontario St, Milton, Ontario

This letter will serve as our commitment to arrange blanket mortgage financing on the above captioned properties.

Loan Amount: TWO MILLION, FIVE HUNDRED THOUSAND DOLLARS (\$2,500,000)

Interest Rate: 9.75% percent per annum, calculated and payable interest only monthly.

Term: 1 year

Privileges: The mortgage will be closed for three months and open thereafter upon receipt of 30 days written notice and payment of one month's interest bonus.

Amortization: Interest only.

Security:

1. A first mortgage on the lands known as 446 Pine St. and 72 Ontario St. Milton, Ontario
2. A first general assignment of rents.
3. A first general security agreement in a form satisfactory to the lender's solicitor.
4. The personal guarantee of Paul DeBattista.
5. Corporate guarantee of Village Developments Inc.
6. An assignment of all plans and studies, related to the proposed development and applications.
7. Such other reasonable documentation as the lender's solicitor may consider advisable.


Advance of Funds: The advance of funds will be made when the lender's solicitor can provide their certificate(s) of title and when all other conditions precedent to such advance as stated herein are satisfied. Advance of funds will be subject to the following conditions.

Conditions:

1. Satisfactory appraisal by CHS Realty Advisors, indicating an as is combined value of not less than \$5,800,000. It is a further condition for the making of this loan that the appraiser provide the lender with a Letter authorizing the lender that they may rely on the appraisal for lending purposes.

2. Satisfactory evidence that the properties are zoned to permit the proposed use and there are no outstanding work orders or notices of violations from any governmental departments. The mortgagor will provide all appropriate consents to obtain such information.

3. Confirmation that the property at 446 Pine St. and 72 Ontario St. Milton were purchased for a combined price of \$4,000,000.

4. Satisfactory review of the project planner's report as to the development feasibility and status. This is to be reviewed by the lender's planner at a cost not to exceed \$5,000 plus HST. This will include reviewing the following: *PLANNING REPORT TO BE PROVIDED BY BOUDFIELDS* 

- a) Functioning Service Reports (FSR)
- b) Satisfactory of Current Zoning By-Law
- c) Geotechnical Investigation
- d) Environmental Reports
- e) Proposed Site plan and drawings
- f) PAC report
- g) Planners Report for Development Application
- h) Noise impact study
- i) Any and all other development reports completed to date

5. All local improvement charges, realty taxes and other charges affecting the properties shall have been paid to the date of the advance of funds. The charge shall include a provision for the collection of property taxes by the lender, at the lender's option. Payment of taxes by the lender can be waived or asked for at any time during the term of the mortgage. The lender acknowledges that the outstanding realty taxes affecting the property in question will be satisfied out of the advance of funds hereunder.

6. All reasonable engineering, inspections, title, survey and legal customary expenses of the lender are for the account of and shall be paid by the borrower.

7. Satisfactory physical site inspection.

8. Title and all security must be satisfactory to the lender's solicitor.

9. Title insurance in a form satisfactory to the lender's solicitor.



10. The lender shall be provided with original or certified copies of insurance policies. The coverage, terms and insurance company must be satisfactory to the lender.

11. The borrower and guarantors shall provide financial and supporting information as the lender may require, including the following: Unaudited Financial Statements; and Net Worth Statements.

12. In the event of the borrower selling, transferring or conveying title to the lands, or if there is a change in the beneficial ownership, the mortgage will become due and payable, save and except the transfer from the current owner to a corporation of which the corporation shall have as its officer, director and majority shareholder, the borrower's shareholders with satisfactory evidence to the mortgagee. It is understood and agreed that such a transfer shall not relieve the borrower from its obligations.

13. In the event that any payment is returned to the lenders for any cause whatsoever, including there being insufficient funds in the borrower's account to cover same, the lender will be entitled to reimbursement for all bank charges related to the dishonoured cheque in addition, the lender or administrator's time for collection will be charged at a rate of \$300 per hour and all time will be docketed and charged to the borrower's account. These charges will apply to all administration costs related to any default under the mortgage including but not limited to collection costs related to late payments, insurance cancellation and work orders affecting the property.

14. Any payment (other than payment of the regular payments of interest) that is made after 1:00 p.m. on any date or 11:00 a.m. on a Friday or the business day preceding a statutory holiday, shall be deemed for the purpose of calculation of interest, to have been made and received on the next bank business day. For greater certainty, if funds are received (or deemed received) on a Friday after 11:00 a.m. or the day preceding a statutory holiday, interest will be payable to the next bank business day.

15. In the event the loan is not repaid at the time or times provided within the charge, the lender will not be required to accept payment of the principal monies without first receiving three (3) months' notice in writing or receiving three (3) months interest bonus in advance of the principal monies.

16. If at any time before or after the advance, there is or has been any material discrepancy or inaccuracy in any written information, statements or representations therefore made or furnished by or on behalf of the borrower, then the lender shall be entitled forthwith to cancel the lender's obligations hereunder or declare any monies therefore advanced with interest to be forthwith due and payable and retain all fees provided by the borrower.

17. In the event of default, Rescom Capital will be appointed as the lender's manager and will be entitled to a fee of \$350 per hour for its services and such fee will be charged to the borrower's account.

18. The borrower will complete and application on the lenders standard form and will provide photo identification for all guarantors and signing officers for the corporation.

19. If the borrower is a corporation, a list of every legal or beneficial owner of, or person who exercises direct or indirect control or direction over more than 25% of the voting rights attached to the outstanding voting securities of the corporation must be provided.

20. *These questions must be asked and answered to comply with the new regulations of the Financial Services Commission of Ontario (FSCO), that went into affect on July 1, 2018.*

Has the developer or any of the principals of the developer (directors, officers, owners, partners or majority shareholders) been involved in any of the following:

(a) Been convicted, found guilty of or currently charged with any criminal or regulatory offence under any law of any province, territory, state or country
Yes/ No/

(b) Currently the subject of any civil proceedings or any unsatisfied judgements imposed by a civil court in Canada or elsewhere, against the

developer, against the principals personally, or against a business in which they have an interest in at least ten percent of the equity shares or ownership shares of the business? Yes/ No/

(c) Within the five years before the date of this form, bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person. Yes/ No/

(d) Been the subject of a regulatory investigation or proceeding, or has otherwise been subject to regulatory sanctions Yes/ No/

21. This commitment is open for acceptance until 5:00 PM on June 17, 2021.

22. The first advance must be drawn down and qualified for by July 15, 2021.

Inspection Fee: \$1,000

5

This commitment is issued on the understanding that your acceptance will be accompanied by a cheque payable to Rescom Capital for \$20,000 which shall be deemed earned as a standby fee upon acceptance hereof and which will be credited toward the commission payable when the proceeds of the loan are advanced. The fee shall be forfeited if the loan is not proceeded with, due to any cause whatsoever other than the lender's default. Notwithstanding such retention, you shall remain liable for all fees and costs as referred to herein.

Yours truly,

RESCOM CAPITAL


Gary Gruner

The undersigned hereby accepts the above terms and conditions.

Dated this 16 day of JUNE, 2021.


Paul DeBattista


2725431 Ontario Limited


Village Developments Inc.



RESKOM Capital
1670 Bayview Avenue, Suite 400
Toronto, Ontario M4G 3C2

T. 416.485.2636
F. 416.482.4043
www.rescomcapital.com

6

June 16, 2021

2725431 Ontario Limited
Paul DeBattista
7686 Appleby Line
Milton, On
L9E 0N1

Dear Sir:

Re: 446 Pine St. & 72 Ontario St, Milton, Ontario

Further to our letter of proposal dated June 16, 2021, this letter forms part of the conditions thereof. Your costs in obtaining the loan shall be \$75,000. Legal costs, inspection fees and disbursements are additional and such fees will be deducted from the first advance of funds. If the loan is not proceeded with, due to any cause whatsoever other than the lender's default, you shall remain liable for all fees and costs as referred to herein.

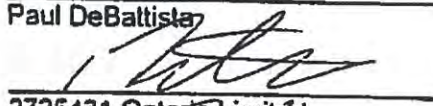
Any fees earned as a result of acceptance of this Commitment Letter, together with any expenses or costs incurred by Rescom Capital, including but not limited to, appraisal, re-appraisal, inspections, re-inspections, title searches, plan review, soil tests, survey, environmental assessments and legal costs on a solicitor and its client basis, are deemed to be a charge on the Subject Property referred to herein and Rescom Capital may file and maintain a caveat on the title to the Subject Property to protect that charge and the Borrower(s) and Guarantor(s) do hereby mortgage to Rescom Capital the amount necessary to pay all fees and expenses as detailed herein as a charge against the Subject Property.

Yours truly,
Rescom Capital


Gary Grunier

The undersigned hereby accepts the above terms and conditions.
Dated this 16 day of JUNE, 2021.


Paul DeBattista


2725431 Ontario Limited


Village Developments Inc.



RESCOM Capital
1870 Bayview Avenue, Suite 400
Toronto, Ontario M4G 3C2

T. 416.485.2838
F. 416.482.4043
www.rescomcapital.com

July 21, 2021

AMENDMENT

2725431 Ontario limited.
Village Developments Inc.
Paul DeBattista
7686 Appleby Line
Milton, Ontario
L9E 0N1

Dear Sir:

Re: ~~448-2-250 Pine St.~~ 79 ONTARIO ST
to 446 PINE ST
Milton, Ontario

This letter will serve as an amendment to our commitment dated June 16, 2021. Please note the following changes and/or additions:

1. An amount equal to twelve months interest (\$258,125) will be deducted from the advance of funds to be distributed in a lump sum payment to the investors. If the loan is repaid prior to the maturity date, any unused interest will be credited to the borrower's account. *\$243,750*
2. The deposit will be reduced from \$20,000 to \$10,000.
3. The closing date will be August 5th, 2021.

All other terms to remain the same as set out in our commitment of June 16, 2021.

Yours truly,

RESCOM CAPITAL

Gary Gruneir

The undersigned hereby accepts the above terms and conditions.

Dated this 21 day of July, 2021.

2725431 Ontario limited.

Paul DeBattista

Village Developments INC

This is Exhibit "I" referred to in the Affidavit of GARY GRUNEIR sworn by GARY GRUNEIR of the City of Markham, before me at the City of Toronto, in the Province of Ontario, on May 31, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

DAVID P. PREGER

LRO # 20 Charge/Mortgage

Received as HR1840775 on 2021 10 29 at 12:35

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

yyyy mm dd Page 1 of 12

Properties

PIN 24954 - 0168 LT Interest/Estate Fee Simple
 Description LT 9, BLK 17, PL 9, (AKA TEETZEL'S SURVEY), W OF ONTARIO ST, EXCEPT PT 3,
 20R3309 :: TOWN OF MILTON
 Address 72 ONTARIO ST S
 MILTON

PIN 24954 - 0169 LT Interest/Estate Fee Simple
 Description LT 8, BLK 17, PL 9, (AKA TEETZEL'S SURVEY), W OF ONTARIO ST, EXCEPT 254152 :
 MILTON
 Address 446 PINE ST
 MILTON

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 2865594 ONTARIO INC.
 Address for Service 7686 Appleby Line
 Milton, Ontario
 L9E 0N1

I, Paul DeBattista, President, have the authority to bind the corporation.

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

Chargee(s)	Capacity	Share
Name	C & K MORTGAGE SERVICES INC.	an undivided \$2,325,000 / \$2,500,000 interest
Address for Service	1670 Bayview Avenue Suite 400 Toronto, Ontario M4G 3C2	
Name	CANADIAN WESTERN TRUST COMPANY	an undivided \$175,000 / \$2,500,000 interest
Address for Service	750 Cambie Street Suite 300 Vancouver, BC V6B 0A2	

Statements

Schedule: See Schedules

Provisions

Principal \$2,500,000.00 Currency CDN
 Calculation Period monthly, not in advance
 Balance Due Date 2022/09/01
 Interest Rate 9.75%
 Payments \$20,312.50
 Interest Adjustment Date 2021 09 01
 Payment Date first day of each and every month
 First Payment Date 2021 10 01
 Last Payment Date 2022 09 01
 Standard Charge Terms 200033
 Insurance Amount Full insurable value
 Guarantor Village Developments Inc. and Paul DeBattista

Additional Provisions

Canadian Western Trust Company (Incorporation No. A46845) holds its interest in this Charge/Mortgage in trust for RRIF 112706 (Leslie

LRO # 20 Charge/Mortgage

Received as HR1840775 on 2021 10 29 at 12:35

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

yyyy mm dd Page 2 of 12

Additional Provisions

Orbach).

Signed By

Kimberly Anne Gabriel

1 Adelaide Street E., Suite 801
Toronto
M5C 2V9acting for
Chargor(s)

Signed 2021 10 25

Tel 416-869-1234

Fax 416-869-0547

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

Submitted By

GARFINKLE, BIDERMAN LLP

1 Adelaide Street E., Suite 801
Toronto
M5C 2V9

2021 10 29

Tel 416-869-1234

Fax 416-869-0547

Fees/Taxes/Payment

Statutory Registration Fee

\$65.30

Total Paid

\$65.30

File Number

Charge Client File Number :

2677-633

SCHEDULE "A" - Additional Provisions

1. Letter of Commitment

Any reference in this Charge to the Commitment Letter or Letter of Commitment (the "Commitment Letter" or "Letter of Commitment") shall mean the Commitment Letter referable to this transaction dated June 16, 2021 (and any amendments thereto, if applicable).

This Charge shall secure any and all amounts owing by the Chargor to the Chargee pursuant to the Letter of Commitment.

All provisions of the Letter of Commitment are hereby incorporated into this Charge.

Any default by the Mortgagor with regard to any provision of the Letter of Commitment shall constitute a default under this Charge.

2. Interest Rate

The mortgage shall bear interest at the rate of 9.750% per annum, compounded and payable monthly, not in advance. Interest at the aforesaid rate on the amounts advanced from time to time shall be payable on the first day of each and every month throughout the term of the Charge and the principal sum (with all unpaid accrued interest) shall become due and payable on September 1, 2022. The parties hereto acknowledge and agree that the Chargee shall not be deemed to reinvest any monthly or other payments received by it hereunder.

In case default shall be made in payment of any sum to become due for interest at any time appointed for payment in this Charge, compound interest shall be payable and the sum in arrears for interest from time to time, as well after as before maturity and judgment, shall bear interest at the rate provided for in this Charge. In the event the interest and compound interest are not paid one month from the time of default, a rest shall be made, and compound interest at the rate provided for in this Charge shall be payable on the aggregate amount then due, as well after as before maturity and judgment, and so on from time to time, and all such interest and compound interest shall be a charge upon the Charged Property.

The Chargee shall have the right to deduct from any advance interest from the date of advance to the interest adjustment date.

3. Prepayment Privilege

This Charge shall be closed for a period of three months and thereafter, provided this Charge is not in default, the Chargor shall have the right of prepaying the whole amount hereby secured upon thirty day's written notice by the Chargor to the Chargee and further upon payment of one month's interest on the amount so prepaid as a bonus.

4. Default

In addition to any other Default Clauses set out in this Charge, or in the Standard Charge Terms referred to herein, the monies hereby secured, together with interest thereon as aforesaid, shall become payable and the security hereby constituted shall become enforceable immediately upon demand by the Chargee on the occurrence or happening of any of the following events ("Event(s) of Default"):

- (a) the Chargor makes default in the payment of the principal, interest or other monies hereby secured or any principal or interest payment and other monies owed by it to the Chargee whether secured by this Charge or not;
- (b) the Chargor makes default in the payment of principal, interest or other monies secured by any other Charges registered against the Charged Property whether in priority to or subsequent to this Charge;
- (c) the Chargor makes material default in the observance or performance of any written covenant or undertaking heretofore or hereafter given by it to the Chargee, whether contained herein or not and pertaining to the assets or the financial condition of the Chargor and such default has not been cured within fifteen (15) days of written notice thereof being delivered to the Chargor;
- (d) if any statement, information (oral or written) or representation heretofore or hereafter made or given by or on behalf of the Chargor to the Chargee and pertaining to the assets or the financial condition of the Chargor, and whether contained herein or not is false, inaccurate and/or misleading in any material respect;

- (e) an order is made or an effective resolution passed for the winding-up, liquidation, amalgamation or reorganization of the Chargor, or a petition is filed for the winding up of the Chargor;
- (f) the Chargor becomes insolvent or makes a general assignment for the benefit of its creditors or otherwise acknowledges its insolvency; or the Chargor makes a bulk sale of its assets; or a bankruptcy petition or receiving order is filed or presented against the Chargor;
- (g) any proceedings with respect to the Chargor are commenced under the Companies' Creditors Arrangement Act;
- (h) any execution, sequestration, extent or any other process of any Court becomes enforceable against the Chargor or a distress or analogous process is levied upon the property and assets of the Chargor or any part thereof, which in the opinion of the Chargee is a substantial part, and remains unsatisfied for such period as would permit such property to be sold thereunder, less two (2) business days, provided that such process is not in good faith disputed and, in that event, if the Chargor shall desire to contest such process it shall give security to the Chargee which, in the absolute discretion of the Chargee, shall be deemed sufficient to pay in full the amount claimed in the event it shall be held to be a valid claim;
- (i) the Chargor ceases or threatens to cease to carry on its business or the Chargor commits or threatens to commit any act of bankruptcy or insolvency;
- (j) the property hereby mortgaged and charged (the "Charged Property") or any part thereof, other than sales of lots containing fully completed single family dwellings to bona fide purchasers for value, with prior written approval by the Chargee, are sold by the Chargor or if there is a change in the present effective voting control of the Chargor or a change in the beneficial ownership of the Chargor or the assets or any one of them;
- (k) the monies secured hereby, together with interest thereon shall not be repaid to the Chargee when due;
- (l) the Chargor makes any default with regard to any provision of the Commitment Letter.

5. Chargee May Remedy Default

If the Chargor should fail to perform any covenant or agreement of the Chargor hereunder, the Chargee may itself perform or cause to be performed such covenant or agreement and all expenses incurred or payments made by the Chargee in so doing, together with interest thereon at the rate set forth herein, shall be added to the indebtedness secured herein and shall be paid by the Chargor and be secured by this Charge together with all other indebtedness secured thereby, provided however that the foregoing shall not in any way be interpreted as an obligation of the Chargee.

6. Construction Liens

Provided also that upon the registration of any construction lien against title to the charged property which is not discharged within a period of ten (10) days from the registration thereof, all monies hereby secured shall, at the option of the Chargee, forthwith become due and payable.

The Chargee may at its option, withhold from any advances for which the Chargor may have qualified, such holdbacks as the Chargee in its sole discretion, considers advisable to protect its position under the provisions of the Construction Act, R.S.O. 1990, c. C30 so as to secure its priority over any construction liens, until the Chargee is fully satisfied that all construction lien periods have expired and that there are no preserved or perfected liens outstanding. Nothing in this clause shall be construed to make the Chargee an "owner" or "payer" as defined under the Construction Act, R.S.O. 1990, c. C30, nor shall there be, or be deemed to be, any obligation by the Chargee to retain any holdback which may be required by the said legislation. Any holdback which may be required to be made by the owner or payer shall remain solely the Chargor's obligation. The Chargor hereby covenants and agrees to comply in all respects with the provisions of the Construction Act, R.S.O. 1990, c. C30.

7. Construction Loan

Provided that the Chargor and Chargee agree that if this is a construction loan, the following conditions shall apply:

- (a) the Chargor further covenants that all installation of services and construction on the lands hereby secured shall be carried out by reputable contractors with

- sufficient experience in a project of this nature and size, which contractors must be approved by the Chargee and which approval shall not be unreasonably withheld;
- (b) that the installation of services and the construction of dwellings on the said lands, once having been commenced, shall be continued in a good and workmanlike manner, with all due diligence and in substantial accordance with the plans and specifications delivered to the Chargee and to the satisfaction of the Municipality and all governmental and regulatory authorities having jurisdiction;
 - (c) provided that should the servicing and construction on the said lands cease for any reason whatsoever (strike, material shortages, weather and conditions or circumstances beyond the control of the Chargor excepted), for a period of fifteen (15) consecutive days unless explained to the satisfaction of the Chargee acting reasonably (Saturdays, Sundays and Statutory holidays excepted), then the monies hereby secured, at the option of the Chargee shall immediately become due and payable. In the event that construction does cease, then the Chargee shall have the right, at its sole option, to assume complete control of the servicing and construction of the project on the said lands in such manner and on such terms as it deems advisable. The cost of completion of servicing and construction of the project by the Chargee and all expenses incidental thereto shall be added to the principal amount of the Charge, together with a management fee of fifteen percent (15%) of the costs of the construction completed by the Chargee. All costs and expenses, as well as the said management fee shall bear interest at the rate as herein provided for and shall form part of the principal secured hereunder and the Chargee shall have the same rights and remedies with respect to collection of same as it would have with respect to collection of principal and interest hereunder or at law;
 - (d) at the option of the Chargee, at all times there shall be a holdback of ten percent (10%) with respect to work already completed;
 - (e) all advances which are made from time to time hereunder shall be based on Certificate of the Chargee's agents prepared at the expense of the Chargor, which Certificates shall without limitation certify the value of the work completed and the estimated costs of any uncompleted work and such Certificates shall further certify that such completed construction and/or servicing to the date of such Certificate shall be in accordance with the approved plans and specifications for the said construction and further, in a good and workmanlike manner and in accordance with the permits issued for such servicing and construction and in accordance with all municipal and other governmental requirements of any authority having jurisdiction pertaining to such servicing and construction and there shall be no outstanding work orders or other requirements pertaining to servicing and construction on the said lands. Such Certificates with respect to any values shall not include materials on the site which are not incorporated into the buildings or the services;
 - (f) At all times there shall be sufficient funds unadvanced under this Charge to complete the construction as well as a holdback of ten (10%) with respect to work already completed.

8. **Environmental**

- (a) "Hazardous Substances" includes:
 - (i) any substances that, if added to any water or emitted into the air would create or contribute to the creation of a condition of such water or air that is detrimental to its use by or to the health, safety or welfare of persons or animals or cause damage to plant life or Charged property;
 - (ii) any radioactive materials or explosives;
 - (iii) any substances declared from time to time to be hazardous, dangerous or toxic under any applicable federal, provincial or municipal law, by-law, regulation or other enactment, including without limitation, asbestos; and
 - (iv) any other substances which is or may become hazardous, toxic or dangerous to persons or Charged property.
- (b) The Chargor hereby represents, warrants, covenants and agrees to and with the Chargee that:

- (i) to the best of the knowledge of the Chargor after due and diligent inquiry, there are no Hazardous Substances on the Charged property no Hazardous Substances have ever been used, stored or located on the Charged property and no part of the Charged property is or has ever been contaminated by any Hazardous Substances;
 - (ii) no Hazardous Substances shall be brought onto or used on the Charged property without the prior written consent of the Chargee;
 - (iii) any Hazardous Substances brought onto the Charged property or used by any person on the Charged property shall be transported, used and stored only in accordance with all applicable laws, regulations, by-laws and other lawful requirements, prudent industrial standards and any other requirements of the Chargee;
 - (iv) no use of the Charged property will be allowed which may cause or increase the likelihood of the escape, seepage, leakage, spillage, release or discharge of any Hazardous Substances on, from or under the Charged property or permit any policy of insurance in respect to the Charged property to be cancelled; and
 - (v) the Chargor shall promptly notify the Chargee as soon as it knows or suspects that any Hazardous Substances have been brought onto the Charged property or that there is any actual, threatened or potential escape, seepage, leakage, spillage, release or discharge of any Hazardous Substances on, from or under the Charged property.
- (c) The Chargor shall indemnify and save harmless the Chargee, its officers, directors, employees, agents and shareholders against and from all loss, costs and damages (including, without limitation, all legal fees and disbursements) which they or any of them may suffer, incur or become liable for by reason of or arising out of the use, generation, storage, escape, seepage, leakage, spillage, release, disposal or presence on, from or under the Charged property of any Hazardous Substances including, without limitation the cost of any reports as to compliance with or breach of the provisions of this paragraph 8 which the Chargee, acting reasonably may obtain at any time and from time to time.

9. Miscellaneous

The Chargor agrees as follows:

- (a) The Chargor shall keep the Charged Property and buildings, erections and improvements thereon in good condition and repair according to the nature and description thereof, respectively, and the Chargee may, whenever it deems necessary, by its agent, enter upon and inspect the Charged Property and make such repairs as it deems necessary, and the reasonable cost of such inspection and repairs with interest at the rate aforesaid shall be added to the Charge debt and be payable forthwith and be a charge upon the Charged Property prior to all claims thereon subsequent to this Charge.
- (b) to pay taxes, utilities and other operating and maintenance costs and provide evidence thereof to the Chargee;
- (c) to perform all governmental requirements and obligations as required;
- (d) to deliver to the Chargee all reasonable financial information deemed necessary by the Chargee, when requested including, within one hundred and twenty (120) days of the end of each fiscal year of the Chargor, furnishing to the Chargee audited financial statements prepared at the expense of the Chargor and, additionally, within one hundred and twenty (120) days of the end of the fiscal year of the operation of the Charged Property by the Chargor, furnishing to the Chargee an audited annual operating statement prepared at the expense of the Chargor, which statement, notwithstanding the generality of the foregoing, shall set forth the gross rents and other revenue derived by the Chargor from the Charged Property, the costs and expenses of the operation and maintenance of the Charged Property and such information and explanation in respect of the foregoing as may be required by the Chargee and such statements shall be required to be prepared by a duly qualified chartered accountant and/or certified public accountant suitable to the Chargee and the correctness of such statements shall be duly supported by the affidavit of a director or officer of the Chargor.

- (e) to comply with all covenants and reporting requirements set out in the Commitment Letter;
- (f) to provide or comply with such other covenants and terms as the Chargee may reasonably require.

10. Restriction on Transfer

In the event of the Chargor selling, transferring or conveying title or its rights to a purchaser, transferee or grantee not approved by the Chargee or in the event of a change in the legal or beneficial ownership of the Property, the Mortgagor or the Chargor, not approved in writing by the Chargee, then, at the sole option of the Chargee, all monies secured, together with all accrued and unpaid interest thereon and any other amounts due under this Charge shall become due and payable.

11. Assignment of Condominium Voting Rights

In the event that the property or any part thereof is or becomes a unit within a Condominium Corporation, the Chargee shall have all rights to vote on all matters relating to the said Condominium Corporation, in the place of and on behalf of the Chargor, and the Chargor hereby assigns unto the Chargee all such voting rights.

In the event that the property or any part thereof is or becomes a Common Element Condominium Corporation, the Chargee shall have all rights to vote on all matters relating to the said Common Element Condominium Corporation in the place of and on behalf of the Chargor, to the extent that the Chargor would have such rights, and the Chargor hereby assigns unto the Chargee all such voting rights.

The Chargor agrees that voting control of the Chargor shall not change during the currency of this loan without the prior written consent of the Chargee.

12. Subsequent Financing

No financing subsequent to the Chargee's facilities shall be permitted, without the prior written consent of the Chargee which consent shall not be unreasonably withheld.

13. NSF and Late Payment Charge

In the event that any payment is returned to the lender for any cause whatsoever, including there being insufficient funds in the borrower's account to cover same, the lender will be entitled to reimbursement for all bank charges related to the dishonoured cheque in addition, the lender or administrator's time for collection will be charged at a rate of \$300 per hour and all time will be docketed and charged to the borrower's account. These charges will apply to all administration costs related to any default under the mortgage including but not limited to collection costs related to late payments, insurance cancellation and work orders affecting the property. All payments (other than regular monthly payments of interest) must be received no later than 1:00 PM or they shall be deemed earned the following business day. Payments being made on a Friday or on a business day preceding a statutory holiday must be received no later than 11:00 AM or they shall be deemed earned the following business day. For greater certainty, if funds are not received before the times stipulated herein, interest will continue to accrue to the next bank business day. All payments not made by the due date will be subject to the lender's administration costs in processing same.

14. Default

In the event default is made in the payment of any principal money, at the time or times provided herein, the Chargee will not be required to accept payment of the principal monies without first receiving three (3) months notice in writing or receiving three (3) months interest bonus in advance payment of the principal monies.

15. Manager's Fee

In the event of default herein, Rescom Capital will be appointed as the Chargee's Manager, at the Chargee's discretion and will be entitled to a fee of \$300.00 per hour for its services and such fee will be charged to the Chargor's account, and added to the amount owing under this Charge.

16. Post-dated Cheques

The Chargor shall supply a series of post-dated cheques to each of the Chargee(s) (or as directed) on or before the advance and any renewal or extension thereof.

17. Statement Charge

The Chargor shall pay to the Chargee the sum of \$100.00 for every statement requested by the Chargor, or any party on behalf of the Chargor or any party interested in the Charged Property and provided by the Chargee.

18. Commencing of Proceedings

The Chargor shall pay to the Chargee (exclusive of legal costs) the sum of \$500.00 for each and every instance the Chargee is required to institute default or enforcement proceedings under this Charge.

19. Insurance

Without limiting the generality of any provision of this Charge, the Chargor shall carry such liability, rental, boiler, fire and other insurance coverage in such amounts as required by the Chargee. Written evidence of continuance of such insurance from the insurer under such policy or policies to the effect that coverage has been extended for a minimum of at least one year and all premiums with respect to such extended term of such coverage have been paid for in full shall be produced to the Chargee at least thirty (30) days before expiration of any term of such respective policy; otherwise the Chargee may provide therefor and charge the premium paid and interest thereon at the rate provided in this Charge to the Chargor and the same shall be payable forthwith and shall also be a charge upon the Charged Property together with a penalty of \$500.00.

Notwithstanding any other provision to the contrary, statutory or otherwise, in the event of any moneys becoming payable pursuant to an insurance policy with respect to buildings located on the Charged Property, the Chargee may at its option require the said moneys to be applied by the Chargor in making good the loss or damage in respect of which the money is received, or in the alternative, may require that any or all of the moneys so received to applied in or towards satisfaction of any or all of the indebtedness secured hereunder whether or not the same has become due.

Provided also that the covenant for insurance hereinbefore contained shall provide that loss, if any, shall be payable to the said Chargee, as its interest may appear, subject to the Chargee's standard form of mortgage clause or the standard form of mortgage clause approved by the Insurance Bureau of Canada which shall be attached to the policy of insurance and form part thereof.

20. Payment of Taxes

With respect to municipal taxes, school taxes and local improvement rates (hereinafter referred to as "**Taxes**") chargeable against the Charged Property, the Chargor covenants and agrees with the Chargee that:

- (a) The Chargee may deduct from any advance of the moneys secured by this Charge an amount sufficient to pay the Taxes which have become due and payable during any calendar year;
- (b) The Chargee may at its sole option estimate the amount of the Taxes chargeable against the Charged Property payable in each year and the Chargor shall forthwith upon demand of the Chargee pay to the Chargee one-twelfth (1/12) of the estimated annual amount of such Taxes on the dates on which instalments of principal and interest are payable during the term of this Charge commencing with the 1st day of the first full month of the term of this Charge. The Chargee may at its option apply such payments to the Taxes so long as the Chargor is not in default under any covenant or agreement contained in this Charge, but nothing herein contained shall obligate the Chargee to apply such payments on account of Taxes more often than yearly. Provided, however, that if the Chargor shall pay any sum or sums to the Chargee to apply on account of Taxes, and if before the same shall have been so applied, there shall be default by the Chargor in respect of any payment of principal or interest as herein provided, the Chargee may at its option apply such sum or sums in or towards payment of the principal

and/or interest in default. If the Chargor desires to take advantage of any discounts or avoid any penalties in connection with the payment of Taxes, the Chargor may pay to the Chargee such additional amounts as are required for that purpose.

- (c) In the event that the Taxes actually charged in one (1) calendar year, together with any interest and penalties thereon, exceed the estimated amount, the Chargor shall pay to the Chargee on demand the amount required to make up the deficiency. The Chargee may at its option, pay any of the Taxes when payable, either before or after they are due, without notice, or may make advances therefor in excess of the then amount of any credit held by the Chargee for the said Taxes. Any excess amount advanced by the Chargee shall be secured as an additional principal sum under this Charge and shall bear the same rate of interest as aforesaid until repaid by the Chargor.
- (d) The Chargor shall transmit to the Chargee forthwith after receipt of same the assessment notices, Tax bills and other notices affecting the imposition of Taxes upon the Charged Property
- (e) In no event shall the Chargee be liable for any interest on any amount paid to it as hereinbefore required and the moneys so received may be held with its own funds pending payment or application thereof as hereinbefore provided, provided that in the event that the Chargee does not utilize the funds received on account of Taxes in any calendar year, such amount or amounts may be held by the Chargee on account of any pre-estimate of Taxes required for the next succeeding calendar year, or at the Chargee's option the Chargee may repay such amount to the Chargor without any interest.
- (f) The Chargor shall in all instances be responsible for the payment of any and all penalties resulting out of any late payment of current Tax instalments or any arrears of Taxes, and at no time shall such penalty be the responsibility of the Chargee.
- (g) The Chargor shall deliver to the Chargee on or before December 31st in each such calendar year, written evidence from the taxing authority having jurisdiction with respect to the municipal realty Taxes levied and assessed against the Charged Property, such evidence to be to the effect that all Taxes for the current calendar year and any preceding calendar year have been paid in full. In the event of the failure of the Chargor to comply with the covenant as aforesaid, the Chargee shall be entitled to charge a servicing fee for each written enquiry directed to such taxing authority or the relevant taxation office for the purpose of ascertaining the status of the Tax account pertaining to the Charged Property, together with any costs payable to the taxing authority for such information. Such servicing fee is hereby agreed to be a fair and equitable one under the circumstances and is intended to cover the Chargee's administrative costs and shall not be deemed a penalty.

21. Appointment of a Receiver

NOTWITHSTANDING anything herein contained, it is declared and agreed that at any time, and from time to time, when there shall be default under the provisions of these presents, the Chargee may at such time, and from time to time, and with or without entering into possession of the Charged Property appoint in writing a receiver (the "**Receiver**" which term shall include a receiver/manager) of the Charged Property, or any part thereof, and of the rents and profits thereof and with or without security and may from time to time by similar writing remove any such Receiver and appoint another in its place and stead, and in the making of any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor. The Chargor hereby agrees and consents to the appointment of the Receiver of the Chargee's choice and without limitation, whether pursuant to this Charge, the Mortgages Act, the Construction Act, R.S.O. 1990, c. C30 or pursuant to the Courts of Justice Act (as the Chargee may at its sole option require). Without limitation, the purpose of such appointment shall be the orderly management, administration and/or sale of the Charged Property and every part thereof.

Upon the appointment of any such Receiver or Receivers from time to time the following provisions shall apply:

- (a) a statutory declaration of an officer of the Chargee as to default under the provisions of these presents shall be conclusive evidence thereof;
- (b) every such Receiver shall be the irrevocable agent or attorney of the Chargor for the collection of all rents falling due with respect to the Charged Property, and every part thereof, whether in respect of any tenancies created in priority to these presents or subsequent thereto;
- (c) the Chargee may from time to time fix the remuneration of every such Receiver who shall be entitled to deduct same out of the Charged Property or the proceeds thereof;
- (d) each such Receiver shall, so far as concerns responsibility and liability for its acts or omissions, be deemed to be the agent or attorney of the Chargor and in no event the agent of the Chargee;
- (e) the appointment of every such Receiver by the Chargee shall not incur or create any liability on the part of the Chargee to the Receiver in any respect and such appointment or anything which may be done by any such Receiver or the removal of any such Receiver or the termination of any such Receivership shall not have the effect of constituting the Chargee a chargee in possession with respect to the Charged Property or any part thereof;
- (f) the Receiver shall have the power to rent any portion of the Charged Property for such terms and subject to such provisions as it may deem advisable or expedient and in so doing such Receiver shall be acting as the attorney or agent of the Chargor and shall have the authority to execute any lease of any such premises in the name and on behalf of the Chargor and the Chargor undertakes to ratify and confirm whatever acts such Receiver may do in the Charged Property;
- (g) every such Receiver shall have full power to complete any unfinished construction upon the Charged Property;
- (h) any such Receiver shall have full power to carry on or concur in the carrying on of the business of the Chargor, and to employ and discharge such agents, workmen, accountants and other individuals or companies as are required to carry on the said business, upon such terms and with such salaries, wages or remuneration as it shall think proper, and to repair and keep in repair the Charged Property and to do all necessary acts and things for the carrying on of the business of the Chargor and the protection of the Charged Property;
- (i) any such Receiver shall have the power to sell or lease or concur in selling or leasing the Charged Property, or any part thereof, and to carry any such sale or lease into effect by conveying in the name of or on behalf of the Chargor or otherwise; and any such sale may be made either at public auction or private sale as to the Receiver may seem best and any such sale may be made from time to time as to the whole or any part of the Charged Property; and the Receiver may make any stipulations as to title or conveyance or commencement of title or otherwise as it shall deem proper;
- (j) any such Receiver shall have the power to borrow money to carry on the business of the Chargor or to maintain the whole or any part of the Charged Property, in such amounts as the Receiver may from time to time deem necessary and in so doing, the Receiver may issue certificates that may be payable when the Receiver thinks expedient and shall bear interest as stated therein and the amounts from time to time payable under such certificates shall charge the Charged Property in priority to this Charge;
- (k) any such Receiver shall have the power to execute and prosecute all suits, proceedings and actions which the Receiver in its opinion considers necessary for the proper protection of the Charged Property, to defend all suits, proceedings and actions against the Chargor or the Receiver, to appear in and conduct the prosecution and defence of any suit, proceeding or action then pending or thereafter instituted and to appeal any suit, proceeding or action;

- (l) any such Receiver shall have the full power to manage, operate, amend, repair, alter or extend the Charged Property, or any part thereof, in the name of the Chargor for the purpose of securing the payment of rentals from the Charged Property or any part thereof;
- (m) any such Receiver shall not be liable to the Chargor to account: for moneys or damages other than cash received by it with respect to the Charged Property or any part thereof and out of such cash so received every such Receiver shall pay in the following order:
 - (i) its remuneration;
 - (ii) all payments made or incurred by the Receiver in connection with the management, operation, amendment, repair, alteration or extension of the Charged Property or any part thereof;
 - (iii) in payment of interest, principal and other money which may from time to time be or become a charge upon the Charged Property in priority to moneys owing hereunder and all taxes, insurance premiums and every other proper expenditure made or incurred by it with respect to the Charged Property or any part thereof;
 - (iv) in payment of all interest and arrears of interest and any other moneys remaining unpaid hereunder;
 - (v) the residue of any money so received by the Receiver shall be applied to the principal sum or any other amounts from time to time owing under this Charge;
 - (vi) subject to subparagraph (v) above, in the discretion of the Receiver, interest, principal and other moneys which may from time to time constitute a charge or encumbrance on the Charged Property subsequent in priority or subordinate to the interest of the Chargee under this Charge;

and that such Receiver may in its discretion retain reasonable reserves to meet accruing amounts and anticipated payments in connection with any of the foregoing, and further, that any surplus remaining in the hands of the Receiver, after payments made and such reasonable reserves retained as aforesaid, shall be payable to the Chargor.

Provided that save as to moneys payable to the Chargor pursuant to subparagraph (m) of this Paragraph, the Chargor hereby releases and discharges the Chargee and every such Receiver from every claim of every nature, whether sounding in damages for negligence or trespass or otherwise, which may arise or be caused to the Chargor or any person claiming through or under it by reason or as a result of anything done by the Chargee or any such Receiver under the provisions of this Paragraph, unless such claim be the direct and proximate result of bad faith or gross neglect.

The Chargor hereby irrevocably appoints the Chargee as its attorney to execute such consent or consents and all such documents as may be required in the sole discretion of the Chargee and/or its solicitor so as to give effect to the foregoing provisions and the signature of such attorney shall be valid and binding on the Chargor and all parties dealing with the Chargor, the Chargee and/or Receiver and/or with respect to the Charged Property in the same manner as if such documentation was duly executed by the Chargor itself.

22. Payments

- (a) All payments shall be applied firstly on account of interest calculated as aforesaid on the balance of the principal amount outstanding from time to time except that in the case of default hereunder, the Chargee may then apply any payment(s) received during default in whatever order it may elect as between taxes, interest, repairs, insurance, legal fees (on a solicitor and client basis) or any other payments made on behalf of the Chargor. All payments and charges and fees upon which H.S.T. is chargeable shall include an additional H.S.T. component.

23. Notice

Any notice, election, demand, declaration or request which may or is required to be given or made pursuant to this Charge, shall (unless otherwise required by law or set out in this Charge) be given or made in writing and shall be served personally upon an individual party for whom it is intended or upon any executive officer of a corporate party for whom it is intended or mailed by prepaid registered mail:

- (a) in the case of the Chargor at:

7686 Appleby Line
Milton, Ontario, L9E 0N1

Attention: Mr. Paul DeBattista

- (b) in the case of Chargee at:

c/o C & K Mortgage Services Inc.
1670 Bayview Avenue
Suite 400
Toronto, Ontario
M4G 3C2

Attention: Mr. Gary Gruneir

- (c) Canadian Western Trust Company
750 Cambie Street
Suite 300
Vancouver, BC
V6B 0A2

or such other address (or in the case of a corporate party in care of such other officer) as any party may from time to time advise the other parties hereto by notice in writing as aforesaid. The date of receipt of any such notice, election, demand, declaration or request, shall be the date of delivery of such notice, election, demand or request if delivered personally or if mailed as aforesaid shall be deemed to be the third juridical day next following the date of such mailing. If at the date of any such mailing there is a general interruption in the operation of the postal service in the Province of Ontario which does or is likely to delay the delivery by mail of such notice, election, demand or request, it shall be served personally.

24. Invalidity

If any of the terms, covenants or conditions of this Charge shall be void for any reason, it shall be severed from the remainder of the provisions hereof and the remaining provisions shall remain in full force and effect notwithstanding such severance.

25. Power of Sale

PROVIDED that in the event power of sale proceedings are taken, the Chargee as vendors may sell the property on terms and if the result is that any mortgages taken back are at a rate lower than the rate for the first and/or second mortgagee in the industry then the Chargee shall be entitled to sell these charges at a discount and the discount shall form part of the loss incurred by the Chargee and be recoverable against the Chargor.

LRO # 20 Notice Of Assignment Of Rents-General

Received as HR1840776 on 2021 10 29 at 12:35

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

yyyy mm dd Page 1 of 4

Properties

PIN 24954 - 0168 LT
 Description LT 9, BLK 17, PL 9, (AKA TEETZEL'S SURVEY), W OF ONTARIO ST, EXCEPT PT 3, 20R3309 ; TOWN OF MILTON
 Address 72 ONTARIO ST S
 MILTON

PIN 24954 - 0169 LT
 Description LT 8, BLK 17, PL 9, (AKA TEETZEL'S SURVEY), W OF ONTARIO ST, EXCEPT 254152 ; MILTON
 Address 446 PINE ST
 MILTON

Applicant(s)

The assignor(s) hereby assigns their interest in the rents of the above described land. The notice is based on or affects a valid and existing estate, right, interest or equity in land.

Name 2865594 ONTARIO INC.
 Address for Service 7686 Appleby Line
 Milton, Ontario
 L9E 0N1

I, Paul DeBattista, President, have the authority to bind the corporation.

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

Party To(s)	Capacity	Share
Name	C & K MORTGAGE SERVICES INC.	an undivided \$2,325,000 / \$2,500,000 interest
Address for Service	1670 Bayview Avenue Suite 400 Toronto, Ontario M4G 3C2	
Name	CANADIAN WESTERN TRUST COMPANY	an undivided \$175,000 / \$2,500,000 interest
Address for Service	750 Cambie Street Suite 300 Vancouver, BC V6B 0A2	

Statements

The applicant applies for the entry of a notice of general assignment of rents.

This notice may be deleted by the Land Registrar when the registered instrument, HR1840775 registered on 2021/10/29 to which this notice relates is deleted

Schedule: See Schedules

Signed By

Kimberly Anne Gabriel 1 Adelaide Street E., Suite 801 acting for Signed 2021 10 25
 Toronto
 M5C 2V9 Applicant(s)

Tel 416-869-1234

Fax 416-869-0547

I have the authority to sign and register the document on behalf of all parties to the document.

Kimberly Anne Gabriel 1 Adelaide Street E., Suite 801 acting for Signed 2021 10 25
 Toronto
 M5C 2V9 Party To(s)

Tel 416-869-1234

Fax 416-869-0547

I have the authority to sign and register the document on behalf of all parties to the document.

LRO # 20 Notice Of Assignment Of Rents-General

Received as HR1840776 on 2021 10 29 at 12:35

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

yyyy mm dd Page 2 of 4

Submitted By

GARFINKLE, BIDERMAN LLP

1 Adelaide Street E., Suite 801
Toronto
M5C 2V9

2021 10 29

Tel 416-869-1234

Fax 416-869-0547

Fees/Taxes/Payment

Statutory Registration Fee \$65.30

Total Paid \$65.30

File Number

Party To Client File Number :

2677-633

GENERAL ASSIGNMENT OF RENTS

BETWEEN:

2865594 ONTARIO INC.

(hereinafter called the "Assignor")

OF THE FIRST PART;

- and -

**C & K MORTGAGE SERVICES INC. AND CANADIAN WESTERN TRUST
COMPANY**

(hereinafter called the "Assignee")

OF THE SECOND PART.

WHEREAS the Assignor is the registered owner of the land and premises situate, lying and being LT 9, BLK 17, PL 9, (AKA TEETZEL'S SURVEY), W OF ONTARIO ST, EXCEPT PT 3, 20R3309; TOWN OF MILTON, and LT 8, BLK 17, PL 9, (AKA TEETZEL'S SURVEY), W OF ONTARIO ST, EXCEPT 254152; MILTON, Town of Milton, Regional Municipality of Halton, Halton Land Registry (NO.20), and municipally known as 446 Pine Street, and 72 Ontario Street, Milton, Ontario, (hereinafter called the "Premises");

AND WHEREAS the Assignor may from time to time enter into leases of the Premises in favour of various tenants (the "Leases");

AND WHEREAS the Assignor has applied to the Assignee for a loan in the amount of \$2,500,000.00 or such lesser amount as may be advanced by the Assignee upon security of the said Premises (the "Mortgage"), which said loan the Assignee has agreed to make on condition among others that the Assignor should assign to the Assignee, its respective successors and assigns, the benefit of the said Leases and any and all renewals thereof as security for the payment of the monies secured by the said Mortgage and the performance of covenants contained therein.

NOW THEREFORE THIS INDENTURE WITNESSETH that in consideration of the Premises and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the Assignor doth hereby assign, transfer and set over unto the Assignee, its successors and assigns, the said Leases and all rents payable thereunder and all benefits and advantages to be derived therefrom to hold and receive the same unto the Assignee, its successors and assigns, until the monies due and accruing due under and by virtue of the said Mortgage have been fully paid and satisfied; such rents benefits and advantages hereby assigned include any payment to which the Assignor may become entitled pursuant to and in accordance with any proposal to surrender a lease or tenancy agreement made by a tenant, under the Bankruptcy and Insolvency Act.

PROVIDED that nothing herein contained shall be deemed to have the effect of making the Assignee responsible for the collection of the said rents or any part thereof or the performance of any covenants, terms or conditions either by the Lessor or the lessee, contained in the said Leases and that the Assignee shall not by virtue of these presents be deemed a mortgagee in possession of the said Premises; and provided further that the Assignee shall be liable to account only for such monies as may actually come into its hands by virtue of these presents, less proper collection charges, and that such money when so received by it, shall be applied on account of the said Mortgage and on account of taxes to which these payments are taken as collateral security.

AND PROVIDED FURTHER that if the rentals payable under the said Leases shall be overdue, the Assignee may take such action, steps or proceedings in its name or in the name of the Assignor as the Assignee shall deem advisable or necessary for the collection of the rentals so overdue.

Page 2

AND PROVIDED FURTHER that the payments of rent provided to be paid in the said Leases, as and when they fall due, are to be made to the Assignor until such time as the said Assignee acting in its sole discretion shall have notified the lessees to pay the said rent to the Assignee; the Assignor however, covenants and agrees with the Assignee not to collect rent from the said lessees other than at the time and in the manner in the said Lease provided.

AND PROVIDED FURTHER that the Assignor covenants that it will not reduce the rent, or release or otherwise diminish the obligations of the lessees, and will not terminate or accept a surrender of any lease without the consent of the Assignee.

AND PROVIDED FURTHER that the Assignor covenants that it will not consent to an assignment of any lessee's interest which would relieve the lessee from the liability for the payment of rent and performance of the conditions and covenants of the lessee.

THIS INDENTURE shall enure to the benefit of and be binding upon each of the parties hereto, their successors and assigns.

IN WITNESS WHEREOF the Assignor has executed this Agreement as of the ____ day of October, 2021.

2865594 Ontario Inc.

Per: 

Name: Paul DeBattista

Title: President

I have authority to bind the corporation.

Document10

This is Exhibit “J” referred to in the Affidavit of GARY GRUNEIR sworn by GARY GRUNEIR of the City of Markham, before me at the City of Toronto, in the Province of Ontario, on May 31, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

DAVID P. PREGER

LAND
REGISTRY
OFFICE #20

24954-0168 (LT)

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

PROPERTY DESCRIPTION: LT 9, BLK 17, PL 9 , (AKA TEETZEL'S SURVEY), W OF ONTARIO ST, EXCEPT PT 3, 20R3309 ;; TOWN OF MILTON

PROPERTY REMARKS:

ESTATE/QUALIFIER:

FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:

FIRST CONVERSION FROM BOOK

PIN CREATION DATE:

1996/05/27

OWNERS' NAMES

2865594 ONTARIO INC.

CAPACITY SHARE

ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
<div><div>**EFFECTIVE 2000/07/29 THE NOTATION OF THE "BLOCK IMPLEMENTATION DATE" OF 1996/05/27 ON THIS PIN**</div><div>**WAS REPLACED WITH THE "PIN CREATION DATE" OF 1996/05/27**</div><div>** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **</div><div>**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:</div><div>** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *</div><div>** AND ESCHEATS OR FORFEITURE TO THE CROWN.</div><div>** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF</div><div>** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY</div><div>** CONVENTION.</div><div>** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.</div><div>**DATE OF CONVERSION TO LAND TITLES: 1996/05/27 **</div></div>						
HR1755517	2020/12/31	CHARGE	\$4,000,000	PINE-ONTARIO DEVELOPMENT LTD.	HYOT GP INC. VALOUR PARTNERS HIGH YIELD OPPORTUNITY LP.	C
HR1755518	2020/12/31	NO ASSGN RENT GEN		PINE-ONTARIO DEVELOPMENT LTD.	HYOT GP INC. VALOUR PARTNERS HIGH YIELD OPPORTUNITY LP.	C
REMARKS: HR1755517.						
HR1840774	2021/10/29	TRANSFER	\$4,000,000	PINE-ONTARIO DEVELOPMENT LTD.	2865594 ONTARIO INC.	C
REMARKS: PLANNING ACT STATEMENTS.						
HR1840775	2021/10/29	CHARGE	\$2,500,000	2865594 ONTARIO INC.	C & K MORTGAGE SERVICES INC. CANADIAN WESTERN TRUST COMPANY	C
HR1840776	2021/10/29	NO ASSGN RENT GEN		2865594 ONTARIO INC.	C & K MORTGAGE SERVICES INC. CANADIAN WESTERN TRUST COMPANY	C
REMARKS: HR1840775						

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.

LAND
REGISTRY
OFFICE #20

24954-0168 (LT)

PREPARED FOR Valerie01
ON 2023/05/25 AT 16:15:34

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
HR1840785	2021/10/29	POSTPONEMENT		HYOT GP INC. VALOUR PARTNERS HIGH YIELD OPPORTUNITY LP.	C & K MORTGAGE SERVICES INC. CANADIAN WESTERN TRUST COMPANY	C
REMARKS: HR1755517 TO HR1840775						
HR1840801	2021/10/29	CHARGE	\$5,250,000	2865595 ONTARIO INC. 2865594 ONTARIO INC.	2487586 ONTARIO INC. PINE-ONTARIO DEVELOPMENT LTD.	C

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LAND
REGISTRY
OFFICE #20

24954-0169 (LT)

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

PROPERTY DESCRIPTION: LT 8, BLK 17, PL 9 , (AKA TEETZEL'S SURVEY), W OF ONTARIO ST, EXCEPT 254152 ; MILTON

PROPERTY REMARKS:

ESTATE/QUALIFIER:

FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:

FIRST CONVERSION FROM BOOK

PIN CREATION DATE:

1996/05/27

OWNERS' NAMES

2865594 ONTARIO INC.

CAPACITY SHARE

ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
<div><div>**EFFECTIVE 2000/07/29 THE NOTATION OF THE "BLOCK IMPLEMENTATION DATE" OF 1996/05/27 ON THIS PIN**</div><div>**WAS REPLACED WITH THE "PIN CREATION DATE" OF 1996/05/27**</div><div>** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **</div><div>**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:</div><div>** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *</div><div>** AND ESCHEATS OR FORFEITURE TO THE CROWN.</div><div>** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF</div><div>** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY</div><div>** CONVENTION.</div><div>** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.</div><div>**DATE OF CONVERSION TO LAND TITLES: 1996/05/27 **</div></div>						
HR1755517	2020/12/31	CHARGE	\$4,000,000	PINE-ONTARIO DEVELOPMENT LTD.	HYOT GP INC. VALOUR PARTNERS HIGH YIELD OPPORTUNITY LP.	C
HR1755518	2020/12/31	NO ASSGN RENT GEN		PINE-ONTARIO DEVELOPMENT LTD.	HYOT GP INC. VALOUR PARTNERS HIGH YIELD OPPORTUNITY LP.	C
REMARKS: HR1755517.						
HR1840774	2021/10/29	TRANSFER	\$4,000,000	PINE-ONTARIO DEVELOPMENT LTD.	2865594 ONTARIO INC.	C
REMARKS: PLANNING ACT STATEMENTS.						
HR1840775	2021/10/29	CHARGE	\$2,500,000	2865594 ONTARIO INC.	C & K MORTGAGE SERVICES INC. CANADIAN WESTERN TRUST COMPANY	C
HR1840776	2021/10/29	NO ASSGN RENT GEN		2865594 ONTARIO INC.	C & K MORTGAGE SERVICES INC. CANADIAN WESTERN TRUST COMPANY	C
REMARKS: HR1840775						

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LAND
REGISTRY
OFFICE #20

24954-0169 (LT)

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
HR1840785	2021/10/29	POSTPONEMENT		HYOT GP INC. VALOUR PARTNERS HIGH YIELD OPPORTUNITY LP.	C & K MORTGAGE SERVICES INC. CANADIAN WESTERN TRUST COMPANY	C
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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.

This is Exhibit “K” referred to in the Affidavit of GARY GRUNEIR sworn by GARY GRUNEIR of the City of Markham, before me at the City of Toronto, in the Province of Ontario, on May 31, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

DAVID P. PREGER

GENERAL SECURITY AGREEMENT

1. SECURITY INTEREST

- (a) For value received, 2865594 Ontario Inc. (the "Debtor"), hereby grants to C & K Mortgage Services Inc. and Canadian Western Trust Company (the "Lender"), by way of mortgage, charge, assignment and transfer, a security interest (the "Security Interest") in the undertaking of the Debtor and in all Goods (including all parts, accessories, special tools, additions and accessions thereto), Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles, and Securities now owned or hereafter owned or acquired by or on behalf of the Debtor (including such as may be returned to or repossessed by the Debtor) and in all proceeds and renewals thereof, accretions thereto and substitutions therefor (hereinafter collectively called "Collateral"), including without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of the Debtor:
- i. all inventory of whatever kind and wherever situate ("Inventory");
 - ii. all equipment (other than Inventory) of whatever kind including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures and vehicles;
 - iii. all book accounts and book debts, rents and leases, all Agreements of Purchase and Sale entered into or to be entered into and generally all accounts, debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including letters of credit and advices of credit, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by the Debtor ("Debts");
 - iv. all deeds, documents, writings, papers, books of account and other books relating to or being records of Debts, Chattel Paper or Documents of Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
 - v. all contractual rights and insurance claims and all goodwill, patents, trademarks, copyrights, and other industrial property;
 - vi. all contractual rights for the provision of materials, equipment and services including any applicable working drawings, plans, specifications, development and/or building approvals and permits;
 - vii. all monies other than trust monies lawfully belonging to others, Certificates and Interest Bearing Accounts;
 - viii. all property described in any schedule now or hereafter annexed hereto.
- (b) The Security Interest granted hereby shall not extend or apply to and Collateral shall not include the last day of the term of any lease or agreement therefor but upon the enforcement of the Security Interest the Debtor shall stand possessed of such term.
- (c) The terms "Goods", "Chattel Paper", "Documents of Title", "Equipment", "Consumer Goods", "Instruments", "Intangibles", "Securities", "Proceeds", "Inventory", and "Accession" whenever used herein shall be interpreted pursuant to their respective meanings when used in the Personal Property Security Act of Ontario, as amended from time to time (herein referred to as the "P.P.S.A."). Provided always that the term "Goods" when used herein shall not include "consumer goods" of the Debtor as that term is defined in the P.P.S.A. Any reference herein to "Collateral" shall, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof". The terms "Proceeds" whenever used herein and interpreted as above shall by way of example include trade-ins, equipment, cash, bank accounts, notes, chattel paper, goods, contract rights, accounts and any other personal property or obligation received when such collateral or proceeds are sold, exchanged, collected or otherwise disposed of.

2. INDEBTEDNESS SECURED

The Security Interest granted hereby secures payment and satisfaction of any and all obligations, indebtedness and liability of the Debtor to the Lender arising out of a mortgage of even date herewith and

any ultimate unpaid balance thereof registered against the lands municipally known as 446 Pine Street, and 72 Ontario Street, Milton, Ontario (hereinafter called the "Indebtedness").

3. **REPRESENTATIONS AND WARRANTIES OF DEBTOR**

The Debtor represents and warrants and so long as this Security Agreement remains in effect shall be deemed to continuously represent and warrant that:

- (a) The Collateral is genuine and owned by the Debtor free of all interests, mortgages, liens, claims, charges or other encumbrances (hereinafter collectively called "Encumbrances"), save for those Encumbrances approved in writing by the Lender, prior to their creation or assumption;
- (b) Each Debt, Chattel Paper and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "Account Debtor"), and the amount represented by the Debtor to the Lender from time to time as owing by each Account Debtor or by all Account Debtors except for normal cash discounts where applicable, and no Account Debtor will have any defence, set off, claim or counterclaim against the Debtor which can be asserted against the Lender, whether in any proceeding to enforce Collateral or otherwise; and
- (c) The location specified as to business operations and records is accurate and complete and with respect to Goods constituting Collateral.

4. **COVENANTS OF THE DEBTOR**

So long as this Security Agreement remains in effect the Debtor covenants and agrees:

- (a) To defend the Collateral against the claims and demands of all other parties claiming the same or an interest therein; to keep the Collateral free from all Encumbrances, and not to sell, exchange, transfer, assign, lease, otherwise dispose of Collateral or any interest therein without the prior written consent of the Lender; provided always that, until default, the Debtor may, in the ordinary course of the Debtor's business, sell or lease Inventory and, subject to Clause 6 hereof, use monies available to the Debtor;
- (b) To notify the Lender promptly of:
 - i. any change in the information contained herein or in the Schedules hereto relating to the Debtor, the Debtor's business or Collateral;
 - ii. the details of any significant acquisition of Collateral;
 - iii. the details of any claims or litigation affecting Collateral;
 - iv. any loss or damage to Collateral;
 - v. any default by any Account Debtor in payment or other performance of his obligations with respect to Collateral; and
 - vi. the return to or repossession by the Debtor of Collateral;
- (c) To keep the Collateral in good order, condition and repair and not to use Collateral in violation of the provisions of this Security Agreement or any other agreement relating to Collateral or any policy insuring Collateral or any applicable statute, law, by-law, rule, regulation or ordinance;
- (d) To do, execute, acknowledge and deliver such financing statements and further assignments, transfers, documents, acts, matters and things (including further schedules hereto) as may be reasonably requested by the Lender of or with respect to Collateral in order to give effect to these presents and to pay all costs for searches and filings in connection therewith;
- (e) To pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of the Collateral as and when the same become due and payable;

- (f) To insure the Collateral for such periods, in such amounts, on such terms and against loss or damage by fire and such other risks as the Lender shall reasonably direct with loss payable to the Lender and the Debtor, as insureds, as their respective interest may appear, and to pay all premiums therefor;
- (g) To prevent Collateral, save Inventory sold or leased as permitted hereby, from being or becoming an Accession to other property not covered by this Security Agreement;
- (h) To carry on and conduct the business of the Debtor in a proper and efficient manner and so as to protect and preserve the Collateral and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for the Debtor's business as well as accurate and complete records concerning Collateral, and mark any and all such records and Collateral at the Lender's request so as to indicate the Security Interest;
- (i) To deliver to the Lender from time to time promptly upon request:
 - i. any Documents of Title, Instruments, Securities and Chattel Paper constituting, representing or relating to Collateral;
 - ii. all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to Collateral for the purpose of inspecting, auditing or copying the same;
 - iii. all financial statements prepared by or for the Debtor regarding the Debtor's business;
 - iv. all policies and certificates of insurance relating to Collateral; and
 - v. such information concerning Collateral, the Debtor and business and affairs as the Lender may reasonably request;
- (j) To have the premises professionally managed at all times.

5. **USE AND VERIFICATION OF COLLATERAL**

Subject to compliance with the Debtor's covenants herein and Clause 6 hereof, the Debtor may, until default, possess, operate, use, enjoy and deal with Collateral in the ordinary course of the Debtor's business in any manner not inconsistent with the provisions hereof; provided always that the Lender shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner the Lender may consider appropriate and the Debtor agrees to furnish all assistance and information and to perform all such acts as the Lender may reasonably request in connection therewith and for such purpose to grant to the Lender or its agents access to all places where Collateral may be located.

6. **COLLECTION OF DEBTS**

Before or after default under this Security Agreement, the Lender may notify all or any Account Debtors of the Security Interest and may also direct such Account Debtors to make all payments on Collateral to the Lender. The Debtor acknowledges that any payments on or other proceeds of Collateral received by the Debtor from Account Debtors, whether before or after notification of this Security Interest to Account Debtors and whether before or after default under this Security Agreement shall be received and held by the Debtor in trust for the Lender and shall be turned over to the Lender upon request.

7. **DISPOSITION OF MONIES**

Subject to any application requirements of the P.P.S.A., all monies collected or received by the Lender pursuant to or in exercise of any right it possesses with respect to Collateral shall be applied on account of Indebtedness in such manner as the Lender deems best or, at the option of the Lender, may be held unappropriated in a collateral account or released to the Debtor, all without prejudice to the liability of the Debtor or the rights of the Lender hereunder, and any surplus shall be accounted for as required by law.

8. **EVENTS OF DEFAULT**

The happening of any of the following events or conditions shall constitute default hereunder (hereinafter referred to as "default"):

- (a) The nonpayment when due, whether by acceleration or otherwise, of any principal or interest forming part of Indebtedness or the failure of the Debtor to observe or perform any obligation, covenant, term, provision, or condition contained in this Security Agreement or any other document or agreement between the Debtor and the Lender relating to the Indebtedness;
- (b) The bankruptcy or insolvency of the Debtor; the filing against the Debtor of a petition in bankruptcy; the making of an authorized assignment for the benefit of creditors by the Debtor; the appointment of a receiver or trustee for the Debtor or for any assets of the Debtor or the institution by or against the Debtor of any other type of insolvency proceeding under the Bankruptcy Act or otherwise;
- (c) Abandonment of the premises by the Debtor for a period in excess of eight (8) consecutive days and which the Debtor has not rectified within ten (10) days after delivery by the Lender to the Debtor of written notice of any abandonment.

9. **REMEDIES**

- (a) Upon default, the Lender may appoint or reappoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of the Lender or not, to be a receiver or receivers (hereinafter called a "Receiver", which term when used herein shall include a receiver and manager) of Collateral (including any interest, income or profits therefrom) and may remove any Receiver so appointed and appoint another in his stead. Any such Receiver shall, so far as concerns responsibility for his acts, be deemed the agent of the Debtor and not the Lender and the Lender shall not be in any way responsible for any misconduct, negligence, or non-feasance on the part of any such Receiver, his servants, agents or employees. Subject to the provisions of the instruments appointing him, any such Receiver shall have the power to take possession of Collateral, to preserve Collateral or its value, to carry on or concur in carrying on all or any part of the business of the Debtor and to sell, lease or otherwise dispose of or concur in selling, leasing or otherwise disposing of Collateral. To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others, including the Debtor, enter upon, use and occupy all premises owned or occupied by the Debtor wherein Collateral may be situate, maintain Collateral upon such premises, borrow money on a secured or unsecured basis and use Collateral directly in carrying on the Debtor's business or otherwise, as such Receiver shall, in his discretion, determine. Except as may be otherwise directed by the Lender, all monies received from time to time by such Receiver in carrying out his appointment shall be received in trust for and paid over to the Lender. Every such Receiver may, in the discretion of the Lender, be vested with all or any of the rights and powers of the Lender.
- (b) Upon default, the Lender may, either directly or indirectly or through its agents or nominees, exercise any or all of the powers and rights given to a Receiver by virtue of the foregoing sub-clause (a).
- (c) The Lender may take possession of, collect, demand, sue on, enforce, recover and receive Collateral and give valid and binding receipts and discharges therefor and in respect thereof and, upon default, the Lender may sell, lease or otherwise dispose of Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as to the Lender may seem reasonable.
- (d) In addition to those rights granted herein and in any other agreement now or hereafter in effect between the Debtor and the Lender and in addition to any other rights the Lender may have at law or in equity, the Lender shall have, both before and after default, all rights and remedies of a secured party under the P.P.S.A. Provided always, that the Lender shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, lease or otherwise dispose of Collateral or to institute any proceedings for such purposes. Furthermore, the Lender shall have no obligation to take any steps to preserve rights against prior parties to any Instrument or Chattel Paper whether Collateral or proceeds and whether or not in the Lender's possession and shall not be liable or accountable for failure to do so.
- (e) The Debtor acknowledges that the Lender or any Receiver appointed by it may take possession of Collateral wherever it may be located and by any method permitted by

law and the Debtor agrees upon request from the Lender or any such Receiver to assemble and deliver possession of Collateral at such place or places as directed.

- (f) The Debtor agrees to pay all costs, charges and expenses reasonably incurred by the Lender or any Receiver appointed by it, whether directly or for services rendered (including reasonable solicitors and auditors costs and other legal expenses and Receiver remuneration), in operating the Debtor's accounts, in preparing or enforcing this Security Agreement, taking custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting Indebtedness and all such costs, charges and expenses, together with any monies owing as a result of any borrowing by the Lender or any Receiver appointed by it, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of Collateral and shall be secured hereby.
- (g) The Lender will give the Debtor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of Collateral is to be made, as may be required by the P.P.S.A.
- (h) Upon failure of the Debtor to have the Premises professionally managed in accordance with clause 4(j) hereof, the Lender may, but shall not be obligated to appoint such professional manager or managers, as it may deem necessary in its sole discretion, to manage the Premises at the sole expense of the Debtor.

10. **MISCELLANEOUS**

- (a) The Debtor hereby authorizes the Lender to file such financing statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying Collateral or any permitted Encumbrances affecting Collateral) as **183 Daniels Street, Ancaster** appropriate to perfect and continue the Security Interest, to protect and preserve Collateral and to realize upon the Security Interest, and the Debtor hereby irrevocably constitutes and appoints the Lender the true and lawful attorney of the Debtor, with the full power of substitution, to do any of the foregoing in the name of the Debtor whenever and wherever it may be deemed necessary or expedient.
- (b) Upon the Debtor's failure to perform any of its duties hereunder, the Lender may, but shall not be obligated to, perform any or all such duties, and the Debtor shall pay to the Lender, forthwith upon written demand therefor, an amount equal to the expense incurred by the Lender in so doing plus interest thereon from the date such expense is incurred until it is paid at the rate per annum set forth in the said mortgage.
- (c) The Lender may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with the Debtor, sureties and others and with Collateral and other security as the Lender may see fit without prejudice to the liability of the Debtor or the Lender's right to hold and realize the Security Interest. Furthermore, the Lender may demand, collect and sue on Collateral in either the Debtor's or the Lender's name on any and all cheques, commercial paper, and any other Instrument pertaining to or constituting Collateral.
- (d) No delay or omission by the Lender in exercising any right or remedy hereunder or with respect to any Indebtedness shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Furthermore, the Lender may remedy any default by the Debtor hereunder or with respect to any Indebtedness in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by the Debtor. All rights and remedies of the Lender granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.
- (e) The Debtor waives protest of any Instrument constituting Collateral at any time held by the Lender on which the Debtor is in any way liable and, subject to Clause 9(g) hereof, notice of any other action taken by the Lender.
- (f) This Security Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

- (g) Save for any schedules which may be added hereto pursuant to the provisions hereof, no modification, variation or amendment of any provision of this Security Agreement shall be made except by a written Agreement, executed by the parties hereto and no waiver of any provision hereof shall be effective unless in writing.
- (h) Subject to any provisions of this Agreement to the contrary, whenever either party hereto is required or entitled to notify or direct the other or to make a demand or request upon the other, such notice, direction, demand or request shall be in writing and shall be sufficiently given only if delivered to the party for whom it is intended at the principal address of such party herein set forth or as changed pursuant hereto or if sent by prepaid registered mail addressed to the party for whom it is intended at the principal address of such party herein set forth or as changed pursuant hereto. Either party may notify the other pursuant hereto of any change in such party's principal address to be used for the purpose hereof.

The address of each party is as follows:

Debtor:

2865594 Ontario Inc.
7686 Appleby Line
Milton, ON L9E 0N1

Lender:

C & K Mortgage Services Inc.
1670 Bayview Avenue, Suite 400
Toronto, Ontario M4G 3C2

And

Canadian Western Trust Company
750 Cambie Street
Suite 300
Vancouver BC V6B 0A2

- (i) This Security Agreement and the security afforded hereby shall remain in full force and effect until all Indebtedness contracted for or created, shall be paid in full.
- (j) The headings used in this Security Agreement are for convenience only and are not to be considered a part of this Security Agreement and do not in any way limit or amplify the terms and provisions of this Security Agreement.
- (k) When the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with all grammatical changes necessary dependent upon the person referred to being a male, female, firm or corporation.
- (l) In the event any provisions of this Security Agreement, as amended from time to time, shall be deemed invalid or void, in whole or in part, by any Court of competent jurisdiction, the remaining terms and provisions of this Security Agreement shall remain in full force and effect.
- (m) Nothing herein contained shall in any way obligate the Lender to grant, continue, renew, extend time for payment of or accept anything which constitutes or would constitute Indebtedness.
- (n) The Security Interest created hereby is intended to attach when this Security Agreement is signed by the Debtor and delivered to the Lender.

Page 7

11. **COPY OF AGREEMENT**

The Debtor hereby acknowledges receipt of a copy of this Security Agreement.

IN WITNESS WHEREOF the Debtor has executed this Security Agreement under the hand of its authorized signing officers as of the ____ day of October, 2021.

2865594 Ontario Inc.

Per: 

Name: Paul DeBattista

Title: President

I have authority to bind the corporation.

This is Exhibit “L” referred to in the Affidavit of GARY GRUNEIR sworn by GARY GRUNEIR of the City of Markham, before me at the City of Toronto, in the Province of Ontario, on May 31, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

DAVID P. PREGER

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

REPORT : PSSR060
PAGE : 1
(11243)

RUN NUMBER : 130
RUN DATE : 2023/05/10
ID : 20230510090118.51

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

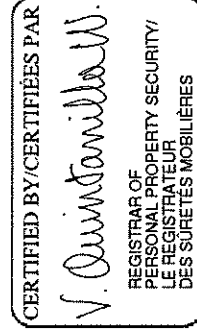
SEARCH CONDUCTED ON : 2865594 ONTARIO INC.

FILE CURRENCY : 09MAY 2023

ENQUIRY NUMBER 20230510090118.51 CONTAINS 8 PAGE(S), 3 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.

MCROBERTS (DICKINSON WRIGHT LLP) - DICKINSON WRIGHT LLP
199 BAY STREET
TORONTO ON M5L 1G4



165

CONTINUED... 2



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

REPORT : PSSR060
PAGE : 2
(11244)

RUN NUMBER : 130
RUN DATE : 2023/05/10
ID : 20230510090118.51

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : 2865594 ONTARIO INC.
FILE CURRENCY : 09MAY 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00	FILE NUMBER	777755691									
01	CAUTION FILING	PAGE NO.	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD				
		001	2		20211029 0950 1590 1826	P PPSA	5				
02	DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME						
03			2865594 ONTARIO INC.								ONTARIO CORPORATION NO. L9E 0N1
04			7686 APPLLEY LINE								MILTON
05	DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME						
06			2865595 ONTARIO INC.								ONTARIO CORPORATION NO. L9H 0N1
07			7686 APPLLEY LINE								MILTON
08	SECURED PARTY / LIEN CLAIMANT		2487586 ONTARIO INC.								BURLINGTON
09			200-3410 SOUTH SERVICE ROAD								ON L7N 3T2
10	COLLATERAL CLASSIFICATION										
	CONSUMER	GOODS	INVENTORY	EQUIPMENT	ACCOUNTS OTHER	MOTOR VEHICLE	AMOUNT	DATE OF MATURITY	OR	NO FIXED	
	X	X	X	X	X	X					
11	YEAR	MAKE	MODEL		V.I.N.						
12	MOTOR VEHICLE										
13	GENERAL	GENERAL SECURITY AGREEMENT PERTAINING TO 248-250 MARTIN STREET,									
14	COLLATERAL	MILTON AND 446 PINE STREET AND 72 ONTARIO STREET, MILTON									
15	DESCRIPTION										
16	REGISTERING AGENT	VITULLI PROFESSIONAL CORPORATION O/A VITULLI LAW GROUP									
17		ADDRESS	69 HUGHSON STREET NORTH		HAMILTON		ON	L8R	1G5		
*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***											
CONTINUED... 3											

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTREUR
DES SÛRETÉS MOBILIÈRES
(c)11v 05/2023

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

REPORT : PSSR060
PAGE : 3
(11245)

RUN NUMBER : 130
RUN DATE : 2023/05/10
ID : 20230510090118.51

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : 2865594 ONTARIO INC.
FILE CURRENCY : 09MAY 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00	FILE NUMBER	777755691									
01	CAUTION FILING	PAGE NO.	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD				
		002	2		20211029 0950 1590 1826						
02	DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME						
03			VILLAGE DEVELOPMENTS INC.								
04			7686 APPLEBY LINE		MILTON	ONTARIO CORPORATION NO. L9E 0N1					
05	DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME						
06			PAUL		DEBATTISTA						
07			7686 APPLEBY LINE		MILTON	ONTARIO CORPORATION NO. L9E 0N1					
08	SECURED PARTY / LIEN CLAIMANT	PINE-ONTARIO DEVELOPMENT INC.									
09		ADDRESS	G5-3410 SOUTH SERVICE ROAD								
10	COLLATERAL CLASSIFICATION		MOTOR VEHICLE		AMOUNT	DATE OF MATURITY	OR	MATURITY DATE			
	CONSUMER	GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	INCLUDED				
11	MOTOR	YEAR	MAKE	MODEL	V.I.N.						
12	VEHICLE										
13	GENERAL										
14	COLLATERAL										
15	DESCRIPTION										
16	REGISTERING										
17	AGENT	ADDRESS									

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

CONTINUED... 4

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTREUR
DES SÛRETÉS MOBILIÈRES

167
(c)14v 05/2022



RUN NUMBER : 130
RUN DATE : 2023/05/10
ID : 20230510090118.51

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

REPORT : PSSR060
PAGE : 4
(11246)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : 2865594 ONTARIO INC.
FILE CURRENCY : 09MAY 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00	FILE NUMBER	777687435
01	CAUTION FILING	001
	TOTAL PAGES	2
	MOTOR VEHICLE SCHEDULE	20211027 1353 1590 1385
	REGISTERED UNDER	P PPSA
	REGISTRATION PERIOD	5
02	DEBTOR NAME	DATE OF BIRTH
03	BUSINESS NAME	FIRST GIVEN NAME
	2865594 ONTARIO INC.	INITIAL SURNAME
04	ADDRESS	MILTON
	7686 APPELBY LINE	ONTARIO CORPORATION NO.
		ON L9E 0N1
05	DEBTOR NAME	DATE OF BIRTH
06	BUSINESS NAME	FIRST GIVEN NAME
	2865595 ONTARIO INC.	INITIAL SURNAME
07	ADDRESS	MILTON
	7686 APPELBY LINE	ONTARIO CORPORATION NO.
		ON L9E 0N1
08	SECURED PARTY / LIEN CLAIMANT	PINE-ONTARIO DEVELOPMENT LTD
09	ADDRESS	G5-3410 SOUTH SERVICE ROAD
		BURLINGTON ON L7N 3T2

COLLATERAL CLASSIFICATION

10	CONSUMER	GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
		X	X	X	X	X	X				

11	YEAR	MAKE	MODEL	V.I.N.
12	MOTOR VEHICLE			
13	GENERAL	1. GUARANTEE CONTAINING POSTPONEMENT OF CLAIM AND ASSIGNMENT OF DEBTS		
14	COLLATERAL	FROM PAUL DIBATTISTA AND 2. PLEDGE OF 25% OF THE ISSUED AND		
15	DESCRIPTION	OUTSTANDING SHARES IN THE CAPITAL STOCK OF 2865594 ONTARIO INC. AND		
16	REGISTERING AGENT	VITULLI PROFESSIONAL CORPORATION O/A VITULLI LAW GROUP		
17	ADDRESS	69 HUGHSON STREET NORTH	HAMILTON	ON L8R 1G5

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

CONTINUED... 5

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTREUR
DES SÛRETÉS MOBILIÈRES
(crl)iv 05/2022

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : 2865594 ONTARIO INC.
FILE CURRENCY : 09MAY 2023

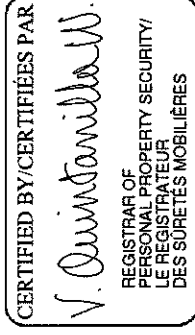
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00	FILE NUMBER	777687435											
01	CAUTION FILING	PAGE NO. OF PAGES	TOTAL	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD						
		002	2		20211027 1353 1590 1385								
02	DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME						ONTARIO CORPORATION NO.		
03			PAUL		DEBATTISTA						ON L9E 0N1		
04		BUSINESS NAME	ADDRESS	7686 APPLEBY LINE		MILTON							
05	DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME						ONTARIO CORPORATION NO.		
06													
07		BUSINESS NAME	ADDRESS	2487586 ONTARIO INC.									
08	SECURED PARTY / LIEN CLAIMANT	ADDRESS	200-3410 SOUTH SERVICE ROAD	BURLINGTON	ON	L7N 3T2							
09													
10	COLLATERAL CLASSIFICATION												
	CONSUMER	GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE		
11	YEAR	MAKE	MODEL										V.I.N.
12	MOTOR VEHICLE												
13	GENERAL	2865595 ONTARIO INC.											
14	COLLATERAL												
15	DESCRIPTION												
16	REGISTERING AGENT	ADDRESS											
17													

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

CONTINUED...

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RUN NUMBER : 130
RUN DATE : 2023/05/10
ID : 20230510090118.51

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

REPORT : PSSR060
PAGE : 6
(11248)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : 2865594 ONTARIO INC.
FILE CURRENCY : 09MAY 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00	FILE NUMBER	777098898									
01	CAUTION FILING	PAGE NO. OF PAGES	TOTAL	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD				
		001	2	20211006 1308 1793 3384	P	PISA	5				
02	DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME						
03			2865594 ONTARIO INC.								
04	ADDRESS		7686 APPLEBY LINE		MILTON	ONTARIO CORPORATION NO. L9E0N1					
05	DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME						
06						ONTARIO CORPORATION NO.					
07	ADDRESS										
08	SECURED PARTY / LIEN CLAIMANT		C & K MORTGAGE SERVICES INC.								
09	ADDRESS		1670 BAYVIEW AVENUE, SUITE 400 TORONTO ON M4G3C2								
10	COLLATERAL CLASSIFICATION										
	CONSUMER	GOODS	INVENTORY	EQUIPMENT	ACCOUNTS OTHER	MOTOR VEHICLE	AMOUNT	DATE OF MATURITY	OR	MATURITY DATE	NO FIXED
		X	X	X	X	X					X
11	YEAR	MAKE	MODEL		V.I.N.						
12	MOTOR VEHICLE										
13	GENERAL	GENERAL SECURITY AGREEMENT AND GENERAL ASSIGNMENT OF RENTS AND									
14	COLLATERAL	LEASES AND ASSIGNMENT OF CONSTRUCTION & SERVICING CONTRACTS IN									
15	DESCRIPTION	CONNECTION WITH 72 ONTARIO STREET AND 446 PINE STREET, MILTON,									
16	REGISTERING AGENT	GARPINKLE, BIDERMAN LLP (KAG FILE NO. 2677-633)									
17	ADDRESS	1 ADELAIDE ST. EAST, SUITE 801 TORONTO ON M5C2V9									
	*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***										
	CONTINUED... 7										

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTREUR
DES SURETÉS MOBILIÈRES
(crtjfv 05/2022)

RUN NUMBER : 130
RUN DATE : 2023/05/10
ID : 20230510090118.51

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

REPORT : PSSR060
PAGE : 7
(11249)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : 2865594 ONTARIO INC.
FILE CURRENCY : 09MAY 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00	FILE NUMBER	777098898									
01	CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD				
		002	2		20211006 1308 1793 3384						
02	DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME	ONTARIO CORPORATION NO.					
03	BUSINESS NAME										
04	ADDRESS										
05	DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME	ONTARIO CORPORATION NO.					
06	BUSINESS NAME										
07	ADDRESS										
08	SECURED PARTY / LIEN CLAIMANT	CANADIAN WESTERN TRUST COMPANY									
09	ADDRESS	750 CAMBIE STREET, SUITE 300 VANCOUVER BC V6B0A2									
10	COLLATERAL CLASSIFICATION										
	CONSUMER	GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	INCLUDED	MOTOR VEHICLE	AMOUNT	DATE OF MATURITY	OR NO FIXED Maturity DATE
11	YEAR	MAKE	MODEL		V.I.N.						
12	MOTOR VEHICLE										
13	GENERAL	ONTARIO									
14	COLLATERAL										
15	DESCRIPTION										
16	REGISTERING AGENT	ADDRESS									
17	*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***										
CONTINUED...											

CERTIFIED BY / CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY /
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(c)1/1v 05/2022



RUN NUMBER : 130
RUN DATE : 2023/05/10
ID : 20230510090118.51

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

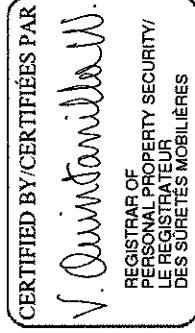
REPORT : PSSR060
PAGE : 8
(11250)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : 2865594 ONTARIO INC.
FILE CURRENCY : 09MAY 2023

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
777755691	20211029 0950 1590 1826		
777687435	20211027 1353 1590 1385		
777098898	20211006 1308 1793 3384		

3 REGISTRATION(S) ARE REPORTED IN THIS ENQUIRY RESPONSE.



This is Exhibit “M” referred to in the Affidavit of GARY GRUNEIR sworn by GARY GRUNEIR of the City of Markham, before me at the City of Toronto, in the Province of Ontario, on May 31, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

DAVID P. PREGER



RESCOM Capital
1570 Bayview Avenue, Suite 400
Toronto, Ontario M4G 3C2

T. 416.485.2635
F. 416.482.4043
www.rescomcapital.com

November 26, 2019

Mr. Paul DeBattista
7686 Appleby Line
Milton, Ontario
L9E 0N1

Dear Sir:

Re: 7686 Appleby Line, Milton, Ontario

This letter will serve as our commitment to purchase an existing first mortgage on the above captioned property.

Purchase Price: TWO MILLION, TWO HUNDRED, THOUSAND DOLLARS (\$2,200,000)

Interest Rate: 10% percent per annum, calculated and payable interest only monthly.

Term: 1 year

Privileges: The mortgage will be closed for six months and open thereafter upon receipt of 30 days written notice and payment of one month's interest bonus.

Amortization: Interest only.

Security:

1. A promissory note in a form satisfactory to the lender's solicitor.
2. An assignment of a first mortgage and all related security in favour of Valour Mortgage Services Inc., Receipted in LRO # 20 as HR1357040.
3. The personal guarantees of Paul DeBattista, Rose DeBattista and Daniel DeBattista.
4. Such other reasonable documentation as the lender's solicitor may consider advisable.

Advance of Funds: The advance of funds will be made when the lender's solicitor can provide their certificate(s) of title and when all other conditions precedent to such advance as stated herein are satisfied. Advance of funds will be subject to the following conditions.

Conditions:

1. Satisfactory review of an appraisal report by Accredited Appraisers Inc. indicating an as is value of \$3,900,000. It is a further condition for the making of this loan that the appraiser provide the lender with a Letter

authorizing the lender that they may rely on the appraisal for lending purposes.

2. Satisfactory evidence that the property is zoned to permit the proposed use and there are no outstanding work orders or notices of violations from any governmental departments. The mortgagor will provide all appropriate consents to obtain such information.

3. All local improvement charges, realty taxes and other charges affecting the properties shall have been paid to the date of the advance of funds. The charge shall include a provision for the collection of property taxes by the lender, at the lender's option. Payment of taxes by the lender can be waived or asked for at any time during the term of the mortgage. The lender acknowledges that the outstanding realty taxes affecting the property in question will be satisfied out of the advance of funds hereunder.

4. All reasonable engineering, inspections, title, survey and legal customary expenses of the lender are for the account of and shall be paid by the borrower.

5. Satisfactory physical site inspection.

6. Title and all security must be satisfactory to the lender's solicitor.

7. Title insurance in a form satisfactory to the lender's solicitor. If there is an existing title insurance policy with respect to the Valour Mortgage Services Inc. mortgage, the borrower will provide a copy of the policy. The assignment of mortgage will be subject to the acknowledgement from the Title Insurance Company that coverage is now for the benefit of the assignee.

8. The borrower will provide a copy of the solicitor's report with respect to the Valour Mortgage Services Inc. mortgage closing.

9. An acknowledgment of debt by Valour Mortgage Services Inc. indicating a principal balance outstanding on their mortgage of \$2,200,000. This will further require an acknowledgment from the borrowers and guarantors. The acknowledgement is to contain a clause that there have been no alterations to the registered mortgage on title.

10. Satisfactory evidence that an advance has been made under the Valour Mortgage Services Inc. mortgage.

11. Satisfactory evidence that a lien in favour of Her Majesty The Queen is for income tax and has no priority of any kind over the mortgage.

12. The lender shall be provided with original or certified copies of insurance policies. The coverage, terms and insurance company must be satisfactory to the lender.

13. The borrower and guarantors shall provide financial and supporting information as the lender may require, including the following: Unaudited Financial Statements; and Net Worth Statements.

14. In the event of the borrower selling, transferring or conveying title to the lands, or if there is a change in the beneficial ownership, the mortgage will become due and payable, save and except the transfer from the current owner to a corporation of which the corporation shall have as its officer, director and majority shareholder, the borrower's shareholders with satisfactory evidence to the mortgagee. It is understood and agreed that such a transfer shall not relieve the borrower from its obligations.

15. In the event that any payment is returned to the lenders for any cause whatsoever, including there being insufficient funds in the borrower's account to cover same, the lender will be entitled to reimbursement for all bank charges related to the dishonoured cheque in addition, the lender or administrator's time for collection will be charged at a rate of \$300 per hour and all time will be docketed and charged to the borrower's account. These charges will apply to all administration costs related to any default under the mortgage including but not limited to collection costs related to late payments, insurance cancellation and work orders affecting the property.

16. Any payment (other than payment of the regular payments of interest) that is made after 1:00 p.m. on any date or 11:00 a.m. on a Friday or the business day preceding a statutory holiday, shall be deemed for the purpose of calculation of interest, to have been made and received on the next bank business day. For greater certainty, if funds are received (or deemed received) on a Friday after 11:00 a.m. or the day preceding a statutory holiday, interest will be payable to the next bank business day.

17. If at any time before or after the advance, there is or has been any material discrepancy or inaccuracy in any written information, statements or representations therefore made or furnished by or on behalf of the borrower, then the lender shall be entitled forthwith to cancel the lender's obligations hereunder or declare any monies therefore advanced with interest to be forthwith due and payable and retain all fees provided by the borrower.

18. In the event of default, Rescom Capital will be appointed as the lender's manager and will be entitled to a fee of \$300 per hour for its services and such fee will be charged to the borrower's account.

19. The borrower will complete an application on the lenders standard form and will provide photo identification.

20. If the borrower is a corporation, a list of every legal or beneficial owner of, or person who exercises direct or indirect control or direction over

more than 25% of the voting rights attached to the outstanding voting securities of the corporation must be provided.

21. *These questions must be asked and answered to comply with the new regulations of the Financial Services Commission of Ontario (FSCO), that went into affect on July 1, 2018.*

Has the borrower or any of the principals of the developer (directors, officers, owners, partners or majority shareholders) been involved in any of the following:

(a) Been convicted, found guilty of or currently charged with any criminal or regulatory offence under any law of any province, territory, state or country
Yes/ No/?

(b) Currently the subject of any civil proceedings or any unsatisfied judgements imposed by a civil court in Canada or elsewhere, against the developer, against the principals personally, or against a business in which they have an interest in at least ten percent of the equity shares or ownership shares of the business? Yes/ No/

(c) Within the five years before the date of this form, has the borrower, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person. Yes/ No/

(d) Been the subject of a regulatory investigation or proceeding, or has otherwise been subject to regulatory sanctions Yes/ No/

22. This commitment is open for acceptance until 5:00 PM on November 29th, 2019.

23. The first advance must be drawn down and qualified for by December 13th, 2019, failing which this letter of proposal will be terminated.

Inspection Fee: \$500

This commitment is issued on the understanding that your acceptance will be accompanied by a cheque payable to Rescom Capital for \$10,000 (*received*) which shall be deemed earned as a standby fee upon acceptance hereof and which will be credited toward the commission payable when the proceeds of the loan are advanced. The fee shall be forfeited if the loan is not proceeded with, due to any cause whatsoever other than the lender's default. Notwithstanding such retention, you shall remain liable for all fees and costs as referred to herein.

Yours truly,

RESCOM CAPITAL



Gary Gruneir
President and Principal Broker

The undersigned hereby accepts the above terms and conditions.

Dated this 26 day of NOVEMBER, 2019.



Paul DeBattista



Rose DeBattista



Daniel DeBattista.



RESCOM Capital
1670 Bayview Avenue, Suite 400
Toronto, Ontario M4G 3C2

T. 416.485.2638
F. 416.482.4043
www.rescomcapital.com

6

November 26, 2019

Mr. Paul DeBattista
7686 Appleby Line
Milton, Ontario L9E 0N1

Dear Sir:

Re: 7686 Appleby Line, Milton, Ontario

Further to our letter of proposal dated November 26, 2019, this letter forms part of the conditions thereof. Your costs in obtaining the loan shall be \$55,000. Legal costs, inspection fees and disbursements are additional and such fees will be deducted from the first advance of funds. If the loan is not proceeded with, due to any cause whatsoever other than the lender's default, you shall remain liable for all fees and costs as referred to herein.

Any fees earned as a result of acceptance of this Commitment Letter, together with any expenses or costs incurred by Rescom Capital, including but not limited to, appraisal, re-appraisal, inspections, re-inspections, title searches, plan review, soil tests, survey, environmental assessments and legal costs on a solicitor and its client basis, are deemed to be a charge on the Subject Property referred to herein and Rescom Capital may file and maintain a caveat on the title to the Subject Property to protect that charge and the Borrower(s) and Guarantor(s) do hereby mortgage to Rescom Capital the amount necessary to pay all fees and expenses as detailed herein as a charge against the Subject Property.

Yours truly,
Rescom Capital


Gary Gruneir
President and Principal Broker

The undersigned hereby accepts the above terms and conditions.
Dated this 26 day of NOVEMBER, 2019.


Paul Di Battista


Rose DeBattista


Daniel DeBattista

This is Exhibit “N” referred to in the Affidavit of GARY GRUNEIR sworn by GARY GRUNEIR of the City of Markham, before me at the City of Toronto, in the Province of Ontario, on May 31, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

DAVID P. PREGER

Properties				
PIN	24965 – 0118	LT	Interest/Estate	Fee Simple
Description	PT LT 15, CON 5 NNS , AS IN 546162 ; MILTON/NELSON			
Address	7686 APPLEBY LINE MILTON			

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	DEBATTISTA, PAUL
Address for Service	7686 Appleby Line Milton ON L9T2Y1

I am at least 18 years of age.

Rose Debattista is my spouse and has consented to this transaction.

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

Chargee(s)		Capacity	Share
Name	VALOUR MORTGAGE SERVICES INC.	Trustee	
Address for Service	3410 South Service Road Suite G5 Burlington ON L7N 3T2		

Provisions			
Principal	\$2,200,000.00	Currency	CDN
Calculation Period	monthly, not in advance		
Balance Due Date	2017/05/13		
Interest Rate	10.00% per annum		
Payments	\$18,333.33		
Interest Adjustment Date	2016 05 13		
Payment Date	13th day of each month		
First Payment Date	2016 06 13		
Last Payment Date	2017 05 13		
Standard Charge Terms	200033		
Insurance Amount	full insurable value		
Guarantor	Rose Debattista and Daniel Debattista		

Additional Provisions
See Schedules

Signed By				
Jovica–John Tamindzic	481 North Service Road W., Suite A30 Oakville L6M 2V6	acting for Chargor (s)	Signed	2016 05 13
Tel	905–847–9979			
Fax	866–201–2856			
I have the authority to sign and register the document on behalf of the Chargor(s).				

Submitted By		
JOHN TAMINDZIC, BARRISTER & SOLICITOR	481 North Service Road W., Suite A30 Oakville L6M 2V6	2016 05 13

Submitted By

Tel 905-847-9979

Fax 866-201-2856

Fees/Taxes/Payment

<i>Statutory Registration Fee</i>	\$62.85
<i>Total Paid</i>	\$62.85

ADDITIONAL PROVISIONS

This Schedule forms part of the charge/mortgage (hereinafter the charge/mortgage, all schedules thereto and any applicable standard form charge/mortgage or standard charge or mortgage terms are collectively called the "Mortgage") between the Chargor(s)/Mortgagor(s), the party or parties, if any, identified in the Mortgage as the spouse(s) of the Chargor(s)/Mortgagor(s), the party or parties, if any, identified in the Mortgage as Guarantor(s), the Chargee/Mortgagee. If there is any conflict between any provision of this Schedule and any other provision of the Mortgage, such provision of this Schedule shall prevail.

1. Repayment

The Chargor shall pay to the Chargee interest on all amounts advanced hereunder at the rate and terms as set out in the charge. Any fees, expenses and/or holdbacks associated with this loan shall count towards Principal advanced.

This is a closed mortgage that can be paid out, on 30 days notice, with a 3 month interest prepayment penalty.

2. Non-Transfer

In the event that the Chargor sells, conveys, transfers, assigns or exercises a power of appointment with respect to the lands charged to a purchaser, transferee or assignee, without first obtaining the consent in writing of the Mortgagee, the entire principal sum and interest hereby secured shall, at the option of the Chargee, immediately become due and payable.

3. Administration Fees

The Chargee shall charge a fee of \$150.00, per administrator and lender, for each occurrence of any of the following events: late payment, cheque dishonoured for any reason, failure to provide post-dated cheques, request for a Mortgage Statement. Such service fees will be added to the principal amount if not paid by the Chargor.

4. Service Fee

Should the Chargee take any proceedings as provided for in the within Charge by reason of the Charger's default, the Chargee shall be entitled to add to the Charge the Chargee's the service fee of \$1,250.00 per occurrence in addition to all other fees, costs, claims or demands to which the Chargee is also entitled.

5. Insurance and Insurance Renewal

The Chargor shall keep insured the Mortgaged Premises (contents and liability) with reputable insurers in such amounts against loss or damage by fire and other causes or perils as the Chargee may reasonably require and the Chargor 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 the Chargee as security for the Chargor's obligations hereunder. Each policy of insurance shall show the Chargee as loss payee, as its interest may appear, shall contain such mortgage clauses as the Chargee may require, shall be in terms satisfactory to the Chargee and, at the request of the Chargee, shall be delivered to and held by the Chargee subject to the rights of holders of any permitted encumbrances.

6. Bankruptcy and Insolvency

THE CHARGOR hereby waives and releases any right that it may have to receive from the Chargee notice of intention to enforce security pursuant to subsection 244(1) of the Bankruptcy and Insolvency Act (Canada). This waiver and release shall not be deemed or interpreted to be a prior consent to earlier enforcement of a security within the meaning of subsection 244(2.1) of the said Act.

THE CHARGOR hereby acknowledges and agrees that the security held by the Chargee is not all or substantially all of the inventory, accounts receivable or other property of the Chargor acquired for or used in relation to any business carried on by the Chargor. The Chargor hereby further acknowledges and agrees that notwithstanding any act of the Chargee by way of appointment of any person or persons for the purposes of taking possession of the Lands as agent on behalf of the Chargor or otherwise or by taking possession of the Lands itself pursuant to any rights that the Chargee may have with respect thereto shall not constitute the Chargee or any such person, a receiver within the meaning of subsection 243(2) of the Bankruptcy and Insolvency Act (Canada), and that any and all requirements of Part XI of the said Act as it may pertain to obligations of receivers shall not be applicable to the Chargee with respect to the transaction pursuant to which this Charge has been given or enforcement of this Charge or any other security held by the Chargee. The Chargor hereby acknowledges and agrees that no action shall lie against the Chargee as a receiver and manager or otherwise for any loss or damage arising from non-compliance with any obligations of a receiver pursuant to the provisions of the Bankruptcy and Insolvency Act (Canada) whether or not the Chargee had reasonable grounds to believe that the Chargor was not insolvent.

AND THE CHARGOR further acknowledges and agrees that any and all Costs shall be entirely for the account of the Chargor. The Chargee shall be entitled to incur any such costs, including any costs of its personnel in administering any requirements of the said Act and to add the same to the indebtedness owing pursuant hereto and the same shall be secured hereunder and under any and all security held by the Chargee for the indebtedness owing to the Chargee in the same manner and in the same priority as the principal secured hereunder.

7. Tenancy

The Chargor shall provide to the Chargee full particulars regarding any tenancy with respect to the lands wherever a new tenant rents the charged lands, or any portion thereof.

8. Covenants.

The Chargor hereby declares, covenants and agrees that it:

- (a) As to Title - is the beneficial owner of the Charged Lands and owns the same free of all prior encumbrances other than a first charge.
- (b) The borrower shall pay all costs and expenses (including legal fees and disbursements on a full indemnity basis) of Chargee incidental to or which in any way relates to this Charge or its enforcement including (i) the preparation, execution and filing of this Charge and any instruments postponing, discharging, amending, extending or supplemental to this Charge ("Chargee's Security"); (ii) perfecting and keeping perfected Chargee's Security; (iii) maintaining the intended priority of Chargee's Security on all or any part of the Charged Lands; (iv) taking, recovering or possessing the Charged Lands; (v) taking any actions or other proceedings to enforce the remedies provided herein or otherwise in relation to this Charge or the Charged Lands, 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 the Chargee'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 Charged Lands, or the review of any plans, specifications or other documentation which may require the approval or consent of Chargee; and (viii) obtaining the advice of counsel and other advisors in relation to the foregoing;
- (c) To Pay Taxes - shall pay all taxes and assessments lawfully imposed upon the Charged Lands or any part thereof when the same become due and payable, and shall show to Chargee on request receipts for such payment;
- (d) No Other Liens - shall not create, assume or suffer to exist any charge, lien, security interest or encumbrance upon any Charged Lands ranking or purporting to rank in priority to or pari passu with the security interest created hereunder; provided that no provision hereof shall be construed as a subordination or postpone-

ment of the security interest created hereunder to or in favour of any other charge, lien, security interest or encumbrance;

- (e) Hold Proceeds of Unauthorized Sale in Trust - in the event the Charged Lands or any part thereof are sold or disposed of prior to the full discharge of this Charge by Chargee, in any manner not authorized by this Charge, shall hold all proceeds of such sale or disposition received by the Chargor as trustee for Chargee until the Chargor has been fully released from this Charge by Chargee;
 - (f) Inspection by Chargee - shall allow any employees or third parties retained by Chargee at any reasonable time to enter the premises of the Chargor to inspect the Charged Lands, including without limitation the right to undertake soil, ground water, environmental or other tests, measurements or surveys in, on or below the Charged Lands, and to inspect the books and records of the Chargor and make extracts therefrom, and shall permit Chargee prompt access to such other persons as Chargee may deem necessary or desirable for the purposes of inspecting or verifying any matters relating to any part of the Charged Lands or the books and records of the Chargor, provided that any information so obtained shall be kept confidential, save as required by Chargee in exercising its rights hereunder or pursuant to any applicable law or court order. The Chargor shall pay all costs and expenses of third parties (including legal fees and disbursements on a full indemnity basis) retained by Chargee for purposes of inspection under this Section;
 - (g) 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 Charged Lands or their use or market value;
9. 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 Charge, 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 Chargor 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 Chargor and delivered to Chargee.
 10. For the purpose of this Charge/Mortgage, the terms "Charge", "Chargor" and "Chargee" shall also mean Mortgage, Mortgagor and Mortgagee.
 11. Receipt. The Chargor hereby acknowledges receipt of a true copy of this Charge.
 12. Binding Effect, Governing Law and Headings. These presents are binding upon the parties hereto and their respective successors and assigns. This Charge 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 Charge into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Charge.
 13. Other Charges. The Borrower must provide the Lender with written authorization allowing the Lender to inquire as to the status of any other charges and or mortgages affecting title, while this charge is still active. This includes any mortgages ahead or behind in priority to this charge.
 14. The Borrower understands that the Chargee is administering the mortgage on behalf of a group of syndicated lenders, and acknowledges and agrees that a lender list may be added to this charge, as a schedule, at a later date.
 15. The monthly payment owing under the Charge shall be discounted, each month, by any amount prepaid to the Chargee at the time of the mortgage advance.

16. The Chargee agrees to allow for one extension of thirty days from the maturity date, providing that 30 days advance written notice is provided by the borrower for such extension.
17. There is a lender fee of 2.00% of the mortgage principal, that will be deducted from the advance.
18. Any terms contained in the Mortgage Commitment shall form part of this Charge.
19. Along with traditional law of mortgage default, a renewal not accepted or entered into, renewal fees not paid, or mortgage not discharged for the term set out in this agreement will be deemed as default.

Pro Funds Mortgages will charge administration fees at \$150.00 per hour to the Borrower for time allocated to proceed with the legal process to realize on the investment along with any other costs i.e.: mortgage arrears, or fees payable. If a default is present the Borrower will also be responsible for a 3 months interest penalty payment to the Lender(s) at the regular rate applicable to the Loan. If in the Lender's sole discretions there has been a material deterioration in the financial position of the Borrower during the term of this loan, then the loan and all accrued interest, and any prepayment penalties will become immediately due at the opinion of the Lender.

Properties

<i>PIN</i>	24965 – 0118 LT
<i>Description</i>	PT LT 15, CON 5 NNS , AS IN 546162 ; MILTON/NELSON
<i>Address</i>	7686 APPLEBY LINE MILTON

Applicant(s)

The assignor(s) hereby assigns their interest in the rents of the above described land. The notice is based on or affects a valid and existing estate, right, interest or equity in land.

Name DEBATTISTA, PAUL
Address for Service 7686 Appleby Line
Milton ON L9T2Y1

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

Party To(s)

Party To(s)	<i>Capacity</i>	<i>Share</i>
<i>Name</i> VALOUR MORTGAGE SERVICES INC.	Trustee	
<i>Address for Service</i> 3410 South Service Road Suite G5 Burlington ON L7N 3T2		

Statements

The applicant applies for the entry of a notice of general assignment of rents.

This notice may be deleted by the Land Registrar when the registered instrument, HR1357040 registered on 2016/05/13 to which this notice relates is deleted

Schedule: See Schedules

This document relates to registration no.(s)HR1357040

Signed By

Jovica–John Tamindzic	481 North Service Road W., Suite A30 Oakville L6M 2V6	acting for Applicant(s)	Signed	2016 05 26
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Tel 905-847-9979

Fax 866-201-2856

I have the authority to sign and register the document on behalf of all parties to the document.

Jovica—John Tamindzic	481 North Service Road W., Suite A30 Oakville L6M 2V6	acting for Party To (s)	Signed	2016 05 26
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Tel 905-847-9979

Fax 866-201-2856

I have the authority to sign and register the document on behalf of all parties to the document.

Submitted By

JOHN TAMINDZIC, BARRISTER & SOLICITOR	481 North Service Road W., Suite A30 Oakville L6M 2V6	2016 05 26
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Tel 905-847-9979

Fax 866-201-2856

Fees/Taxes/Payment

<i>Statutory Registration Fee</i>	\$62.85
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<i>Total Paid</i>	\$62.85
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ASSIGNMENT OF RENTS

THIS INDENTURE made this 13 day of May, 2016

BETWEEN:

PAUL DEBATTISTA

hereinafter called the "Assignor"

OF THE FIRST PART,

and

VALOUR MORTGAGE SERVICES INC.,

hereinafter called the "Assignees"

OF THE SECOND PART.

WHEREAS, by a Mortgage dated the 13/16 and registered in the Land Registry Office for the Land (Registry/Titles) Division of Halton (No. 20 as Instrument No. HR135/2016), the Assignor herein did grant and mortgage unto the Assignee herein the lands and premises more particularly described in Schedule "A" hereto annexed which Mortgage secures payment of the sum of TWO MILLION AND TWO HUNDRED THOUSAND DOLLARS (\$2,200,000.00) and interest as therein mentioned and which Mortgage is hereinafter referred to as "the Mortgage". Whenever in this indenture reference is made to the Mortgage, it shall be deemed to include any renewals or extensions thereof and any Mortgage taken in substitution therefor either in whole or in part;

AND WHEREAS it is a condition of the lending of the monies secured or to be secured by the Mortgage, that the Assignor should assign to the Assignee, its successors and assigns, the rents reserved and payable and/or intended to be reserved and payable under, and all advantages and benefits to be derived from, leases of premises erected on the lands and premises more particularly described in Schedule "A" hereto (the "Leases") now or hereafter entered into by the Assignor as landlord with tenants thereof (Lessees) and including without limitation the specific leases referred to in Schedule "B" hereto annexed, as additional security for the payment of the money secured by the Mortgage, and for the performance of the covenants contained therein;

AND WHEREAS it is agreed that notwithstanding anything in this Indenture contained, the Assignee is not to be bound to advance the said mortgage monies or any unadvanced portion thereof;

NOW THEREFORE THIS INDENTURE WITNESSETH that the Assignor in consideration of the premises, the making of the said Mortgage, and the sum of One (\$1.00) Dollar now paid by the Assignee to the Assignor (the receipt whereof is hereby acknowledged), doth covenant and agree with the Assignee as follows:

1. The Assignor hereby irrevocably transfers, assigns, and sets over to the Assignee all rents reserved and payable under the Leases (including without limitation the specific leases referred to in Schedule "B" hereto annexed) and all benefits and advantages to be derived therefrom, to hold and receive the same unto the said Assignee, its successors and assigns.
2. The Assignor covenants and agrees with the Assignee that the Assignor will not, without the consent in writing of the Assignee, permit any prepayment of rents payable under any of the Leases that will result in more than two months' of such rents being prepaid under such Leases, or variation, cancellation or surrender of any of the Leases, or of

the terms, covenants, provisos or conditions thereof.

3. The Assignor covenants with the Assignee to perform and observe all the covenants, conditions and obligations binding upon it under the Leases.

4. The Assignor covenants and agrees irrevocably with the Assignee that the Assignee shall have the right to sue for payment and/or for enforcing anything in this Indenture herein contained in any or all of the following ways:

- (a) in its own name;
- (b) in the name of the Assignor, and
- (c) in the names of both the Assignor and the Assignee jointly.

5. The Assignor agrees to assign any of the said Leases to the Assignee upon request should the Assignee deem such assignment advisable for the protection of its security, such assignment to be on a form to be prepared by the Assignee's solicitors in such case.

6. PROVIDED, however, that until notified to the contrary in writing the Lessees shall pay the rent reserved under the Leases, (but only to the extent that the same may be due and payable under the Leases) to the said Assignor and any notice to the contrary required by this proviso may be effectively given by sending the same by registered mail to any Lessee at its premises on the lands and premises described in Schedule "A" hereto or by delivering the same personally to any Lessee, or an officer of such Lessee.

7. The Assignor does hereby declare that any direction or request from the Assignee to pay the rents reserved to the Assignee shall be sufficient warrant and authority to the said Lessee to make such payments, and the payments of the said rentals to the Assignee shall be and operate as a discharge of the said rents to the said Lessee.

8. The Assignor covenants and agrees with the Assignee not to renew nor extend any of the Leases at rentals reserved and payable of lesser amounts than are now reserved and payable under such Leases unless compelled to do so as the result of an Arbitration Award, or with the consent of the Assignee.

9. The Assignee covenants and agrees with the Assignor to release this Assignment of Rents upon payment in full of the Mortgage in accordance with the terms thereof and that the Assignee will, at the request and cost of the Assignor, reassign any unmatured rents to the Assignor. In the absence of such a request the delivery to the Assignor of a discharge or cessation of the Mortgage shall operate as a release and reassignment of such rents.

10. The Assignor hereby covenants and agrees to and with the Assignee that this Assignment and everything herein contained shall be irrevocable without the consent of the Assignee.

11. PROVIDED that nothing in this Indenture contained shall be deemed to have the effect of making the Assignee responsible for the collection of the said rents or any part thereof or for the performance of any covenants, terms or conditions either by the Assignor or by the Lessees contained in any of the said Leases, and that the Assignee shall not by virtue of these presents be deemed a mortgagee in possession of the lands and premises described in Schedule "A" hereto and the Assignee shall not be liable to account for any monies other than those actually received by it by virtue of these presents.

12. IT IS AGREED that waiver of or failure to enforce at any time or from time to time any of the rights of the Assignee under or by virtue of this Indenture shall not prejudice the Assignee's rights in the event of the breach, default or other occasion for the exercise of such rights again occurring.

13. IT IS HEREBY DECLARED AND AGREED that these presents and everything herein contained shall enure to the benefit of and be binding upon the parties hereto and each of their respective successors and assigns.

IN WITNESS WHEREOF the Assignor has hereunto affixed its corporate seal under the hands of its proper signing officers duly authorized in that behalf.

SIGNED, SEALED AND DELIVERED


Paul DeBattista

SCHEDULE "A"

Description of Property

Property 1:

7686 Appleby Line, Milton ON
PT LT 15, CON 5 NNS, AS IN 546162 ; MILTON/NELSON on PIN 24965-0118 (LRO #20).

SCHEDULE "B"

LESSEE
REGISTRATION NO.

LEASE DATE
(MM/DD/YYYY)

EXPIRY DATE
(MM/DD/YYYY)

This is Exhibit “O” referred to in the Affidavit of GARY GRUNEIR sworn by GARY GRUNEIR of the City of Markham, before me at the City of Toronto, in the Province of Ontario, on May 31, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

DAVID P. PREGER

Properties

PIN

24965 - 0118 LT

Description

PT LT 15, CON 5 NNS , AS IN 546162 ; MILTON/NELSON

Address

7686 APPLEBY LINE
MILTON

Source Instruments

Registration No.

Date

Type of Instrument

HR1357040

2016 05 13

Charge/Mortgage

Transferor(s)

This transfer of charge affects all lands that the charge is against which are outstanding.

Name

VALOUR MORTGAGE SERVICES INC.

Address for Service

3410 South Service Road, Suite G5
Burlington, ON L7N 3T2

I, Richard Hall, President, have the authority to bind the corporation.

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

Transferee(s)

Capacity

Share

Name

C & K MORTGAGE SERVICES INC.

Address for Service

1670 Bayview Avenue, Suite 400
Toronto, ON M4G 3C2

Statements

The chargee transfers the selected charge for One (\$1.00) Dollar

This document relates to registration number(s)HR1357040 and HR1359555

Signed By

John Junior Vitulli

69 Hughson Street North
Hamilton
L8R 1G5

acting for
Transferor(s)

Signed

2020 03 10

Tel

905-528-8773

Fax

905-528-6543

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

Kimberly Anne Gabriel

1 Adelaide Street E., Suite 801
Toronto
M5C 2V9

acting for
Transferee(s)

Signed

2020 03 11

Tel

416-869-1234

Fax

416-869-0547

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

Submitted By

GARFINKLE, BIDERMAN LLP

1 Adelaide Street E., Suite 801
Toronto
M5C 2V9

2020 03 11

Tel

416-869-1234

Fax

416-869-0547

Fees/Taxes/Payment

Statutory Registration Fee

\$65.05

Total Paid

\$65.05

File Number

Transferor Client File Number : 19-L468

Properties

PIN

24965 - 0118 LT

Description

PT LT 15, CON 5 NNS , AS IN 546162 ; MILTON/NELSON

Address

7686 APPLEBY LINE
MILTON

Applicant(s)

The assignor(s) hereby assigns their interest in the rents of the above described land. The notice is based on or affects a valid and existing estate, right, interest or equity in land.

Name

VALOUR MORTGAGE SERVICES INC.

Address for Service

3410 South Service Road
Suite G5
Burlington, Ontario
L7N 3T2

I, Richard Hall, President, have the authority to bind the corporation.
This document is not authorized under Power of Attorney by this party.

Party To(s)

Capacity

Share

Name

C & K MORTGAGE SERVICES INC.

Address for Service

1670 Bayview Avenue
Suite 400
Toronto, Ontario
M4G 3C2

Statements

The applicant applies for the entry of a notice of general assignment of rents.
This notice may be deleted by the Land Registrar when the registered instrument, HR1357040 registered on 2016/05/13 to which this notice relates is deleted
Schedule: This is a further assignment of the Assignment of Rents - General registered on May 26, 2016 as Instrument No. HR1359555.
This document relates to registration number(s)Charge HR1357040 and Transfer of Charge HR1689440.

Signed By

John Junior Vitulli

69 Hughson Street North
Hamilton
L8R 1G5

acting for
Applicant(s)

Signed

2020 03 12

Tel

905-528-8773

Fax

905-528-6543

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

Kimberly Anne Gabriel

1 Adelaide Street E., Suite 801
Toronto
M5C 2V9

acting for
Party To(s)

Signed

2020 03 12

Tel

416-869-1234

Fax

416-869-0547

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

Submitted By

GARFINKLE, BIDERMAN LLP

1 Adelaide Street E., Suite 801
Toronto
M5C 2V9

2020 03 12

Tel

416-869-1234

Fax

416-869-0547

Fees/Taxes/Payment

Statutory Registration Fee

\$65.05

Total Paid

\$65.05

File Number

Party To Client File Number :

2677-563

This is Exhibit “P” referred to in the Affidavit of GARY GRUNEIR sworn by GARY GRUNEIR of the City of Markham, before me at the City of Toronto, in the Province of Ontario, on May 31, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

DAVID P. PREGER

LAND
REGISTRY
OFFICE #20

24965-0118 (LT)

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

PROPERTY DESCRIPTION: PT LT 15, CON 5 NNS , AS IN 546162 ; MILTON/NELSON

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
FIRST CONVERSION FROM BOOK

PIN CREATION DATE:
1996/07/22

OWNERS' NAMES
DEBATTISTA, PAUL

CAPACITY SHARE
ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
<div><div>**EFFECTIVE 2000/07/29 THE NOTATION OF THE "BLOCK IMPLEMENTATION DATE" OF 1996/07/22 ON THIS PIN**</div><div>**WAS REPLACED WITH THE "PIN CREATION DATE" OF 1996/07/22**</div><div>** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **</div><div>**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:</div><div>** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *</div><div>** AND ESCHEATS OR FORFEITURE TO THE CROWN.</div><div>** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF</div><div>** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY</div><div>** CONVENTION.</div><div>** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.</div><div>**DATE OF CONVERSION TO LAND TITLES: 1996/07/22 **</div></div>						
119980	1961/01/25	BYLAW				C
392130	1974/06/12	AGREEMENT			THE CORPORATION OF THE TOWN OF MILTON	C
HR582351	2007/07/09	TRANSFER	\$990,000	LOUGH, THOMAS	DEBATTISTA, PAUL	C
REMARKS: PLANNING ACT STATEMENTS						
HR1267536	2015/05/22	CHARGE	\$1,408,853	DEBATTISTA, PAUL	CARRIER, LAURENT	C
HR1357040	2016/05/13	CHARGE	\$2,200,000	DEBATTISTA, PAUL	VALOUR MORTGAGE SERVICES INC.	C
HR1357041	2016/05/13	CHARGE	\$400,000	DEBATTISTA, PAUL	VALOUR MORTGAGE SERVICES INC.	C
HR1357042	2016/05/13	CHARGE	\$150,000	DEBATTISTA, PAUL	VALOUR MORTGAGE SERVICES INC.	C
HR1357247	2016/05/16	NOTICE	\$1	DEBATTISTA, PAUL	CARRIER, LAURENT	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
HR1357254	2016/05/16	POSTPONEMENT		CARRIER, LAURENT	VALOUR MORTGAGE SERVICES INC.	C
HR1357255	2016/05/16	POSTPONEMENT		CARRIER, LAURENT	VALOUR MORTGAGE SERVICES INC.	C
HR1357256	2016/05/16	POSTPONEMENT		CARRIER, LAURENT	VALOUR MORTGAGE SERVICES INC.	C
HR1359555	2016/05/26	NO ASSGN RENT GEN		DEBATTISTA, PAUL	VALOUR MORTGAGE SERVICES INC.	C
HR1481274	2017/08/16	TRANSFER OF CHARGE		VALOUR MORTGAGE SERVICES INC.	COMMUNITY TRUST COMPANY	C
HR1689440	2020/03/11	TRANSFER OF CHARGE		VALOUR MORTGAGE SERVICES INC.	C & K MORTGAGE SERVICES INC.	C
HR1689469	2020/03/12	NO ASSGN RENT GEN		VALOUR MORTGAGE SERVICES INC.	C & K MORTGAGE SERVICES INC.	C
HR1840810	2021/10/29	CHARGE	\$500,000	DEBATTISTA, PAUL	PINE-ONTARIO DEVELOPMENT LTD. 2487586 ONTARIO INC.	C
HR1881023	2022/04/05	TRANSFER OF CHARGE		VALOUR MORTGAGE SERVICES INC.	9929916 CANADA INC.	C
HR1882026	2022/04/08	TRANSFER OF CHARGE		COMMUNITY TRUST COMPANY	OLYMPIA TRUST COMPANY	C
HR1882027	2022/04/08	TRANSFER OF CHARGE		OLYMPIA TRUST COMPANY	9929916 CANADA INC.	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.

This is Exhibit “Q” referred to in the Affidavit of GARY GRUNEIR sworn by GARY GRUNEIR of the City of Markham, before me at the City of Toronto, in the Province of Ontario, on May 31, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

DAVID P. PREGER

GENERAL SECURITY AGREEMENT

1. SECURITY INTEREST

- (a) For value received, Paul DeBattista (the "Debtor"), hereby grants to C & K Mortgage Services Inc. (the "Lender"), by way of mortgage, charge, assignment and transfer, a security interest (the "Security Interest") in the undertaking of the Debtor and in all Goods (including all parts, accessories, special tools, additions and accessions thereto), Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles, and Securities now owned or hereafter owned or acquired by or on behalf of the Debtor (including such as may be returned to or repossessed by the Debtor) and in all proceeds and renewals thereof, accretions thereto and substitutions therefor (hereinafter collectively called "Collateral"), including without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of the Debtor:
- i. all inventory of whatever kind and wherever situate ("Inventory");
 - ii. all equipment (other than Inventory) of whatever kind including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures and vehicles;
 - iii. all book accounts and book debts, rents and leases, all Agreements of Purchase and Sale entered into or to be entered into and generally all accounts, debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including letters of credit and advices of credit, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by the Debtor ("Debts");
 - iv. all deeds, documents, writings, papers, books of account and other books relating to or being records of Debts, Chattel Paper or Documents of Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
 - v. all contractual rights and insurance claims and all goodwill, patents, trademarks, copyrights, and other industrial property;
 - vi. all contractual rights for the provision of materials, equipment and services including any applicable working drawings, plans, specifications, development and/or building approvals and permits;
 - vii. all monies other than trust monies lawfully belonging to others, Certificates and Interest Bearing Accounts;
 - viii. all property described in any schedule now or hereafter annexed hereto.
- (b) The Security Interest granted hereby shall not extend or apply to and Collateral shall not include the last day of the term of any lease or agreement therefor but upon the enforcement of the Security Interest the Debtor shall stand possessed of such term.
- (c) The terms "Goods", "Chattel Paper", "Documents of Title", "Equipment", "Consumer Goods", "Instruments", "Intangibles", "Securities", "Proceeds", "Inventory", and "Accession" whenever used herein shall be interpreted pursuant to their respective meanings when used in the Personal Property Security Act of Ontario, as amended from time to time (herein referred to as the "P.P.S.A."). Provided always that the term "Goods" when used herein shall not include "consumer goods" of the Debtor as that term is defined in the P.P.S.A. Any reference herein to "Collateral" shall, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof". The terms "Proceeds" whenever used herein and interpreted as above shall by way of example include trade-ins, equipment, cash, bank accounts, notes, chattel paper, goods, contract rights, accounts and any other personal property or obligation received when such collateral or proceeds are sold, exchanged, collected or otherwise disposed of.

2. INDEBTEDNESS SECURED

The Security Interest granted hereby secures payment and satisfaction of any and all obligations, indebtedness and liability of the Debtor to the Lender arising out of a Promissory Note dated March 3, 2020).

3. REPRESENTATIONS AND WARRANTIES OF DEBTOR

The Debtor represents and warrants and so long as this Security Agreement remains in effect shall be deemed to continuously represent and warrant that:

- (a) The Collateral is genuine and owned by the Debtor free of all interests, mortgages, liens, claims, charges or other encumbrances (hereinafter collectively called "Encumbrances"), save for those Encumbrances approved in writing by the Lender, prior to their creation or assumption;
- (b) Each Debt, Chattel Paper and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "Account Debtor"), and the amount represented by the Debtor to the Lender from time to time as owing by each Account Debtor or by all Account Debtors except for normal cash discounts where applicable, and no Account Debtor will have any defence, set off, claim or counterclaim against the Debtor which can be asserted against the Lender, whether in any proceeding to enforce Collateral or otherwise; and
- (c) The location specified as to business operations and records is accurate and complete and with respect to Goods constituting Collateral.

4. COVENANTS OF THE DEBTOR

So long as this Security Agreement remains in effect the Debtor covenants and agrees:

- (a) To defend the Collateral against the claims and demands of all other parties claiming the same or an interest therein; to keep the Collateral free from all Encumbrances, and not to sell, exchange, transfer, assign, lease, otherwise dispose of Collateral or any interest therein without the prior written consent of the Lender; provided always that, until default, the Debtor may, in the ordinary course of the Debtor's business, sell or lease Inventory and, subject to Clause 6 hereof, use monies available to the Debtor;
- (b) To notify the Lender promptly of:
 - i. any change in the information contained herein or in the Schedules hereto relating to the Debtor, the Debtor's business or Collateral;
 - ii. the details of any significant acquisition of Collateral;
 - iii. the details of any claims or litigation affecting Collateral;
 - iv. any loss or damage to Collateral;
 - v. any default by any Account Debtor in payment or other performance of his obligations with respect to Collateral; and
 - vi. the return to or repossession by the Debtor of Collateral;
- (c) To keep the Collateral in good order, condition and repair and not to use Collateral in violation of the provisions of this Security Agreement or any other agreement relating to Collateral or any policy insuring Collateral or any applicable statute, law, by-law, rule, regulation or ordinance;
- (d) To do, execute, acknowledge and deliver such financing statements and further assignments, transfers, documents, acts, matters and things (including further schedules hereto) as may be reasonably requested by the Lender of or with respect to Collateral in order to give effect to these presents and to pay all costs for searches and filings in connection therewith;
- (e) To pay all taxes, rates, levies, assessments and other charges of every nature which

Page 3

may be lawfully levied, assessed or imposed against or in respect of the Collateral as and when the same become due and payable;

- (f) To insure the Collateral for such periods, in such amounts, on such terms and against loss or damage by fire and such other risks as the Lender shall reasonably direct with loss payable to the Lender and the Debtor, as insureds, as their respective interest may appear, and to pay all premiums therefor;
- (g) To prevent Collateral, save Inventory sold or leased as permitted hereby, from being or becoming an Accession to other property not covered by this Security Agreement;
- (h) To carry on and conduct the business of the Debtor in a proper and efficient manner and so as to protect and preserve the Collateral and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for the Debtor's business as well as accurate and complete records concerning Collateral, and mark any and all such records and Collateral at the Lender's request so as to indicate the Security Interest;
- (i) To deliver to the Lender from time to time promptly upon request:
 - i. any Documents of Title, Instruments, Securities and Chattel Paper constituting, representing or relating to Collateral;
 - ii. all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to Collateral for the purpose of inspecting, auditing or copying the same;
 - iii. all financial statements prepared by or for the Debtor regarding the Debtor's business;
 - iv. all policies and certificates of insurance relating to Collateral; and
 - v. such information concerning Collateral, the Debtor and business and affairs as the Lender may reasonably request;
- (j) To have the premises professionally managed at all times.

5. USE AND VERIFICATION OF COLLATERAL

Subject to compliance with the Debtor's covenants herein and Clause 6 hereof, the Debtor may, until default, possess, operate, use, enjoy and deal with Collateral in the ordinary course of the Debtor's business in any manner not inconsistent with the provisions hereof; provided always that the Lender shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner the Lender may consider appropriate and the Debtor agrees to furnish all assistance and information and to perform all such acts as the Lender may reasonably request in connection therewith and for such purpose to grant to the Lender or its agents access to all places where Collateral may be located.

6. COLLECTION OF DEBTS

Before or after default under this Security Agreement, the Lender may notify all or any Account Debtors of the Security Interest and may also direct such Account Debtors to make all payments on Collateral to the Lender. The Debtor acknowledges that any payments on or other proceeds of Collateral received by the Debtor from Account Debtors, whether before or after notification of this Security Interest to Account Debtors and whether before or after default under this Security Agreement shall be received and held by the Debtor in trust for the Lender and shall be turned over to the Lender upon request.

7. DISPOSITION OF MONIES

Subject to any application requirements of the P.P.S.A., all monies collected or received by the Lender pursuant to or in exercise of any right it possesses with respect to Collateral shall be applied on account of Indebtedness in such manner as the Lender deems best or, at the option of the Lender, may be held unappropriated in a collateral account or released to the Debtor, all without prejudice to the liability of the Debtor or the rights of the Lender hereunder, and any surplus shall be accounted for as required by law.

8. EVENTS OF DEFAULT

The happening of any of the following events or conditions shall constitute default hereunder (hereinafter referred to as "default"):

- (a) The nonpayment when due, whether by acceleration or otherwise, of any principal or interest forming part of Indebtedness or the failure of the Debtor to observe or perform any obligation, covenant, term, provision, or condition contained in this Security Agreement or any other document or agreement between the Debtor and the Lender relating to the Indebtedness;
- (b) The bankruptcy or insolvency of the Debtor; the filing against the Debtor of a petition in bankruptcy; the making of an authorized assignment for the benefit of creditors by the Debtor; the appointment of a receiver or trustee for the Debtor or for any assets of the Debtor or the institution by or against the Debtor of any other type of insolvency proceeding under the Bankruptcy Act or otherwise;
- (c) Abandonment of the premises by the Debtor for a period in excess of eight (8) consecutive days and which the Debtor has not rectified within ten (10) days after delivery by the Lender to the Debtor of written notice of any abandonment.

9. REMEDIES

- (a) Upon default, the Lender may appoint or reappoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of the Lender or not, to be a receiver or receivers (hereinafter called a "Receiver", which term when used herein shall include a receiver and manager) of Collateral (including any interest, income or profits therefrom) and may remove any Receiver so appointed and appoint another in his stead. Any such Receiver shall, so far as concerns responsibility for his acts, be deemed the agent of the Debtor and not the Lender and the Lender shall not be in any way responsible for any misconduct, negligence, or non-feasance on the part of any such Receiver, his servants, agents or employees. Subject to the provisions of the instruments appointing him, any such Receiver shall have the power to take possession of Collateral, to preserve Collateral or its value, to carry on or concur in carrying on all or any part of the business of the Debtor and to sell, lease or otherwise dispose of or concur in selling, leasing or otherwise disposing of Collateral. To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others, including the Debtor, enter upon, use and occupy all premises owned or occupied by the Debtor wherein Collateral may be situate, maintain Collateral upon such premises, borrow money on a secured or unsecured basis and use Collateral directly in carrying on the Debtor's business or otherwise, as such Receiver shall, in his discretion, determine. Except as may be otherwise directed by the Lender, all monies received from time to time by such Receiver in carrying out his appointment shall be received in trust for and paid over to the Lender. Every such Receiver may, in the discretion of the Lender, be vested with all or any of the rights and powers of the Lender.
- (b) Upon default, the Lender may, either directly or indirectly or through its agents or nominees, exercise any or all of the powers and rights given to a Receiver by virtue of the foregoing sub-clause (a).
- (c) The Lender may take possession of, collect, demand, sue on, enforce, recover and receive Collateral and give valid and binding receipts and discharges therefor and in respect thereof and, upon default, the Lender may sell, lease or otherwise dispose of Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as to the Lender may seem reasonable.
- (d) In addition to those rights granted herein and in any other agreement now or hereafter in effect between the Debtor and the Lender and in addition to any other rights the Lender may have at law or in equity, the Lender shall have, both before and after default, all rights and remedies of a secured party under the P.P.S.A. Provided always, that the Lender shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, lease or otherwise dispose of Collateral or to institute any proceedings for such purposes. Furthermore, the Lender shall have no obligation to take any steps to preserve rights

against prior parties to any Instrument or Chattel Paper whether Collateral or proceeds and whether or not in the Lender's possession and shall not be liable or accountable for failure to do so.

- (e) The Debtor acknowledges that the Lender or any Receiver appointed by it may take possession of Collateral wherever it may be located and by any method permitted by law and the Debtor agrees upon request from the Lender or any such Receiver to assemble and deliver possession of Collateral at such place or places as directed.
- (f) The Debtor agrees to pay all costs, charges and expenses reasonably incurred by the Lender or any Receiver appointed by it, whether directly or for services rendered (including reasonable solicitors and auditors costs and other legal expenses and Receiver remuneration), in operating the Debtor's accounts, in preparing or enforcing this Security Agreement, taking custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting Indebtedness and all such costs, charges and expenses, together with any monies owing as a result of any borrowing by the Lender or any Receiver appointed by it, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of Collateral and shall be secured hereby.
- (g) The Lender will give the Debtor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of Collateral is to be made, as may be required by the P.P.S.A.
- (h) Upon failure of the Debtor to have the Premises professionally managed in accordance with clause 4(j) hereof, the Lender may, but shall not be obligated to appoint such professional manager or managers, as it may deem necessary in its sole discretion, to manage the Premises at the sole expense of the Debtor.

10. MISCELLANEOUS

- (a) The Debtor hereby authorizes the Lender to file such financing statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying Collateral or any permitted Encumbrances affecting Collateral) as the Lender may deem appropriate to perfect and continue the Security Interest, to protect and preserve Collateral and to realize upon the Security Interest, and the Debtor hereby irrevocably constitutes and appoints the Lender the true and lawful attorney of the Debtor, with the full power of substitution, to do any of the foregoing in the name of the Debtor whenever and wherever it may be deemed necessary or expedient.
 - (b) Upon the Debtor's failure to perform any of its duties hereunder, the Lender may, but shall not be obligated to, perform any or all such duties, and the Debtor shall pay to the Lender, forthwith upon written demand therefor, an amount equal to the expense incurred by the Lender in so doing plus interest thereon from the date such expense is incurred until it is paid at the rate per annum set forth in the said mortgage.
 - (c) The Lender may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with the Debtor, sureties and others and with Collateral and other security as the Lender may see fit without prejudice to the liability of the Debtor or the Lender's right to hold and realize the Security Interest. Furthermore, the Lender may demand, collect and sue on Collateral in either the Debtor's or the Lender's name on any and all cheques, commercial paper, and any other Instrument pertaining to or constituting Collateral.
 - (d) No delay or omission by the Lender in exercising any right or remedy hereunder or with respect to any Indebtedness shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Furthermore, the Lender may remedy any default by the Debtor hereunder or with respect to any Indebtedness in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by the Debtor. All rights and remedies of the Lender granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.
 - (e) The Debtor waives protest of any Instrument constituting Collateral at any time held
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by the Lender on which the Debtor is in any way liable and, subject to Clause 9(g) hereof, notice of any other action taken by the Lender.

- (f) This Security Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
- (g) Save for any schedules which may be added hereto pursuant to the provisions hereof, no modification, variation or amendment of any provision of this Security Agreement shall be made except by a written Agreement, executed by the parties hereto and no waiver of any provision hereof shall be effective unless in writing.
- (h) Subject to any provisions of this Agreement to the contrary, whenever either party hereto is required or entitled to notify or direct the other or to make a demand or request upon the other, such notice, direction, demand or request shall be in writing and shall be sufficiently given only if delivered to the party for whom it is intended at the principal address of such party herein set forth or as changed pursuant hereto or if sent by prepaid registered mail addressed to the party for whom it is intended at the principal address of such party herein set forth or as changed pursuant hereto. Either party may notify the other pursuant hereto of any change in such party's principal address to be used for the purpose hereof.

The address of each party is as follows:

Debtor:

Paul DeBattista
7686 Appleby Line
Milton, Ontario L9E 0N1

Lender:

C & K Mortgage Services Inc.
1670 Bayview Avenue, Suite 400
Toronto, Ontario M4G 3C2

- (i) This Security Agreement and the security afforded hereby shall remain in full force and effect until all Indebtedness contracted for or created, shall be paid in full.
- (j) The headings used in this Security Agreement are for convenience only and are not to be considered a part of this Security Agreement and do not in any way limit or amplify the terms and provisions of this Security Agreement.
- (k) When the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with all grammatical changes necessary dependent upon the person referred to being a male, female, firm or corporation.
- (l) In the event any provisions of this Security Agreement, as amended from time to time, shall be deemed invalid or void, in whole or in part, by any Court of competent jurisdiction, the remaining terms and provisions of this Security Agreement shall remain in full force and effect.
- (m) Nothing herein contained shall in any way obligate the Lender to grant, continue, renew, extend time for payment of or accept anything which constitutes or would constitute Indebtedness.
- (n) The Security Interest created hereby is intended to attach when this Security Agreement is signed by the Debtor and delivered to the Lender.

11. COPY OF AGREEMENT

The Debtor hereby acknowledges receipt of a copy of this Security Agreement.

IN WITNESS WHEREOF the Debtor has executed this Security Agreement under the hand of its authorized signing officers as of this day of March, 2020.

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Paul DeBattista

P:\CONVEY\DOCS\2677-563.M\RES\COM GENERAL SECURITY AGREEMENT.DOC

This is Exhibit “R” referred to in the Affidavit of GARY GRUNEIR sworn by GARY GRUNEIR of the City of Markham, before me at the City of Toronto, in the Province of Ontario, on May 31, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

DAVID P. PREGER



Dickinson Wright LLP

PERSONAL PROPERTY SECURITY ACT (ONTARIO)

SEARCH SUMMARY WITH RESPECT TO:

PAUL;DEBATTISTA

eSummary Requested By: Dickinson Wright LLP

PPSA Enquiry ID: 1673264

File Currency: 19MAY 2023

DISCLAIMER:

This report was produced by a compilation of data retrieved from the Personal Property Registration System, Ministry of Government Services, Government of Ontario. Dye & Durham Corporation is not responsible for the accuracy, reliability or currency of the information provided by this external source. The purchaser of this report has agreed with consideration at the time of purchase to assume all liability and further indemnify Dye & Durham Corporation for any and all damages and costs resulting from any matter related to the content of this report. Users wishing to rely upon this information should consult directly with the source of the information. No liability is undertaken by Dye & Durham Corporation regarding the completeness, correctness or the interpretation or use which may be made of this report.

	File No.	Enquiry Page No.	Reg. No.	Debtor(s)	Secured Party	Collateral Class.					
						CG	I	E	A	O	MV
1.	793488933 PPSA	5	20230519 1300 1590 4193 Reg. 5 year(s) Expires 19MAY 2028	PAUL DEBATTISTA	C & K MORTGAGE SERVICES INC.	X	X	X	X	X	X
	File No.	Enquiry Page No.	Reg. No.	Debtor(s)	Secured Party	Collateral Class.					
						CG	I	E	A	O	MV
2.	791206587 PPSA	12	20230303 1517 1590 3502 Reg. 5 year(s) Expires 03MAR 2028	VILLAGE DEVELOPMENTS ALBERT STREET INC. PAUL DEBATTISTA (DOB: 14AUG1964)	WHA INVESTMENT GROUP INC.		X	X	X	X	X
	File No.	Enquiry Page No.	Reg. No.	Debtor(s)	Secured Party	Collateral Class.					
						CG	I	E	A	O	MV
3.	787110228 PPSA	11	20220928 1302 1590 1982 Reg. 5 year(s) Expires 28SEP 2027	VILLAGE DEVELOPMENTS INC. PAUL DEBATTISTA (DOB: 14AUG1964)	1846836 ONTARIO INC.		X	X	X	X	
Amount Secured: \$1000000											
No Fixed Maturity Date											
General Collateral Description: GENERAL SECURITY AGREEMENTS AND GUARANTEE BY DEBTORS IN FAVOUR OF SECURED PARTY RELATED TO 485,501,511 ONTARIO STREET, MILTON, ONTARIO											
	File No.	Enquiry Page No.	Reg. No.	Debtor(s)	Secured Party	Collateral Class.					
						CG	I	E	A	O	MV
4.	784328472 PPSA	29	20220627 0838 1532 8814 Reg. 4 year(s) Expires 27JUN 2026	PAULETTE L MATCHEM (DOB: 21NOV1969) PAUL J DEBATTISTA (DOB:	HONDA CANADA FINANCE INC.	X					X

				27MAY1965) PAULETTE BOONE (DOB: 21NOV1969) PAULETTE L WHITE (DOB: 21NOV1969) PAULETTE L MATCHEN (DOB: 21NOV1969)							
		Amount Secured: \$30120 Maturity Date: June 17, 2026 2022 HONDA CRV (VIN: 2HKRW2H47NH220559)									
	File No.	Enquiry Page No.	Reg. No.	Debtor(s)	Secured Party	Collateral Class.					
						CG	I	E	A	O	MV
5.	783700884 <i>PPSA</i>	10	20220606 1557 1590 5848 Reg. 5 year(s) Expires 06JUN 2027	PAUL DEBATTISTA (DOB: 14AUG1964)	VAULT CAPITAL INC.				X	X	
		General Collateral Description: ASSIGNMENT AND POSTPONEMENT OF CLAIM IN RESPECT OF 2725431 ONTARIO LIMITED AND VILLAGE DEVELOPMENTS INC.									
	File No.	Enquiry Page No.	Reg. No.	Debtor(s)	Secured Party	Collateral Class.					
						CG	I	E	A	O	MV
6.	783700875 <i>PPSA</i>	8	20220606 1556 1590 5847 Reg. 5 year(s) Expires 06JUN 2027	2725431 ONTARIO LIMITED VILLAGE DEVELOPMENTS INC. PAUL DEBATTISTA (DOB: 14AUG1964)	VAULT CAPITAL INC.		X	X	X	X	X
	File No.	Enquiry Page No.	Reg. No.	Debtor(s)	Secured Party	Collateral Class.					
						CG	I	E	A	O	MV

PPSA (ONTARIO) SEARCH SUMMARY
PAUL;DEBATTISTA

7.	782202681 PPSA	28	20220421 0858 1793 6482 Reg. 5 year(s) Expires 21APR 2027	1000005224 ONTARIO LIMITED PAUL J DEBATTISTA (DOB: 14AUG1964)	FIRST SOURCE FINANCIAL MANAGEMENT INC.		X	X	X	X	X
	File No.	Enquiry Page No.	Reg. No.	Debtor(s)	Secured Party	Collateral Class.					
						CG	I	E	A	O	MV
8.	780342921 PPSA	7	20220211 1032 9234 1377 Reg. 4 year(s) Expires 11FEB 2026	PAUL DEBATTISTA (DOB: 14AUG1964)	VECTOR FINANCIAL SERVICES LIMITED				X	X	
General Collateral Description: ALL INDEBTEDNESS, (INCLUDING ALL MONIES AND OTHER PROCEEDS REPRESENTED THEREBY OR REALIZED THEREFROM) BOTH PRESENT AND FUTURE, OF VILLAGE DEVELOPMENTS INC. TO THE DEBTOR.											
	File No.	Enquiry Page No.	Reg. No.	Debtor(s)	Secured Party	Collateral Class.					
						CG	I	E	A	O	MV
9.	780043365 PPSA	26	20220131 1311 1532 5591 Reg. 07 year(s) Expires 31JAN 2029	PAUL J DEBATTISTA (DOB: 14AUG1964) PAUL J DEBAITISTA (DOB: 14AUG1964) PAUL J DEPATTISTA (DOB: 14AUG1964)	TD AUTO FINANCE (CANADA) INC.	X		X		X	X
Amount Secured: \$52052.19 Maturity Date: January 19, 2029 2022 TOYOTA TUNDRA (VIN: 5TFLA5DB2NX001474) General Collateral Description: THE FULL DEBTOR NAME IS - PAUL JOSEPH DEBATTISTA											
	File No.	Enquiry	Reg. No.	Debtor(s)	Secured Party	Collateral Class.					

		Page No.				CG	I	E	A	O	MV
10.	777755691 PPSA	3	20211029 0950 1590 1826 Reg. 5 year(s) Expires 29OCT 2026	2865594 ONTARIO INC. 2865595 ONTARIO INC. VILLAGE DEVELOPMENTS INC. PAUL DEBATTISTA	2487586 ONTARIO INC. PINE-ONTARIO DEVELOPMENT INC.	X	X	X	X	X	
General Collateral Description: GENERAL SECURITY AGREEMENT PERTAINING TO 248-250 MARTIN STREET, MILTON AND 446 PINE STREET AND 72 ONTARIO STREET, MILTON											
	File No.	Enquiry Page No.	Reg. No.	Debtor(s)	Secured Party	Collateral Class.					
						CG	I	E	A	O	MV
11.	777687435 PPSA	1	20211027 1353 1590 1385 Reg. 5 year(s) Expires 27OCT 2026	2865594 ONTARIO INC. 2865595 ONTARIO INC. PAUL DEBATTISTA	PINE-ONTARIO DEVELOPMENT LTD 2487586 ONTARIO INC.				X	X	
General Collateral Description: 1. GUARANTEE CONTAINING POSTPONEMENT OF CLAIM AND ASSIGNMENT OF DEBTS FROM PAUL DIBATTISTA AND 2. PLEDGE OF 25% OF THE ISSUED AND OUTSTANDING SHARES IN THE CAPITAL STOCK OF 2865594 ONTARIO INC. AND 2865595 ONTARIO INC.											
	File No.	Enquiry Page No.	Reg. No.	Debtor(s)	Secured Party	Collateral Class.					
						CG	I	E	A	O	MV
12.	777098979 PPSA	24	20211006 1308 1793 3385 Reg. 5 year(s) Expires 06OCT 2026	VILLAGE DEVELOPMENTS INC. PAUL J DEBATTISTA (DOB: 14AUG1964)	C & K MORTGAGE SERVICES INC. CANADIAN WESTERN TRUST COMPANY		X	X	X	X	X
No Fixed Maturity Date General Collateral Description: GUARANTEE AND POSTPONEMENT OF CLAIM IN CONNECTION WITH THE GUARANTEE OF INDEBTEDNESS OF 2865594 ONTARIO INC. TO THE SECURED PARTIES											

	File No.	Enquiry Page No.	Reg. No.	Debtor(s)	Secured Party	Collateral Class.					
						CG	I	E	A	O	MV
13.	777096819 PPSA	22	20211006 1241 1793 3379 Reg. 5 year(s) Expires 06OCT 2026	VILLAGE DEVELOPMENTS INC. PAUL J DEBATTISTA (DOB: 14AUG1964)	C & K MORTGAGE SERVICES INC. CANADIAN WESTERN TRUST COMPANY		X	X	X	X	
		No Fixed Maturity Date General Collateral Description: GUARANTEE AND POSTPONEMENT OF CLAIM IN CONNECTION WITH THE GUARANTEE OF INDEBTEDNESS OF 2865595 ONTARIO INC. TO THE SECURED PARTIES									
	File No.	Enquiry Page No.	Reg. No.	Debtor(s)	Secured Party	Collateral Class.					
						CG	I	E	A	O	MV
14.	767256669 PPSA	6	20201030 1521 1793 0512 Reg. 5 year(s) Expires 30OCT 2025	PAUL DEBATTISTA (DOB: 14AUG1964)	FIRST SOURCE FINANCIAL MANAGEMENT INC.				X	X	
		General Collateral Description: SUBORDINATION AND ASSIGNMENT RE 110 BRONTE DEVELOPMENTS INC. DEBT									
	File No.	Enquiry Page No.	Reg. No.	Debtor(s)	Secured Party	Collateral Class.					
						CG	I	E	A	O	MV
15.	765404829 PPSA	21	20200903 0916 1793 7210 Reg. 5 year(s) Expires 03SEP 2025	PAUL J DEBATTISTA (DOB: 14AUG1964)	C & K MORTGAGE SERVICES INC.				X	X	
		No Fixed Maturity Date General Collateral Description: GUARANTEE AND POSTPONEMENT OF CLAIM IN CONNECTION WITH THE GUARANTEE OF INDEBTEDNESS OF VILLAGE DEVELOPMENTS INC. TO THE SECURED PARTY									
	File No.	Enquiry Page No.	Reg. No.	Debtor(s)	Secured Party	Collateral Class.					
						CG	I	E	A	O	MV

16.	760790403 PPSA	18	20200310 1401 1793 8122 Reg. 5 year(s) Expires 10MAR 2025	PAUL J DEBATTISTA (DOB: 14AUG1964)	BAMBURGH HOLDINGS LTD. YERUSHA INVESTMENTS INC. 1008118 ONTARIO LIMITED				X	X	
			No Fixed Maturity Date General Collateral Description: GUARANTEE AND POSTPONEMENT OF CLAIM IN CONNECTION WITH THE GUARANTEE OF INDEBTEDNESS OF VILLAGE DEVELOPMENTS INC. IN CONNECTION WITH 17 BRONTE STREET SOUTH, MILTON, ONTARIO								
	File No.	Enquiry Page No.	Reg. No.	Debtor(s)	Secured Party	Collateral Class.					
						CG	I	E	A	O	MV
17.	756965907 PPSA	17	20191028 1422 1793 2296 Reg. 5 year(s) Expires 28OCT 2024	PAUL J DEBATTISTA (DOB: 14AUG1964)	C & K MORTGAGE SERVICES INC.				X	X	
			General Collateral Description: GENERAL SECURITY AGREEMENT AND GENERAL ASSIGNMENT OF RENTS AND LEASES IN CONNECTION WITH 7686 APPLEBY LINE, MILTON, ONTARIO								
	File No.	Enquiry Page No.	Reg. No.	Debtor(s)	Secured Party	Collateral Class.					
						CG	I	E	A	O	MV
18.	733766868 PPSA	13	20171107 1707 1462 1066 Reg. 3 year(s) Expires 07NOV 2026	VILLAGE DEVELOPMENTS INC. DANIEL J DEBATTISTA (DOB: 15OCT1990) PAUL J DEBATTISTA (DOB: 14AUG1964)	SOMERVILLE NATIONAL LEASING & RENTALS LTD.	X		X		X	X
			Amount Secured: \$224111 No Fixed Maturity Date 2018 MERCEDES-BENZ AMG GT C COUPE (VIN: WDDYJ8AA7JA015361)								

		15	20191028 1406 1462 1897	VILLAGE DEVELOPMENTS INC.									
			B RENEWAL Renew 2 year(s)										
		16	20210308 1402 1462 7153	VILLAGE DEVELOPMENTS INC.									
		B RENEWAL Renew 4 year(s)											

This is Exhibit “S” referred to in the Affidavit of GARY GRUNEIR sworn by GARY GRUNEIR of the City of Markham, before me at the City of Toronto, in the Province of Ontario, on May 31, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

DAVID P. PREGER



RESCOM Capital
1670 Bayview Avenue, Suite 400
Toronto, Ontario M4G 3C2

T. 416.485.2636
F. 416.482.4043
www.rescomcapital.com

December 04, 2019

Village Developments Inc.
Paul DeBattista
Tony Raposo
7686 Appleby Line
Milton, Ontario
L9E 0N1

Dear Sir:

Re: 194 Bronte Road South, Milton, Ontario

This letter will serve as our commitment to arrange first mortgage financing on the above captioned property.

Loan Amount: ONE MILLION, THREE HUNDRED FIFTY THOUSAND DOLLARS
(\$1,350,000) (\$1,450,000.00) *[Handwritten signature]*

Interest Rate: 10 percent per annum, calculated and payable interest only monthly.

Term: 1 year

Privileges: The mortgage will be closed for three months and open thereafter upon receipt of 30 days written notice and payment of one month's interest bonus.

Amortization: Interest only.

Security:

1. A first mortgage on the lands known as 194 Bronte Road South, Milton, Ontario
2. A first general assignment of rents.
3. A first general security agreement in a form satisfactory to the lender's solicitor.
4. The personal guarantee of Paul DeBattista.
5. The personal guarantee of Tony Raposo
6. Corporate guarantee of Village Developments Inc.
7. An assignment of all plans and studies and applications, related to the proposed development.
8. An assignment of all letters of credit deposited to the municipality.
9. Such other reasonable documentation as the lender's solicitor may consider advisable.

Advance of Funds: The advance of funds will be made when the lender's solicitor can provide their certificate(s) of title and when all other conditions precedent to such advance as stated herein are satisfied. Advance of funds will be subject to the following conditions.

Conditions:

1. Satisfactory review appraisal by CHS Realty Advisors Inc. It is further condition for the making of this loan that the appraiser provide the lender with a Letter authorizing the lender that they may rely on the appraisal for lending purposes.
2. Satisfactory evidence that the property is zoned to permit the proposed use and there are no outstanding work orders or notices of violations from any governmental departments. The mortgagor will provide all appropriate consents to obtain such information.
3. Satisfactory review of the project planner's report as to the development feasibility and status. This is to be reviewed by the lender's planner at a cost not to exceed \$5,000. This will include reviewing the following:
 - a) Functioning Service Reports (FSR)
 - b) Site Plan Agreement
 - c) Environmental reports
 - d) Site plan and drawings
 - e) Conditions of site plan
 - f) Verifications of payments to the municipality
 - g) Budget to complete the build
 - h) Any and all other development reports related to the project
 - i) Planners report
4. All local improvement charges, realty taxes and other charges affecting the properties shall have been paid to the date of the advance of funds. The charge shall include a provision for the collection of property taxes by the lender, at the lender's option. Payment of taxes by the lender can be waived or asked for at any time during the term of the mortgage. The lender acknowledges that the outstanding realty taxes affecting the property in question will be satisfied out of the advance of funds hereunder.
5. All reasonable engineering, inspections, title, survey and legal customary expenses of the lender are for the account of and shall be paid by the borrower.
6. Satisfactory physical site inspection.
7. Title and all security must be satisfactory to the lender's solicitor.
8. Title insurance in a form satisfactory to the lender's solicitor.

9. The lender shall be provided with original or certified copies of insurance policies. The coverage, terms and insurance company must be satisfactory to the lender.

10. The borrower and guarantors shall provide financial and supporting information as the lender may require, including the following: Unaudited Financial Statements; and Net Worth Statements.

11. In the event of the borrower selling, transferring or conveying title to the lands, or if there is a change in the beneficial ownership, the mortgage will become due and payable, save and except the transfer from the current owner to a corporation of which the corporation shall have as its officer, director and majority shareholder, the borrower's shareholders with satisfactory evidence to the mortgagee. It is understood and agreed that such a transfer shall not relieve the borrower from its obligations.

12. In the event that any payment is returned to the lenders for any cause whatsoever, including there being insufficient funds in the borrower's account to cover same, the lender will be entitled to reimbursement for all bank charges related to the dishonoured cheque in addition, the lender or administrator's time for collection will be charged at a rate of \$300 per hour and all time will be docketed and charged to the borrower's account. These charges will apply to all administration costs related to any default under the mortgage including but not limited to collection costs related to late payments, insurance cancellation and work orders affecting the property.

13. Any payment (other than payment of the regular payments of interest) that is made after 1:00 p.m. on any date or 11:00 a.m. on a Friday or the business day preceding a statutory holiday, shall be deemed for the purpose of calculation of interest, to have been made and received on the next bank business day. For greater certainty, if funds are received (or deemed received) on a Friday after 11:00 a.m. or the day preceding a statutory holiday, interest will be payable to the next bank business day.

14. If at any time before or after the advance, there is or has been any material discrepancy or inaccuracy in any written information, statements or representations therefore made or furnished by or on behalf of the borrower, then the lender shall be entitled forthwith to cancel the lender's obligations hereunder or declare any monies therefore advanced with interest to be forthwith due and payable and retain all fees provided by the borrower.

15. In the event of default, Rescom Capital will be appointed as the lender's manager and will be entitled to a fee of \$300 per hour for its services and such fee will be charged to the borrower's account.

16. The borrower will complete and application on the lenders standard form and will provide photo identification for all guarantors and signing officers for the corporation.

17. If the borrower is a corporation, a list of every legal or beneficial owner of, or person who exercises direct or indirect control or direction over more than 25% of the voting rights attached to the outstanding voting securities of the corporation must be provided.

18. *These questions must be asked and answered to comply with the new regulations of the Financial Services Commission of Ontario (FSCO), that went into affect on July 1, 2018.*

Has the developer or any of the principals of the developer (directors, officers, owners, partners or majority shareholders) been involved in any of the following:

(a) Been convicted, found guilty of or currently charged with any criminal or regulatory offence under any law of any province, territory, state or country
Yes/ No/

(b) Currently the subject of any civil proceedings or any unsatisfied judgements imposed by a civil court in Canada or elsewhere, against the developer, against the principals personally, or against a business in which they have an interest in at least ten percent of the equity shares or ownership shares of the business? Yes/ No/

(c) Within the five years before the date of this form, bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person. Yes/ No/

(d) Been the subject of a regulatory investigation or proceeding, or has otherwise been subject to regulatory sanctions Yes/ No/

19. This commitment is open for acceptance until 5:00 PM on December 5th, 2019

20. The first advance must be drawn down and qualified for by Decemberr 16th, 2019, failing which this letter of proposal will be terminated.

Inspection Fee: \$1,000

This commitment is issued on the understanding that your acceptance will be accompanied by a cheque payable to Rescom Capital for \$15,000 which shall be deemed earned as a standby fee upon acceptance hereof and which will be credited toward the commission payable when the

5

proceeds of the loan are advanced. The fee shall be forfeited if the loan is not proceeded with, due to any cause whatsoever other than the lender's default. Notwithstanding such retention, you shall remain liable for all fees and costs as referred to herein.

Yours truly,

RESDOM CAPITAL



Gary Gruneir

The undersigned hereby accepts the above terms and conditions.

Dated this 12 day of DECEMBER, 2019.



Village Developments INC



Paul DeBattista

Tony Raposo



RESOM Capital
1670 Bayview Avenue, Suite 400
Toronto, Ontario M4G 3C2

T. 416.485.2636
F. 416.482.4043
www.rescomcapital.com

December 04, 2019

Village Developments Inc.
Paul DeBattista
Tony Raposo
7686 Appleby Line
Milton, Ontario
L9E 0N1

Dear: Sir.

Re: 194 Bronte Road South, Milton, Ontario

Further to our letter of proposal dated December 04, 2019, this letter forms part of the conditions thereof. Your costs in obtaining the loan shall be \$35,000. Legal costs, inspection fees and disbursements are additional and such fees will be deducted from the first advance of funds. If the loan is not proceeded with, due to any cause whatsoever other than the lender's default, you shall remain liable for all fees and costs as referred to herein.

Any fees earned as a result of acceptance of this Commitment Letter, together with any expenses or costs incurred by Rescom Capital, including but not limited to, appraisal, re-appraisal, inspections, re-inspections, title searches, plan review, soil tests, survey, environmental assessments and legal costs on a solicitor and its client basis, are deemed to be a charge on the Subject Property referred to herein and Rescom Capital may file and maintain a caveat on the title to the Subject Property to protect that charge and the Borrower(s) and Guarantor(s) do hereby mortgage to Rescom Capital the amount necessary to pay all fees and expenses as detailed herein as a charge against the Subject Property

Yours truly,
Rescom Capital

Gary Gruber

The undersigned hereby accepts the above terms and conditions.
Dated this ____ day of _____, 2019.

Village Developments INC

Paul DeBattista

Tony Raposo

This is Exhibit “T” referred to in the Affidavit of GARY GRUNEIR sworn by GARY GRUNEIR of the City of Markham, before me at the City of Toronto, in the Province of Ontario, on May 31, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

DAVID P. PREGER

LRO # 20 Charge/Mortgage

Received as HR1680982 on 2020 01 29 at 11:31

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

yyyy mm dd Page 1 of 11

Properties

PIN 24962 - 4100 LT Interest/Estate Fee Simple
 Description PT LT 13, CON 1 TRAFALGAR NEW SURVEY, PART 1, 20R3661 EXCEPT PT 14
 20R18868; TOWN OF MILTON
 Address 194 BRONTE STREET SOUTH
 MILTON

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 VILLAGE DEVELOPMENTS INC.
 Address for Service 7686 Appleby Lime, Milton, Ontario L9E
 ON1

I, Paul DeBattista, President, have the authority to bind the corporation.
 This document is not authorized under Power of Attorney by this party.

Chargee(s)**Capacity****Share**

Name	NOORLANDER, CORY	17.24%
Address for Service	c/o Rescom Capital Inc. 1670 Bayview Avenue, Suite 400, Toronto, Ontario M4G 3C2	
Name	B & M HANDELMAN INVESTMENTS LTD.	8.62%
Address for Service	c/o Rescom Capital Inc. 1670 Bayview Avenue, Suite 400, Toronto, Ontario M4G 3C2	
Name	HANDELMAN, CAROL	8.62%
Address for Service	c/o Rescom Capital Inc. 1670 Bayview Avenue, Suite 400, Toronto, Ontario M4G 3C2	
Name	E. MANSON INVESTMENTS LTD.	34.48%
Address for Service	c/o Rescom Capital Inc. 1670 Bayview Avenue, Suite 400, Toronto, Ontario M4G 3C2	
Name	SPIEGEL, BEATRYCE	Joint Tenants 2.3% interest on Joint Account
Address for Service	c/o Rescom Capital Inc. 1670 Bayview Avenue, Suite 400, Toronto, Ontario M4G 3C2	
Name	SPIEGEL, RANDY	Joint Tenants 2.3% interest on Joint Account
Address for Service	c/o Rescom Capital Inc. 1670 Bayview Avenue, Suite 400, Toronto, Ontario M4G 3C2	
Name	SPIEGEL, STACEY	Joint Tenants 2.3% interest on Joint Account
Address for Service	c/o Rescom Capital Inc. 1670 Bayview Avenue, Suite 400, Toronto, Ontario M4G 3C2	
Name	SPIEGEL, RANDY	6.90%
Address for Service	c/o Rescom Capital Inc. 1670 Bayview Avenue, Suite 400, Toronto, Ontario M4G 3C2	
Name	COMFORT CAPITAL INC.	17.24%
Address for Service	c/o Rescom Capital Inc. 1670 Bayview Avenue, Suite 400, Toronto, Ontario M4G 3C2	

Statements

Schedule: See Schedules

Provisions

Principal \$1,450,000.00 Currency CDN
 Calculation Period calculated and payable interest only monthly

LRO # 20 Charge/Mortgage

Received as HR1680982 on 2020 01 29 at 11:31

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

yyyy mm dd Page 2 of 11

Provisions

Balance Due Date 2020/03/01
Interest Rate 10 % per annum,
Payments \$12,083.33
Interest Adjustment Date
Payment Date 1st day of each month
First Payment Date 2020 03 01
Last Payment Date 2021 01 01
Standard Charge Terms 200033
Insurance Amount Full insurable value
Guarantor Paul DeBattista and Tony Raposo

Additional Provisions

The Mortgage will be closed for three (3) months and open thereafter upon receipt of 30 days written notice and payment of one (1) months interest bonus.

Signed By

Lawrence Zimmerman 3338 Dufferin St. acting for Signed 2020 01 28
 Toronto
 M6A 3A4 Chargor(s)

Tel 416-489-8422

Fax 416-489-6222

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

Submitted By

LAWRENCE ZIMMERMAN LAW OFFICE 3338 Dufferin St. 2020 01 29
 Toronto
 M6A 3A4

Tel 416-489-8422

Fax 416-489-6222

Fees/Taxes/Payment

Statutory Registration Fee \$65.05
Total Paid \$65.05

File Number

Chargee Client File Number : 19-1135/MJ

SCHEDULE

1. STANDARD CHARGE TERMS

The terms contained in this schedule are in addition to the terms contained in the Standard Charge Terms. In the event of any conflict between the terms contained in this schedule and those contained in the Standard Charge Terms, the terms contained in this schedule shall, to the extent of the conflict, prevail. If the Standard Charge Terms or the Charge refer to a Guarantor, the term "Guarantor" shall include any party named anywhere in the Charge as a guarantor or Covenantor.

2. SHORT FORMS OF MORTGAGES ACT

If any of the forms of words contained herein are also contained in Column One of Schedule B of the Short Forms of Mortgages Act, R.S.O. 1980, Ch. 474 ("SFMA") and distinguished by a number therein, the Charge shall be deemed to include and shall have the same effect as if the Charge contained the form of words in Column Two of Schedule B of the SFMA distinguished by the same number, and the Charge shall be interpreted as if the SFMA was still in full force and effect. The provisions of the Charge and its short form clauses shall not derogate from the Chargee's rights under the long clauses in the SFMA which shall be in addition thereto or in substitution for part or parts thereof as the Chargee may elect and all shall have the force of covenant.

3. DEFINITIONS

In this schedule, the following definitions apply:

(a) Balance Due Date means the date set out in the Provisions section of the Charge under the heading "Balance Due Date";

(b) Charge means the Charge/Mortgage to which this Schedule is attached and including the Standard Charge Terms and including this schedule

(c) Chargee means each party(ies) named as a Chargee or mortgagee in the Charge under "Chargee(s)" section and its or his heirs, executors, administrators, successors and assigns, as the case may be;

(d) Chargor means each party named as a chargor or mortgagor in the Charge under the Chargor(s)" section and its or his heirs, executors, administrators, successors, and assigns, as the case may be;

(e) Commitment Letter means the letter issued by RESCOM CAPITAL, or other issuer thereof dated December 4, 2019 and as may be otherwise amended from time to time, and addressed to the Chargor or the Chargor's agent setting out the terms of the loan secured by the Charge, as it may be amended from time to time;

(f) Costs means all of the fees, costs, charges, losses, damages and expenses incurred by the Chargee as a direct or indirect consequence of granting the loan secured by the Charge including, without limitation, all expenses incurred in the construction, preservation, maintenance, repair, insuring and realization of the security contained herein, and all legal costs incurred by the Chargee as between a solicitor and his own client;

(g) Covenantor means each party named as a guarantor in the Provisions section of the Charge and each Covenantor's heirs, executors, administrators, successors and assigns, as the case may be;

(h) Interest at the Interest Rate on the amounts advanced from time to time shall be payable interest only on the first day of each month. The parties hereto acknowledge and agree that the Chargee shall not be deemed to reinvest any monthly or other payments received by it hereunder.

In case default shall be made in payment of any sum to become due for interest at any time appointed for payment in this Charge, compound interest shall be payable and the sum in arrears for interest from time to time, as well after as before maturity and judgement, shall bear interest at the rate provided for in this Charge. In case the interest and compound interest are not paid in one month from the time of default, a rest shall be made, and compound interest at the rate provided for in this Charge shall be payable on the aggregate amount then due, as well after as before maturity and judgement, and so on from time to time, and all such interest and compound interest shall be a charge upon the Property.

The Chargee shall have the right to deduct from any advance, interest from the date of advance to the interest adjustment date;

(i) Interest Adjustment Date means the date set out in the Provisions section of the Charge under the heading "Interest Adjustment Date" or as otherwise set out herein;

on the date or dates and at a rate or rates, from time to time determined by the Chargee, on the amount of such payments by the Chargor to the Chargee from the date such payments are received by the Chargee until the Taxes are paid.

9. COSTS

Costs shall be forthwith due and payable by the Chargor to the Chargee and shall bear interest until fully paid from the date the Chargor has received notice of such costs.

10. INSURANCE PROVISIONS

(a) In addition to the insurance provided for under the Standard Charge Terms, the Chargor, in accordance with the provisions of this paragraph, shall maintain insurance against the perils therein described on all chattels used on, in or about the Property and shall maintain boiler and machinery insurance, builder's risk insurance and such other insurance as may be reasonably required by the Chargee.

The fire insurance on the buildings and chattels on the Property shall contain a standard extended coverage endorsement of one hundred percent (100%) replacement cost or the full insurable value, whichever shall be the greater, but in no event less than the Principal Amount and shall contain the standard mortgage endorsement clause (IBC 3000). All policies must allow for partial occupancy.

The Chargor shall also maintain comprehensive public liability coverage for a minimum of FIVE MILLION DOLLARS (\$5,000,000.00) per each occurrence. No insurance may be subject to a co-insurance clause.

(b) The Chargor shall provide upon the anniversary date of the Charge or at such further time or times as requested by the Chargee written evidence of the existence and continuation of the insurance as required by the Charge.

(c) In the event that evidence of continuation of insurance as herein required has not been delivered to the Chargee, the Chargee shall be entitled to a servicing fee for each written enquiry which the Chargee shall make to the insurers pertaining to such renewal (or resulting from the Chargor's non-performance of the within covenant). In the event that the Chargee pursuant to the within provision arranges insurance coverage in accordance with this provision, the Chargee, in addition to the aforementioned servicing fee, shall be entitled to a further servicing fee for arranging the necessary insurance coverage.

11. SALE OF PROPERTY

The Chargor covenants and agrees with the Chargee that in the event of the Chargor, conveying, transferring or transfer of title of the Property hereby charged to a purchaser or transferee not approved, in writing, by the Chargee, which approval shall not be unreasonably withheld, all monies hereby secured with accrued interest thereon shall at the option of the Chargee, forthwith become due and payable. Upon the Chargor selling, conveying or transferring title of the Property and the Chargee providing approval thereof as aforesaid, and provided further that the Chargor shall pay the Chargee a fee for providing said approval, which fee shall be determined by the Chargee, in its sole discretion. Further the original Covenantor shall not be released upon the Chargee being satisfied of the financial capability of a new Covenantor assuming the obligations of the original Covenantor on behalf of the new Chargor.

12. RENEWAL

In the event that the Chargor fails to repay the principal and interest outstanding on the maturity date, or fails to accept a renewal offer tendered by the Chargee (for any reason not attributable to the Chargee) within 10 business days of the maturity date, this Charge shall be subject to a renewal fee of 3% of the outstanding principal balance, due and payable on the Balance Due Date and for a term being the lesser of (i) the then current term of this Charge and (ii) one year. Notwithstanding the foregoing, the Chargee shall not be obligated to offer any renewal or accept the renewal described above. All other terms and covenants under the existing mortgage shall continue to apply.

13. Paragraph 14 of Standard Charge Terms 200033 is hereby deleted.

In the event that the Chargor sells, conveys, transfers, assigns or exercises a power of appointment with respect to the Property herein described to a purchaser, transferee or assignee or in the event of a change of shareholders of the Chargor which results in a change of control of the Chargor or in the event of a change in the beneficial ownership of the Property herein described without first obtaining the consent in writing of the Chargee the entire principal sum and interest hereby secured shall, at the option of the Chargee, forthwith become due and payable.

14. ENVIRONMENTAL CLAUSE

The Chargee or agent of the Chargee may, at any time, before and after default, and for any purpose deemed necessary by the Chargee or its agent, enter upon the Property to inspect the land and buildings thereon. Without in any way limiting the generality of the foregoing, the Chargee or its agent may enter upon the Property to conduct any environmental testing, site assessment, investigation or study deemed necessary by the Chargee or its agent and the reasonable cost of such testing, assessment, investigation or study, as the case may be, with interest at the Interest Rate, shall be payable by the

Chargor forthwith and shall be a charge upon the Property. The exercise of any of the powers enumerated in this clause shall not deem the Chargee or its agent to be in possession, management or control of the Property.

15. DANGEROUS SUBSTANCES

To the best of the Chargor's knowledge:

- a) The Properties have never been used for the storage of waste, or as a waste disposal site as such terms are defined in the Environmental Protection Act (Ontario) R.S.O 1990.
- b) The Properties have not been used for storage of nor does it contain any monochlorinated or polychlorinated biphenyl ("P.C.B.'s") or any substances that contain on or more of them, or any substances classified as P.C.B.'s
- c) There are no hazardous or toxic products or waste substances in or on the Property.
- d) The Chargor is not now and on closing shall not be in breach of any provision of the EPA or of any requirement or policy of any other relevant Government authority as may apply to the Property, the Chargor's use of the Property, or the Purchaser's intended use of the Property.

16. HAZARDOUS WASTE

In consideration of the advance of funds by the Chargee, the Chargor and the Covenantor hereby agree that, in addition to any liability imposed on the Chargor and Covenantor under any instrument evidencing or securing the loan indebtedness, the Chargor and Covenantor shall be jointly and severally liable for any and all of the costs, expenses, damages or liabilities of the Chargee, its directors and officers (including, without limitation, all reasonable legal fees) directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal or presence on, under or about the Property of any hazardous or noxious substances and such liability shall survive foreclosure of the security for the Charge and any other existing obligations of the Chargor and Covenantor to the Chargee in respect of the Charge and any other exercise by the Chargee of any remedies available to it for any default under the Charge.

17. CONSTRUCTION LIEN ACT

Provided also that upon the registration of any construction lien against title to the Property which is not discharged within a period of ten (10) days from the registration thereof, all monies hereby secured shall, at the option of the Chargee, forthwith become due and payable.

The Chargee may at its option, withhold from any advances for which the Chargor may have qualified, such holdbacks as the Chargee in its sole discretion, considers advisable to protect its position under the provisions of the Construction Lien Act, 1990, so as to secure its priority over any construction liens, until the Chargee is fully satisfied that all construction lien periods have expired and that there are no preserved or perfected liens outstanding. Nothing in this clause shall be construed to make the Chargee an "owner" or "payer" as defined under the Construction Lien Act, 1990, nor shall there be, or be deemed to be, any obligation by the Chargee to retain any holdback which may be required by the said legislation. Any holdback which may be required to be made by the owner or the payer shall remain solely the Chargor's obligation. The Chargor hereby covenants and agrees to comply in all respects with the provisions of the Construction Lien Act, 1990.

18. CONSTRUCTION LOAN

Provided that the Chargor and Chargee agree that if this is a construction loan, the following conditions shall apply:

- (a) The Chargor further covenants that all installation of services and construction on the lands hereby secured shall be carried out by reputable contractors with sufficient experience in a project of this nature and size, which contractors must be approved by the Chargee and which approval shall not be unreasonably withheld;
- (b) That the installation of services and the construction of dwellings on the said lands, once having been commenced, shall be continued in a good and workmanlike manner, with all due diligence and in substantial accordance with the plans and specifications delivered to the Chargee and to the satisfaction of the Municipality and all governmental and regulatory authorities having jurisdiction;
- (c) Provided that should the servicing and construction on the said lands cease for any reason whatsoever (strike, material shortages, weather and conditions or circumstances beyond the control of the Chargor excepted), for a period of fifteen (15) consecutive days unless explained to the satisfaction of the Chargee acting reasonably (Saturdays, Sundays and Statutory holidays excepted), then the monies hereby secured, at the option of the Chargee shall immediately become due and payable. In the event that construction does cease, then the Chargee shall have the right, at its sole option, to assume complete control of the servicing and construction of the project on the said lands in such manner and on such terms as it deems advisable. The cost of completion of servicing and construction of the project by the Chargee and all expenses incidental thereto shall be added to the principal amount of the Charge, together with a management fee of

fifteen percent (15%) of the costs of the construction completed by the Chargee. All costs and expenses, as well as the management fee shall bear interest at the rate as herein provided for and shall form part of the principal secured hereunder and the Chargee shall have the same rights and remedies with respect to collection of same as it would have respect to collection of principal and interest hereunder or at law;

- (d) At the option of the Chargee, at all times there shall be a holdback of ten percent (10%) with respect to work already completed;
- (e) All advances which are made from time to time hereunder shall be based on Certificate of the Chargee's agents prepared at the expense of the Chargor, which Certificates shall without limitation certify the value of the work completed and the estimated costs of any uncompleted work and such Certificates shall further certify that such completed construction and/or servicing to the date of such Certificate shall be in accordance with the approved plans and specifications for the said construction and further, in a good and workmanlike manner and in accordance with the permits issued for such servicing and construction and in accordance with all municipal and other governmental requirements of any authority having jurisdiction pertaining to such servicing and construction and there shall be no outstanding work orders or other requirements pertaining to servicing and construction on the said lands. Such Certificates with respect to any values shall not include materials on the site which are not incorporated into the buildings or the services;
- (f) At all times there shall be sufficient funds unadvanced under this Charge to complete the construction as well as a holdback of ten (10%) with respect to work already completed.

19. PROPERTY MANAGEMENT

The Chargor shall maintain at all times professional property management for the Property acceptable to the Chargee. Any change in the Property management of the Property shall be subject to the prior approval of the Chargee, both as to the manager and the terms and conditions of the management agreement, such approval not to be unreasonably withheld.

20. INSPECTION

The Chargee, its agents and employees shall have the right to enter upon the Property at all reasonable times to inspect and the reasonable costs of such inspections shall be forthwith payable by the Chargor to the Chargee.

21. SURVIVAL OF COMMITMENT LETTER

The agreements, covenants, representations, warranties, provisions and stipulations (in this section collectively referred to as "provisions") contained in the Commitment Letter form an integral part of the Charge and all such provisions shall be deemed to be contained in the Charge and have the same force and effect as if they were fully set forth herein. To the extent that any provision or provisions of the Commitment Letter conflict with any provision or provisions of the Charge, the Commitment Letter shall prevail.

22. SUBSEQUENT FINANCING

The Chargor agrees that no subsequent encumbrances may be placed on the Property without the prior written consent of the Chargee.

23. EVENTS OF DEFAULT

The Chargor at the sole option of the Chargee shall be in default under the Charge if any one or more of the following events of default (an "Event of Default") occurs at any time or times prior to registration of a complete discharge of the Charge:

- (a) the failure of the Chargor to make any payment of principal or interest as it comes due;
- (b) the Chargor defaults under any one or more of the covenants, conditions, terms, agreements, provisions and obligations contained in the Charge to be kept, observed and performed by the Chargor or any proceedings commenced under the Companies' Creditors Arrangement Act or other legislation;
- (c) the Chargor becomes insolvent, bankrupt or a trustee in bankruptcy is appointed for the Chargor or the Chargor makes a general assignment for the benefit of creditors or goes into liquidation either voluntarily or under an order of the court of competent jurisdiction or otherwise acknowledges his insolvency;
- (d) the appointment of a Receiver or Receiver manager of the Chargor or the Property;
- (e) any person seizes any rents from the Property, possession of the Property, the registration of any lien or similar action taken by any creditor of the Chargor;

(f) there is shown to be any discrepancy or inaccuracy in any written information, statement, warranty or representations made or furnished to the Chargee by or on behalf of the Chargor or Covenantor with respect to the Property or the Chargor's or any Covenantor's financial condition and if such discrepancies or inaccuracies are material in the opinion of the Chargee;

(g) any charge or encumbrance affecting the Property is in default;

(h) the Chargor obtains subsequent financing or refinancing of the Property without the prior written consent of the Chargee;

(i) the Chargor defaults under any one or more covenants, conditions, terms, agreements, provisions and obligations contained in any document, including the Environmental Indemnity delivered by the Chargor to the Chargee contemporaneously with this Charge, submitted to the Chargee by or on behalf of the Chargor in connection with the Charge;

(j) upon the death of the Chargor or one or more of the Chargors;

(k) The Chargor abandons the Property or the Property remains vacant for a period of thirty (30) Days;

(l) any material changes, additions or alterations are made to the Property, including material changes in usage, without the prior written consent of the Chargee; or

If any of the foregoing Events of Default shall occur then, notwithstanding the provisions of any other agreement between the Chargor and the Chargee and at the option of the Chargee, the whole of the Principal Amount and Interest and all other amounts payable hereunder shall immediately become due and payable and the Chargee shall be relieved of any further obligations to advance monies to the Chargor. If an Event of Default or any breach of the terms of this Charge or the Commitment Letter is waived implicitly or explicitly by the Chargee, such waiver shall not operate as a waiver of any other, further or continuation of the same breach or Event of Default.

24. RIGHT TO DISTRAIN

The Chargee may distrain for arrears of any portion of the Principal Amount, Interest or any other amounts due and unpaid hereunder. The Chargor waives all rights to claim exemption and confirms that there is no limit in the amount for which the Chargee may distrain.

25. APPOINTMENT OF RECEIVER

(a) At any time after the security hereby constituted becomes enforceable, or the Principal Amount shall have become payable, the Chargee may from time to time appoint by writing a Receiver or a Receiver-Manager, as it shall elect (hereinafter called "Receiver"), with or without Bond, and may from time to time remove the Receiver and appoint another in his stead, and any such Receiver appointed hereunder shall have the following powers:

(i) To take possession of the Property and to collect and get in the same and for such purpose to enter into and upon any lands, buildings and premises wheresoever and whatsoever and for such purpose to do any act and take any proceedings in the name of the Chargor or otherwise as he shall deem necessary;

(ii) To carry on or concur in carrying on the business of the Chargor, and to employ and discharge agents, workmen, accountants and others upon such terms and with such salaries, wages or remuneration as he shall think proper, and to repair and keep in repair the Property and to do all necessary acts and things for the carrying on of the business of the Chargor and the protection of the Property of the Chargor;

(iii) To sell or lease or concur in selling or leasing any or all of the Property, or any part thereof, and to carry any such sale or lease into effect by conveying in the name of or on behalf of the Chargor or otherwise; and any such sale may be made either at public auction or private sale as seen fit by the Receiver and any such sale may be made from time to time as to the whole or any part or parts of the Property; and he may make any stipulations as to title or conveyance or commencement of title or otherwise which he shall deem proper; and he may buy or rescind or vary any contracts for the sale of any part of the Property and may resell the same; and he may sell any of the same on such terms as to credit or part cash and part credit or otherwise as shall appear in his sole opinion to be most advantageous and at such prices as can reasonably be obtained therefor and in the event of a sale on credit neither he nor the Chargee shall be accountable for or charged with any monies until actually received;

(iv) To make any arrangement or compromise which the Receiver may think expedient in the interest of the Chargee and to consent to any modification or change in or omission from the provisions of the Charge and to exchange any part or part of the Property for any other property suitable for the purposes of the Chargee and upon such terms as may seem expedient and either with or without payment or exchange of money or regard to the equality of the exchange or otherwise;

(v) To borrow money to carry on the business of the Chargor and to charge the whole or any part of the Property in such amounts as the Receiver may from time to time deem necessary and in so doing the Receiver may issue certificates that may be payable when the Receiver thinks expedient and shall bear interest as stated therein and the amounts from time to time payable under such certificates shall charge the Property in priority to the Charge;

(vi) To execute and prosecute all suits, proceedings and actions which the Receiver in his opinion considers necessary for the proper protection of the Property to defend all suits, proceedings and actions against the Chargor or the Receiver, to appear in and conduct the prosecution and defense of any suit, proceedings or action then pending or thereafter instituted and to appeal any suit, proceeding or action;

(vii) To execute and deliver to the purchaser of any part or parts of the Property, good and sufficient transfer or transfers for the same, the Receiver hereby being constituted the irrevocable attorney of the Chargor for the purpose of making such sale and executing such transfer or transfers, and any such sale made as aforesaid shall be a perpetual bar both in law and equity against the Chargor, and all other persons claiming the Property or any part thereof by, from, through or under the Chargor, and the proceeds of any such sale shall be distributed in the manner hereinafter provided.

(b) It is agreed that no purchaser at any sale purporting to be made in pursuance of the aforesaid power or powers shall be bound or concerned to see or inquire whether any default has been made or continued, or whether any notice required hereunder has been given, or as to the necessity or expediency of the stipulations subject to which such sale shall have been made, or otherwise as to the propriety of such sale or regularity of its proceedings, or be affected by notice that no such default has been made or continues, or notice given as aforesaid, or that the sale is otherwise unnecessary, improper or irregular; and notwithstanding any impropriety or irregularity or notice thereof to such purchaser, the sale as regards such purchaser shall be deemed to be within the aforesaid power and be valid accordingly and the remedy (if any) of the Chargor, or of any party claiming by or under the Chargor, in respect of any impropriety or irregularity whatsoever in any such sale shall be in damages only.

(c) The revenue of the business of the Chargor and the net proceeds of any sale of the Property or part or parts thereof shall be applied by the Receiver subject to the claims of any creditors ranking in priority to the Charge:

(i) Firstly, in payment of all costs, charges and expenses of and incidental to the appointment of the Receiver and the exercise by him of all or any of the powers aforesaid including the reasonable remuneration of the Receiver and all amounts properly payable by him;

(ii) Secondly, in payment of all Costs;

(iii) Thirdly, in payment to the Chargee of the Principal Amount hereunder;

(iv) Fourthly, in payment to the Chargee of all Interest, arrears of Interest and any other monies remaining unpaid hereunder;

(v) Fifthly, any surplus shall be paid to the Chargor provided that, in the event that any party claims a charge against all or a portion of the surplus, the Receiver shall make such disposition of all or a portion of the surplus as the Receiver deems appropriate in the circumstances.

(d) The Chargee shall not be liable to the Receiver for his remuneration costs, charges or expenses, and the Receiver shall not be liable for any loss howsoever arising unless the same shall be caused by his own negligence or willful default; and he shall, when so appointed by notice in writing pursuant hereto, be deemed to be the agent of the Chargor and the Chargor shall be solely responsible for his acts and defaults and for his remuneration.

26. CHARGE NOT A CHARGE IN POSSESSION

It is agreed that the Chargee, in exercising any of its rights under the Charge, shall be deemed not to be a chargee in possession or a mortgagee in possession of the Property.

27. SPECIFIC ASSIGNMENT OF LEASES

As further security for the Charge, the Chargor covenants and agrees to grant to the Chargee upon thirty (30) days prior written notice from the Chargee to the Chargor, a specific assignment of any lease or leases of part or all of the Property.

28. ADDITIONAL SECURITY

In the event that the Chargee, in addition to the Property, holds or shall hold, in the future, further security on account of the Principal Amount, it is agreed that no single or partial exercise of any of the Chargee's powers under the Charge or any of such further security (the Charge and any such further security are hereinafter together referred to as the "Security"), shall preclude other and further exercise of any other right, power or remedy pursuant to the Security. The

Chargee shall at all times have the right to proceed against all, any or any portion of the Security in such order and in such a manner as the Chargee shall, in the Chargee's sole and unfettered discretion, deem fit without waiving any rights which the Chargee might have with respect to the Security and the exercise of any such powers or remedies from time to time shall in no way affect the liability of the Chargor under the remaining Security.

29. FINANCIAL STATEMENTS

As long as there is any amount owing by the Chargor to the Chargee pursuant to the Charge, the Chargor shall deliver to the Chargee:

(a) within 120 days after the end of each fiscal year of the Chargor, or within 120 days after the end of each calendar year, if applicable or if the Chargor is an individual, or more often if requested by the Chargee, review engagement financial statements of the Chargor including a separate income and expense statement for the Property, an operating statement and an updated rent roll containing relevant lease terms for the Property, all satisfactory to the Chargee in form and content;

(b) a review engagement financial statement within 120 days after the end of each fiscal year of each corporate Covenantor, or more often if requested by the Chargee, and, in the case of each individual Covenantor, a personal net worth statement within 120 days after the end of each calendar year, or more often, if requested by the Chargee, such statements to be in form and content satisfactory to the Chargee; and

(c) as soon as reasonably possible, such further information as the Chargee may reasonably require from time to time.

30. FURTHER ASSURANCES

The Chargor shall, at any time and from time to time, make, execute and deliver or cause to be made, executed and delivered to the Chargee such further and other reasonable acts, deeds, mortgages, charges, conveyances and assurances as may be required to fully and essentially carry out the true intention and meaning of the Charge and the costs to the Chargee, if any, of obtaining such further assurances shall be forthwith paid by the Chargor to the Chargee. No amendment, approval, waiver or consent relating to this Charge shall be valid unless same is in writing and executed by the Chargee.

31. PAYMENT AFTER DEFAULT

In the case of an Event of Default or the amount secured hereunder is not paid at the time or times provided herein, the Chargee shall not be required to accept payment in satisfaction of the outstanding Principal Amount without, in addition to all monies payable under the Charge, a bonus equal to three (3) months' interest on the Principal Amount outstanding. The Chargor shall not be entitled to a discharge of the Charge without payment of such bonus or 3 months' written notice of such payment in lieu thereof. Nothing in this section shall, however, affect or limit the right of the Chargee to recover by action or otherwise the Principal Amount in arrears.

32. ASSIGNMENT OF CONDOMINIUM VOTING RIGHTS

In the event that the property or any part thereof is or becomes a unit within a Condominium Corporation, the Chargee shall have all rights to vote on all matters relating to the said Condominium Corporation, in the place of and on behalf of the Chargor, and the Chargor hereby assigns unto the Chargee all such voting rights.

In the event that the property or any part thereof is or becomes a common Element Condominium Corporation, the Chargee shall have all rights to vote on all matters relating to the said Common Element Condominium Corporation in the place of and on behalf of the Chargor, to the extent that the Chargor would have such rights, and the Chargor hereby assigns unto the Chargee all such voting rights.

The Chargor agrees that the voting control of the Chargor shall not change during the currency of this loan without the prior written consent of the Chargee.

33. ASSIGNMENT BY CHARGE

The Chargee may assign or syndicate the loan for which this Charge is security without the consent of the Chargor.

34. PAYMENTS AND FEES

To pay to the Chargee its administration and/or servicing fees for the following matters in the amounts set forth:

- (a) Missed or late payment fee (payable for each missed or late installment and for processing each "NSF" cheque or other returned payment) \$200.00

PROVIDED that if any cheque is returned NSF, any replacement cheque must be certified. If such replacement cheque is not certified, the Chargee shall be entitled to have it certified, and to add all the

costs of certification (including courier charges to and from the Chargor's Bank) to the amount owing on the Mortgage.

- (b) Insurance - An insurance default fee of \$200.00 for cancelled insurance and an insurance placement fee of \$250.00 in addition to the insurance premium.
- (c) Taxes - for tax status inquiry \$200.00 plus cost of municipal tax certificate.
- (d) Default proceedings (payable for each action or proceeding instituted) \$1,000.00.
- (e) Mortgage Statements (for preparation of each Statement) \$250.00.
- (f) Discharge Statement and Administration fee - \$450.00. *Exclusive of legal and registration fees*
- (g) Property Inspection Fee - \$200.00 per inspection
- (h) Property Administration Fee for administering maintenance and security of the Property while in the Chargee's possession. \$100.00 per day
- (i) In the Event of Default herein, the Chargee or its appointee will be appointed as the Chargee's Manager, at the Chargee's discretion and will be entitled to a fee of \$200.00 per hour for its services and such fee will be charged to the Chargor's account, and added to the amount owing under this Charge.

35. POST-DATED CHEQUES

The Chargor shall deliver to each Chargee(s) on each anniversary of this Charge, twelve (12) posted-dated cheques in the monthly payment amount for the ensuing year, or until expiry of the Loan hereof if one (1) year or less.

36. PREPAYMENT PROVISIONS

This Charge is closed for prepayment for the first complete month after funding. Thereafter, if the Charge is not in default, the Chargor shall have the right or repaying the whole Principal Amount hereby secured upon one month's written notice by the Mortgagor to the Mortgagee and further upon payment of one month's interest on the amount so prepaid as a bonus.

37. VALIDITY OF PROVISIONS

If any provision of the Charge is held to any extent invalid or unenforceable, the remainder of the Charge shall not be affected and shall remain valid and enforceable. In the event of a conflict between the terms or provisions herein and the terms of any covenant, agreement or other document given by the Chargor in respect of this Charge, the Chargee shall elect which provisions apply.

38. TIME OF THE ESSENCE

Time shall be of the essence in all matters relating to the Charge.

39. INTERPRETATION AND HEADINGS

Wherever in the Charge the singular or masculine is used, the same shall be construed as meaning the plural or the feminine or the neuter where the context or the parties hereto so require. The headings do not form part of the Charge and have been inserted for convenience of reference only.

LRO # 20 Notice Of Assignment Of Rents-General

Received as HR1680983 on 2020 01 29 at 11:31

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

yyyy mm dd Page 1 of 7

Properties

PIN 24862 - 4100 LT
Description PT LT 13, CON 1 TRAFALGAR NEW SURVEY, PART 1, 20R3661 EXCEPT PT 14
 20R18868; TOWN OF MILTON
Address 194 BRONTE STREET SOUTH
 MILTON

Applicant(s)

The assignor(s) hereby assigns their interest in the rents of the above described land. The notice is based on or affects a valid and existing estate, right, interest or equity in land.

Name VILLAGE DEVELOPMENTS INC.
Address for Service 7686 Appleby Line, Milton, Ontario L9E
 ON1

I, Paul DeBattista, President, have the authority to bind the corporation.

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

Party To(s)		Capacity	Share
Name	NODRLANDER, CORY		17.24%
Address for Service	c/o Rescom Capital Inc. 1670 Bayview Avenue, Suite 400, Toronto, Ontario M4G 3C2		
Name	B & M HANDELMAN INVESTMENTS LTD.		8.62%
Address for Service	c/o Rescom Capital Inc. 1670 Bayview Avenue, Suite 400, Toronto, Ontario M4G 3C2		
Name	HANDELMAN, CAROL		8.62%
Address for Service	c/o Rescom Capital Inc. 1670 Bayview Avenue, Suite 400, Toronto, Ontario M4G 3C2		
Name	E. MANSON INVESTMENTS LTD.		34.48%
Address for Service	c/o Rescom Capital Inc. 1670 Bayview Avenue, Suite 400, Toronto, Ontario M4G 3C2		
Name	SPIEGEL, BEATRYCE	Joint Tenants	2.3% interest on Joint Account
Address for Service	c/o Rescom Capital Inc. 1670 Bayview Avenue, Suite 400, Toronto, Ontario M4G 3C2		
Name	SPIEGEL, RANDY	Joint Tenants	2.3% interest on Joint Account
Address for Service	c/o Rescom Capital Inc. 1670 Bayview Avenue, Suite 400, Toronto, Ontario M4G 3C2		
Name	SPIEGEL, STACEY	Joint Tenants	2.3% interest on Joint Account
Address for Service	c/o Rescom Capital Inc. 1670 Bayview Avenue, Suite 400, Toronto, Ontario M4G 3C2		
Name	SPIEGEL, RANDY		6.90%
Address for Service	c/o Rescom Capital Inc. 1670 Bayview Avenue, Suite 400, Toronto, Ontario M4G 3C2		
Name	COMFORT CAPITAL INC.		17.24%
Address for Service	c/o Rescom Capital Inc. 1670 Bayview Avenue, Suite 400, Toronto, Ontario M4G 3C2		

Statements

The applicant(s) acknowledges that the lessor assigning their rights is not the registered owner

The applicant applies for the entry of a notice of general assignment of rents.

This notice may be deleted by the Land Registrar when the registered instrument, HR1680982 registered on 2020/01/29 to which this notice relates is deleted

Schedule: See Schedules

LRO # 20 Notice Of Assignment Of Rents-General

Received as HR1680983 on 2020 01 29 at 11:31

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

yyyy mm dd Page 2 of 7

Signed By

Lawrence Zimmerman	3338 Dufferin St. Toronto M6A 3A4	acting for Applicant(s)	Signed	2020 01 28
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Tel 416-489-8422

Fax 416-489-6222

I have the authority to sign and register the document on behalf of all parties to the document.

Lawrence Zimmerman	3338 Dufferin St. Toronto M6A 3A4	acting for Party To(s)	Signed	2020 01 28
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Tel 416-489-8422

Fax 416-489-6222

I have the authority to sign and register the document on behalf of all parties to the document.

Submitted By

LAWRENCE ZIMMERMAN LAW OFFICE	3338 Dufferin St. Toronto M6A 3A4	2020 01 29
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Tel 416-489-8422

Fax 416-489-6222

Fees/Taxes/Payment

Statutory Registration Fee	\$65.05
Total Paid	\$65.05

File Number

Party To Client File Number : 19-1135/MJ

ASSIGNMENT OF RENTS

THIS INDENTURE made on the

January 13 2020
December, 2019.

TO: B. & M. Handelman Investments Limited, Carol Handelman, E. Manson Investments Ltd., Beatrice Spiegel/Randy Spiegel and Stacey Spiegel, on joint account, Randy Spiegel, Comfort Capital Inc. and Noorlander Capital Inc. (collectively "Mortgagee")

WHEREAS:

- A: The Mortgagee is advancing to Village Developments Inc. (the "Mortgagor") the sum of One Million Four Hundred and Fifty Thousand Dollars (\$1,450,000.00) upon the security of a Charge/Mortgage, (the "Mortgage") registered in the Land Titles Office for Halton Region Registry Office (No. 20) and made by the Mortgagor in favour of the Mortgagee on the security of the lands and premises owned by the Mortgagor and described herein under "Properties" on page 1 hereof, which lands and all buildings at any time thereon during the existence of the Mortgage are herein referred to as the "Mortgaged Premises";
- B. The Mortgagor is the registered owner of that portion of the Mortgaged Premises identified under PIN Nos.24962-4100 (LT).
- C: As a condition precedent of making the aforesaid mortgage loan, the Mortgagee has required an assignment to the Mortgagee; its heirs, executors, administrators, successors and assigns, as additional security for the observance and performance by the Mortgagor of their covenants and agreements contained in the Mortgage, all rents and other monies due or accruing due or at any time hereafter to become due and payable and all of the other rights of the Mortgagor under:
 - (i) all present and future leases, agreements to lease and subleases of any part of the Mortgaged Premises and all tenancies, present or future licences affording any person a right to use or occupy any part of the Mortgaged Premises, in such case for the time being in effect, and all revisions, alterations, modifications, amendments, changes, extensions, renewals, replacements, or substitutions thereof or therefore which are now or may hereafter be effected or entered into (hereinafter collectively referred to as the "Leases");
 - (ii) all present and future (i) guarantees of any or all of the obligations of any tenant (which term means any person who now or hereafter is a party to a Lease for the time being in effect and has any right of use or occupancy of all or any part of the Mortgaged Premises under a Lease); (ii) indemnities in respect of all or any of the obligations of any Tenant under any Lease and (iii) arrangements with a similar person for any other person to take over all or part of the balance of the term of any tenant under any Lease, and all revisions, alterations, modifications, amendments, changes, extensions, renewals, replacements and substitutions thereof or therefore which may hereafter be effected or entered into (hereinafter collectively referred to as the "Guarantee of Leases").

NOW THEREFORE this Indenture witnesseth that in consideration of the premises and the sum of TWO (\$ 2.00) DOLLARS now paid by the Mortgagee to the Mortgagor (the receipt and sufficiency whereof is hereby acknowledged):

1. The granting of this assignment does not derogate from the Mortgagor' obligation under the Mortgage not to lease, rent or part with possession of the Mortgaged Premises without first obtaining the Mortgagee's prior written consent, which consent may be unreasonably withheld.

Subject to paragraph 2 hereof, the Mortgagor hereby assign, transfer and set over unto the Mortgagee, its heirs, executors, administrators, successors and assigns, (a) The Leases and Guarantees of Leases; and (b) all rents and other monies now due or accruing due or at any time hereafter to become due and payable under each and every Lease and Guarantee of Leases, all other obligations of the other parties thereto and all benefits, advantages and powers to be derived therefrom; with full power and authority in each case to demand, sue for, recover, receive and give receipts for all rents and other moneys payable thereunder; to have and to hold unto the Mortgagee until all moneys owing and all obligations of the

Page 3

Mortgagor in respect of the Mortgage have been fully paid and fulfilled and after the Mortgage has been fully released and discharged this Agreement shall be void and of no further effect.

2. It is the intention of the parties hereto that this instrument shall be a present assignment provided that the Mortgagee shall not exercise any rights or remedies herein given to it until the Mortgagor are in default under any of the terms and provisions of the Mortgage or of this assignment. Until such default, the Mortgagor shall be permitted to collect, take, retain and use or permit the collection, taking, retention and use of the rents and revenues from the Mortgaged Premises. Default under this Indenture shall constitute default under the Mortgage.
3. (a) At any time, whether or not the Mortgagor are in default hereunder and whether or not the Mortgagee has determined to enforce the security hereof, upon request by the Mortgagee, the Mortgagor will promptly deliver, to the extent that the same have not been previously delivered, to the Mortgagee a copy of any or all of the Leases and any Guarantees of Leases;
- (b) The Mortgagor covenant and agree that all the obligations of the Lessor or Licensor under each of the Leases will be observed and performed except to the extent that such observance or performance may be waived by the obligees;
- (c) The Mortgagor covenant and agree that they will, from time to time, on request by the Mortgagee, execute or join in the execution of and deliver to the Mortgagee any one or more of the following which shall be subject to this Indenture:
 - (i) A Specific Assignment of all of the rights, title and interest of the Mortgagor as Lessor or Licensor in, to, under, or in respect of all rents and other moneys now due and payable under any one or more of the Leases and any Guarantees of Leases;
 - (ii) A Specific Assignment of all the right, title and interest of the Mortgagor, as Lessor or Licensor in, to, under or in respect of any of the Leases, all rent or other moneys now due and payable or hereafter to become due and payable thereunder, all other obligations of the other parties thereunder and all the benefits, advantages and powers to be derived therefrom and each and every Guarantee of Lease, with full power and authority to demand, sue for, recover, receive and give receipts for all rents and other moneys payable thereunder and otherwise to enforce the rights of the Mortgagor thereunder in the name of the Mortgagor;
4. Whenever the Mortgagor have been in default under any of the terms or provisions of the Mortgage, the Mortgagee shall be entitled to enter into possession of the Mortgaged Premises and collect the rents and revenues thereof, distrain in the name of the Mortgagor for the same and appoint its agents to manage the Mortgaged Premises and pay such agents reasonable charges for their services and charge the same to the account of the Mortgagor; and that any agents so appointed by the Mortgagee shall have the authority and power:
 - (a) to make any Lease or Leases of the Mortgaged Premises or of any part thereof at such rent and on such terms as the Mortgagee in its discretion may consider proper and to cancel or surrender existing Leases, to alter or amend the terms of existing Leases, to renew existing Leases, or to make concessions to Tenants as the Mortgagee in its discretion may consider proper;
 - (b) to manage generally the Mortgaged Premises to the same extent as the Mortgagor could do; and
 - (i) to collect the rents and revenues and give good and sufficient receipts and discharges therefor, and in their discretion, distrain in the name of the Mortgagor for such rents and revenues;
 - (ii) to pay all insurance premiums, taxes, necessary repairs, renovations and upkeep, carrying charges, rent or lease commissions, salary of any janitor or caretaker, cost of heating, and any and all payments due on the Mortgage to the Mortgagee;

- (iii) to accumulate the rents and revenues in such agent's hands in a reasonable amount to make provision for maturing payments of interest and principal on the Mortgage, and for the payments of taxes, insurance, heating, repairs, renovations and upkeep, costs and expenses of collection of rents and revenues, and other expenses or carrying charges connected with the Mortgaged Premises.
- 5. Where any discretionary powers hereunder are vested in the Mortgagee or its agents, the same may be exercised by any officer, investment manager or manager of the Mortgagee or its appointed agents, as the case may be.
- 6. Any entry upon the Mortgaged Premises under the terms of this Indenture shall not constitute the Mortgagee a "Mortgagee in Possession" in contemplation of law and the Mortgagee shall not become liable to account to the Mortgagor or credit the Mortgagor with any moneys on account of the Mortgage except those which shall come into its hands or into the hands of any agents appointed by it pursuant hereto; the Mortgagee shall not be liable for failure to collect rents or revenues and shall be under no obligation to take any action or proceeding or exercise any remedy for the collection or recovery of the said rents and revenues, or any part thereof, and then, subject to all deductions and payments made out of the rents and revenues received from the Mortgaged Premises as herein provided.
- 7. That whenever any and all default under the Mortgage has been cured, and all taxes and insurance on the Mortgaged Premises have been paid to date, and all moneys which the Mortgagee or its agents may have expended or become liable for in connection with the Mortgaged Premises have been fully repaid, then the Mortgagee, shall redeliver possession of the Mortgaged Premises to the Mortgagor and the Mortgagor shall resume collection of the rents or revenues on the Mortgaged Premises until further default has occurred as aforesaid, and shall thereupon also be permitted to receive any remaining balance of the rents and revenues realized from the Mortgaged Premises.
- 8. That the Mortgagor warrant that they have not, and covenant that they shall not, at any time during the existence of the Mortgage, assign, pledge or hypothecate any Lease or Leases now or hereafter existing in respect of the Mortgaged Premises or the rents and revenues due or to become due thereunder, or any part thereof, other than to the Mortgagee; and the Mortgagor shall not, at any time during the existence of the Mortgage, commit, either by act or omission, any breach of covenant on the part of the Lessor under any of the Leases to be observed and performed, terminate, accept a surrender of, or amend in any manner, any Lease or Leases now or hereafter existing in respect of the Mortgaged Premises, or receive or permit the payment of any rents or revenues by anticipation in respect thereof, except as provided in the Leases, without the consent in writing of the Mortgagee, which consent shall not be arbitrarily or unreasonably withheld.
- 9. That this assignment is taken by way of additional security only and neither the taking of this assignment nor anything done in pursuance hereof shall make the Mortgagee liable in any way, as landlord or otherwise, for the performance of any covenants, obligations or liabilities under the Leases or any of them.
- 10. The Mortgagor waive any rights of set-off against the Lessees.
- 11. The Mortgagor covenant and agree with the Mortgagee:
 - (a) that the Leases shall remain in full force and effect irrespective of any merger of the interest of the Lessor and Lessee thereunder; and that it will not transfer or convey the fee title to the said premises to any of the Lessees without requiring such Lessees, in writing, to assume and agree to pay the debt secured hereby in accordance with the terms, covenants and conditions of the Mortgage hereinbefore described;
 - (b) that if the Leases provide for the abatement of rent during the repair of the demised premises by reason of fire or other casualty, the Mortgagor shall furnish rental insurance to the Mortgagee, the policies to be in an amount and form and written by such insurance companies as shall be satisfactory to the Mortgagee;

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- (c) not to terminate, modify or amend said Leases or any of the terms thereof, or grant any concessions in connection therewith, either orally or in writing, or to accept a surrender thereof without the written consent of the Mortgagee and that any attempted termination, modification or amendments of said Leases without such written consent shall be null and void;
 - (d) other than last month's rent, not to collect any of the rent, income and profits arising or accruing under said Leases in advance nor to accept any prepayments of rent;
 - (e) not to discount any future accruing rents;
 - (f) not to execute any other assignments of said Leases or any interest therein or any of the rents thereunder;
 - (g) to perform all of the Mortgagor's covenants and agreements as Lessor under the said Leases and not to suffer or permit to occur any release of liability of the Lessees, or any rights to the Lessees to withhold payment of rent; and to give prompt notices to the Mortgagee of any notice of default on the part of the Mortgagor with respect to the said Leases received from the Lessees thereunder, and to furnish the Mortgagee with complete copies of the said notices;
 - (h) that all offers to lease and Leases shall be bona fide, the terms of which are to be approved by the Mortgagee prior to execution, and shall be at rental rates and terms consistent with comparable space in the area of the lands and premises described herein;
 - (i) if so requested by the Mortgagee, to enforce the said Leases and all remedies available to the Mortgagor against the Lessees, in case of default under the said Leases by the Lessee;
 - (j) that none of the rights or remedies of the Mortgagee under the mortgage shall be delayed or in any way prejudiced by this assignment;
 - (k) that notwithstanding any variation of the terms of the mortgage or any extension of time for payment thereunder, the Leases and benefits hereby assigned shall continue as additional security in accordance with the terms hereof;
 - (l) not to alter, modify or change the terms of any guarantees of any of the said Leases or cancel or terminate such guarantees without the prior written consent of the Mortgagee;
 - (m) not to consent to any assignment of the said Leases, or any subletting thereunder, whether or not in accordance with their terms, without the prior written consent of the Mortgagee;
 - (n) not to request, consent to, agree to or accept subordination of the said Leases to any mortgage or other encumbrance now or hereafter affecting the Mortgaged Premises;
 - (o) not to exercise any right of election, whether specifically set forth in any such Leases or otherwise which would in any way diminish the tenant's liability or have the effect of shortening the stated term of the Lease; and
 - (p) to pay the costs, charges and expenses of and incidental to the taking, preparation and filing of this Agreement or any notice hereof which may be required and of every renewal related thereto.
12. Upon any vesting of title to the properties secured under the Mortgage in the Mortgagee or other party by Court Order, operation of law, or otherwise and upon delivery of a deed or deeds pursuant to the Mortgagee's exercise of remedies under the Mortgage, all right, title and interest of the Mortgagor in and to the Lease shall by virtue of this instrument, thereupon vest in and become the absolute property of the party vested with such title or the grantee or grantees in such deed or deeds without any further act or assignment by the Mortgagor. The Mortgagor hereby irrevocably appoint the Mortgagee and its successors

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and assigns, as their agent and attorney in fact, to execute all instruments of assignment or further assurances in favour of such party vested with title or the grantee or grantees.

13. In the exercise of the powers herein granted to the Mortgagee, no liability shall be asserted or enforced against the Mortgagee, all such liability being hereby expressly waived and released by the Mortgagor. The Mortgagee shall not be obligated to perform or discharge any obligation, duty or liability under the Lease, or under or by reason of this assignment, and the Mortgagor shall and do hereby agree to indemnify the Mortgagee for, and to save and hold it harmless of and from, any and all liability, loss or damage which it may or might incur under the Lease or under or by reason of this assignment and of and from any and all claims and demands whatsoever which may be asserted against it by reason of any obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in the Lease. Should the Mortgagee incur any such liability, loss or damage under the Lease or under or by reason of this assignment, or in the defence of any such claims or demands, the amount thereof, including costs, expenses and reasonable attorney's fees, shall be secured hereby, and the Mortgagor shall reimburse the Mortgagee therefore immediately upon demand.
14. This assignment is intended to be additional to and not in substitution for or in derogation of any assignment of rents contained in the mortgage or in any other document.
15. That the rights or remedies given to the Mortgagee hereunder shall be cumulative of and not substituted for any rights or remedies to which the Mortgagee may be entitled under the Mortgage or at Law.
16. That the terms and conditions hereof shall be binding upon and enure to the benefit of the heirs, executors, administrators, successors and assigns of the parties hereof as the case may be, and that all covenants and liabilities of the Mortgagor shall be joint and several.
17. A discharge of the Mortgage in favour of the Mortgagor shall operate as a reassignment of this Assignment of Rents.
18. PROVIDED that it is hereby agreed that in construing this indenture the words "Mortgagor" or "Mortgagors" or "Mortgagee" or "Mortgagees", and "he", "she", "they" or "it", "his", "her", "their", or "its", respectively, as the number and gender of the parties referred to in each case require, and the number of the verb agreeing therewith shall be construed as agreeing with the said word or pronoun so substituted. And that all rights, advantages, privileges, immunities, powers and things hereby secured to the Mortgagor or Mortgagors, Mortgagee or Mortgagees, shall be equally secured to and exercisable by his, her, their or its heirs, executors, administrators and assigns, or successors and assigns, as the case may be. And that all covenants, liabilities and obligation entered into or imposed hereunder upon the Mortgagor or Mortgagors, Mortgagee or Mortgagees, shall be equally binding upon his, her, their or its heirs, executors, administrators and assigns, or successors and assigns, as the case may be, and that all such covenants and liabilities and obligations shall be joint and several.

DATED at Milton, this ^{January 2020} 13 day of December, 2019.

VILLAGE DEVELOPMENTS INC.

Per: 

Name: Paul DiBattista

Title: President

I have authority to bind the corporation.

This is Exhibit “U” referred to in the Affidavit of GARY GRUNEIR sworn by GARY GRUNEIR of the City of Markham, before me at the City of Toronto, in the Province of Ontario, on May 31, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

DAVID P. PREGER

LAND
REGISTRY
OFFICE #20

24962-4100 (LT)

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

PROPERTY DESCRIPTION: PT LT 13, CON 1 TRAFALGAR NEW SURVEY , PART 1 , 20R3661 EXCEPT PT 14 20R18868; TOWN OF MILTON

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
DIVISION FROM 24962-0081

PIN CREATION DATE:
2013/04/16

OWNERS' NAMES
VILLAGE DEVELOPMENTS INC.

CAPACITY SHARE
ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:						
** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *						
** AND ESCHEATS OR FORFEITURE TO THE CROWN.						
** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF						
** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY						
** CONVENTION.						
** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.						
**DATE OF CONVERSION TO LAND TITLES: 1996/10/28 **						
239856	1968/01/10	BYLAW				C
20R3661	1978/04/20	PLAN REFERENCE				C
HR1606650	2019/02/28	TRANSFER	\$1,625,000	SIPSIS, BILL SIPSIS, GEORGE SIPSIS, MARIA	VILLAGE DEVELOPMENTS INC.	C
REMARKS: PLANNING ACT STATEMENTS.						
HR1680982	2020/01/29	CHARGE	\$1,450,000	VILLAGE DEVELOPMENTS INC.	NOORLANDER, CORY B & M HANDELMAN INVESTMENTS LTD. HANDELMAN, CAROL E. MANSON INVESTMENTS LTD. SPIEGEL, BEATRYCE SPIEGEL, RANDY SPIEGEL, STACEY SPIEGEL, RANDY COMFORT CAPITAL INC.	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
HR1680983	2020/01/29	NO ASSGN RENT GEN		VILLAGE DEVELOPMENTS INC.	NOORLANDER, CORY B & M HANDELMAN INVESTMENTS LTD. HANDELMAN, CAROL E. MANSON INVESTMENTS LTD. SPIEGEL, BEATRYCE SPIEGEL, RANDY SPIEGEL, STACEY SPIEGEL, RANDY COMFORT CAPITAL INC.	C
		REMARKS: HR1680982				
HR1819366	2021/08/16	CHARGE	\$385,000	VILLAGE DEVELOPMENTS INC.	1978667 ONTARIO INC.	C
HR1819367	2021/08/16	NO ASSGN RENT GEN		VILLAGE DEVELOPMENTS INC.	1978667 ONTARIO INC.	C
		REMARKS: HR1819366.				
HR1823790	2021/08/30	NOTICE	\$2	VILLAGE DEVELOPMENTS INC.	1978667 ONTARIO INC.	C
		REMARKS: HR1819366				
HR1844041	2021/11/12	NOTICE	\$2	VILLAGE DEVELOPMENTS INC.	1978667 ONTARIO INC.	C
		REMARKS: HR1819366				

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.

This is Exhibit “V” referred to in the Affidavit of GARY GRUNEIR sworn by GARY GRUNEIR of the City of Markham, before me at the City of Toronto, in the Province of Ontario, on May 31, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

DAVID P. PREGER

GENERAL SECURITY AGREEMENT

1. SECURITY INTEREST

(a) For value received, **B. & M. Handelman Investments Limited, Carol Handelman, E. Manson Investments Ltd., Beatrice Spiegel/Randy Spiegel and Stacey Spiegel, on joint account, Randy Spiegel, Comfort Capital Inc. and Noorlander Capital Inc. (collectively the "Lender")** is hereby granted by the Debtor (the "Debtor") by way of assignment and transfer, a security interest (the "Security Interest") in the undertaking of the Debtor and in all Goods (including all parts, accessories, special tools, additions and accessions thereto), Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Accounts, Intangibles, Money and Securities now owned or hereafter owned or acquired by or on behalf of the Debtor relating to the Property described in Schedule "A" annexed hereto (including such as may be returned to or repossessed by the Debtor) and in all Proceeds and renewals thereof, accretions thereto and substitutions therefor (hereinafter collectively called "Collateral"), including without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of the Debtor:

- (i) all present and future equipment of the Debtor, including all machinery, appliances, fixtures, plant, tools, furniture, vehicles of any kind or description, all spare parts, accessories installed in or affixed or attached to any of the foregoing, and all drawings, specifications, plans and manuals relating thereto ("Equipment");
- (ii) all present and future inventory of the Debtor, including all raw materials, materials used or consumed in the business or profession of the Debtor, work-in-progress, finished goods, goods used for packing, materials used in the business of the Debtor not intended for sale, and goods acquired or held for sale or furnished or to be furnished under contracts of rental or service ("Inventory");
- (iii) all book accounts and book debts and generally all accounts, debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including letters of credit and advices of credit, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by the Debtor ("Accounts");
- (iv) all deeds, documents, writings, papers, books of account and other books relating to or being records of Debts, Chattel Paper or Documents of Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
- (v) all present and future intangible personal property of the Debtor, including all contract rights, licences, goodwill, patents, trade marks, copyrights and other industrial property, and all other choses in

action of the Debtor of every kind, whether due at the present time or hereafter to become due or owing ("Intangibles");

- (vi) all monies other than trust monies lawfully belonging to others;
 - (vii) all present and future securities held by the Debtor, including shares, options, rights, warrants, joint venture interests, interests in limited partnerships, bonds, debentures and all other documents which constitute evidence of a share, participation or other interest of the Debtor in property or in an enterprise or which constitute evidence of an obligation of the issuer; and including an uncertificated security within the meaning of Part VI (Investment Securities) of the Business Corporations Act, 1982, (Ontario) and all substitutions therefor and dividends and income derived therefrom ("Securities");
 - (viii) all Personal Property now in or in the future located at the premises of the Debtor described in Schedule "A" annexed or described in any schedule hereafter annexed or in any subsequent security agreement related to the Indebtedness of the Debtor and belonging to the Debtor.
- (b) The Security Interest granted hereby shall not extend or apply to and Collateral shall not include the last day of the term of any lease or agreement therefor but upon the enforcement of the Security Interest the Debtor shall stand possessed of such term.
- (c) The terms "Goods", "Chattel Paper", "Documents of Title", "Equipment", "Consumer Goods", "Accounts", "Money", "Instruments", "Intangibles", "Securities", "Proceeds", "Inventory", "Personal Property", and "Accession" whenever used herein shall be interpreted pursuant to their respective meanings when used in the Personal Property Security Act (Ontario), as amended from time to time (herein referred to as the "P.P.S.A."). Provided always that the term "Goods" when used herein shall not include "consumer goods" of the Debtor as that term is defined in the P.P.S.A. Any reference herein to "Collateral" shall, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof". The term "Proceeds", whenever used herein and interpreted as above shall, by way of example, include trade-ins, equipment, cash, bank accounts, notes, chattel paper, goods, contract rights, accounts and any other personal property or obligation received when such collateral or proceeds are sold, exchanged, collected or otherwise disposed of.

2. **INDEBTEDNESS SECURED**

The Security Interest granted hereby secures payment and satisfaction of any and all obligations, indebtedness and liability to the Lender arising out of a certain charge/mortgage delivered by the Debtor to the Lender for the principal sum of One Million, Four Hundred and Fifty Thousand Dollars (\$1,450,000.00) (hereinafter collectively called the "Indebtedness") dated on or about the 23rd day of December, 2019.

3. **REPRESENTATIONS AND WARRANTIES OF DEBTOR**

The Debtor represents and warrants and so long as this Security Agreement remains in effect shall be deemed to continuously represent and warrant that:

- (a) The Collateral is genuine and owned both legally and beneficially by the Debtor free of all interests, mortgages, liens, claims, charges or other encumbrances (hereinafter collectively called "Encumbrances"), save for the Security Interest and those Encumbrances shown on Schedule "B" or hereafter approved in writing by the Lender, prior to their creation or assumption;
- (b) Each Account, Chattel Paper and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "Account Debtor"), and the amount represented by the Debtor to the Lender from time to time as owing by each Account Debtor or by all Account Debtors is owing except for normal cash discounts where applicable, and the Debtor will use its best efforts to insure that no Account Debtor will have any defence, set off, claim or counterclaim against the Debtor which can be asserted against the Lender, whether in any proceeding to enforce Collateral or otherwise; and
- (c) The location specified in Schedule "A" as to business operations, the location of Collateral and records is accurate and complete.

4. **COVENANTS OF THE DEBTOR**

So long as this Security Agreement remains in effect the Debtor covenants and agrees:

- (a) To defend the Collateral against the claims and demands of all other parties claiming the same or an interest therein; to keep the Collateral free from all Encumbrances, except for the Security Interest and those shown on Schedule "B" or hereafter approved in writing by the Lender, prior to their creation or assumption and not to sell, exchange, transfer, assign, lease, otherwise dispose of Collateral or any interest therein without the prior written consent of the Lender; provided always that, until default the Debtor may, in the

ordinary course of the Debtor's business, sell or lease Inventory and, subject to Clause 6 hereof, use monies available to the Debtor;

- (b) To notify the Lender promptly of:
 - (i) any change in the information contained herein or in the Schedules hereto relating to the Debtor, the Debtor's business or Collateral;
 - (ii) the details of any significant acquisition of Collateral;
 - (iii) the details of any claims or litigation affecting Collateral;
 - (iv) any material loss or damage to Collateral;
 - (v) any material default by any Account Debtor in payment or other performance of his obligations with respect to Collateral; and
 - (vi) the return to or repossession by the Debtor of Collateral;
- (c) To keep the Collateral in good order, condition and repair and not to use Collateral in violation of the provisions of this Security Agreement or any other agreement relating to Collateral or any policy insuring Collateral or any applicable statute, law, by-law, rule, regulation or ordinance;
- (d) To do, execute, acknowledge and deliver such further assignments, transfers, documents, acts, matters and things (including further schedules hereto) as may be reasonably requested by the Lender of or with respect to Collateral in order to give effect to these presents and to pay all reasonable costs for searches and filings in connection therewith;
- (e) To pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of the Collateral as and when the same become due and payable;
- (f) To insure the Collateral for such periods, in such amounts, on such terms and against loss or damage by fire and such other risks as the Lender shall reasonably direct with loss payable to the Lender and the Debtor, as insureds, as their respective interest may appear, and to pay all premiums therefor;
- (g) To prevent Collateral, save Inventory sold or leased as permitted hereby, from being or becoming an Accession to other property not covered by this Security Agreement;
- (h) To carry on and conduct the business of the Debtor in a proper and efficient manner and so as to protect and preserve the Collateral and to keep, in

accordance with generally accepted accounting principles, consistently applied, proper books of account for the Debtor's business as well as accurate and complete records concerning Collateral, and mark any and all such records and Collateral at the Lender's request so as to indicate the Security Interest;

- (i) To deliver to the Lender from time to time promptly upon request:
 - (i) any Documents of Title, Instruments, Securities and Chattel Paper constituting, representing or relating to Collateral;
 - (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to Collateral for the purpose of inspecting, auditing or copying the same;
 - (iii) all financial statements prepared by or for the Debtor regarding the Debtor's business;
 - (iv) all policies and certificates of insurance relating to Collateral; and
 - (v) such information concerning Collateral, the Debtor and business and affairs as the Lender may reasonably request;
- (j) To have the premises at which the Debtor carries on business or where Collateral is located professionally managed at all times.

5. USE AND VERIFICATION OF COLLATERAL

Subject to compliance with the Debtor's covenants herein and Clause 6 hereof, the Debtor may, until default, possess, operate, use, enjoy and deal with Collateral in the ordinary course of the Debtor's business in any manner not inconsistent with the provisions hereof; provided always that the Lender shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner the Lender may consider appropriate and the Debtor agrees to furnish all assistance and information and to perform all such acts as the Lender may reasonably request in connection therewith and for such purpose to grant to the Lender or its agents access, upon forty-eight (48) hours' notice, to all places where Collateral may be located and to the premises described in Schedule "A".

6. COLLECTION OF DEBTS

Before or after default under this Security Agreement, if the Lender believes that its security is impaired, the Lender may notify all or any Account Debtors of the Security Interest and may also direct such Account Debtors to make all payments on Collateral to the Lender. The Debtor acknowledges that any payments on or other proceeds of Collateral received by the Debtor from Account Debtors, whether on or before after default under this Security Agreement, shall be

received and held by the Debtor in trust for the Lender and shall be turned over to the Lender upon request if the Lender believes that its security is impaired.

7. **DISPOSITION OF MONIES**

Subject to any applicable requirements of the P.P.S.A., all monies collected or received by the Lender pursuant to or in exercise of any right it possesses with respect to Collateral shall be applied on account of Indebtedness in such manner as the Lender deems best or, at the option of the Lender, may be held unappropriated in a collateral account or released to the Debtor, all without prejudice to the liability of the Debtor or the rights of the Lender hereunder, and any surplus shall be accounted for as required by law.

8. **EVENTS OF DEFAULT**

The happening of any of the following events or conditions shall constitute default hereunder (hereinafter referred to as "default"):

- (a) The non-payment when due, whether by acceleration or otherwise, of any principal or interest forming part of Indebtedness.
- (b) The bankruptcy or insolvency of the Debtor; the filing against the Debtor of a petition in bankruptcy unless the making of an authorized assignment for the benefit of creditors by the Debtor; the appointment of a receiver or trustee for the Debtor or for any assets of the Debtor or the institution by or against the Debtor of any other type of insolvency proceeding under the Bankruptcy Act or otherwise;

9. **REMEDIES**

- (a) Upon default, the Lender may appoint or reappoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of the Lender or not, to be a receiver or receivers (hereinafter called a "Receiver", which term when used herein shall include a receiver and manager) of Collateral (including any interest, income or profits therefrom) and may remove any Receiver so appointed and appoint another in his stead. Any such Receiver shall, so far as concerns responsibility for his acts, be deemed the agent of the Debtor and not the Lender and the Lender shall not be in any way responsible for any misconduct, negligence, or non-feasance on the part of any such Receiver, his servants, agents or employees. Subject to the provisions of the instruments appointing him, any such Receiver shall have the power to take possession of Collateral, to preserve Collateral or its value, to carry on or concur in carrying on all or any part of the business of the Debtor and to sell, lease or otherwise dispose of or concur in selling, leasing or otherwise disposing of Collateral. To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others, including the Debtor, enter upon, use and occupy all premises

owned or occupied by the Debtor, maintain Collateral upon such premises, borrow money on a secured or unsecured basis and use Collateral directly in carrying on the Debtor's business or otherwise, as such Receiver shall, in his discretion, determine. Except as may be otherwise directed by the Lender, all monies received from time to time by such Receiver in carrying out his appointment shall be received in trust for and paid over to the Lender. Every such Receiver may, in the discretion of the Lender, be vested with all or any of the rights and powers of the Lender.

- (b) Upon default, the Lender may, either directly or indirectly or through its agents or nominees, exercise any or all of the powers and rights given to a Receiver by virtue of the foregoing subclause (a).
- (c) The Lender may take possession of, collect, demand, sue on, enforce, recover and receive Collateral and give valid and binding receipts and discharges therefor and in respect thereof and, upon default, the Lender may sell, lease or otherwise dispose of Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as to the Lender may seem reasonable.
- (d) In addition to those rights granted herein and in any other agreement now or hereafter in effect between the Debtor and the Lender and in addition to any other rights the Lender may have at law or in equity, the Lender shall have, both before and after default, all rights and remedies of a secured party under the P.P.S.A. provided always, that the Lender shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, lease or otherwise dispose of Collateral or to institute any proceedings for such purposes. Furthermore, the Lender shall have no obligation to take any steps to preserve rights against prior parties to any Instrument or Chattel Paper whether Collateral or proceeds and whether or not in the Lender's possession and shall not be liable or accountable for failure to do so.
- (e) The Debtor acknowledges that the Lender or any Receiver appointed by it may take possession of Collateral wherever it may be located and by any method permitted by law and the Debtor agrees upon request from the Lender or any such Receiver to assemble and deliver possession of Collateral at such place or places as directed if practicable.
- (f) The Debtor agrees to pay all costs, charges and expenses reasonably incurred by the Lender or any Receiver appointed by it, whether directly or for services rendered (including reasonable solicitors and auditors costs and other legal expenses and Receiver remuneration), in operating the Debtor's accounts, in preparing or enforcing this Security Agreement, taking custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting Indebtedness and all such costs,

charges and expenses, together with any monies owing as a result of any borrowing by the Lender or any Receiver appointed by it, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of Collateral and shall be secured hereby.

- (g) The Lender will give the Debtor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of Collateral is to be made, as may be required by the P.P.S.A.
- (h) Upon failure of the Debtor to have its premises professionally managed in accordance with Clause 4(j) hereof, the Lender may, but shall not be obligated to appoint such professional manager or managers, as it may deem necessary in its sole discretion, to manage such premises at the sole expense of the Debtor.

10. MISCELLANEOUS

- (a) The Debtor hereby authorizes the Lender to file such financing statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying Collateral or any permitted encumbrances affecting Collateral) as the Lender may deem appropriate to perfect and continue the Security Interest, to protect and preserve Collateral and to realize upon the Security Interest, and the Debtor hereby irrevocably constitutes and appoints the Lender the true and lawful attorney of the Debtor, with full power of substitution, to do any of the foregoing in the name of the Debtor whenever and wherever it may be deemed necessary or expedient.
- (b) Upon the Debtor's failure to perform any of its duties hereunder, the Lender may, but shall not be obligated to, perform any or all such duties, and the Debtor shall pay to the Lender, forthwith upon written demand therefor, an amount equal to the expense incurred by the Lender in so doing plus interest thereon from the date such expense is incurred until it is paid at the rate per annum set forth in the said mortgage.
- (c) The Lender may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with the Debtor, sureties and others and with Collateral and other security as the Lender may see fit without prejudice to the liability of the Debtor or the Lender's right to hold and realize the Security Interest. Furthermore, the Lender may demand, collect and sue on Collateral in either the Debtor's or the Lender's name on any and all cheques, commercial paper, and any other Instrument pertaining to or constituting Collateral.

- (d) No delay or omission by the Lender in exercising any right or remedy hereunder or with respect to any Indebtedness shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Furthermore, the Lender may remedy any default by the Debtor hereunder or with respect to any Indebtedness in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by the Debtor. All rights and remedies of the Lender granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.
- (e) The Debtor waives protest of any Instrument constituting Collateral at any time held by the Lender on which the Debtor is in any way liable and, subject to Clause 9(g) hereof, notice of any other action taken by the Lender.
- (f) This Security Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
- (g) Save for any schedules which may be added hereto pursuant to the provisions hereof, no modification, variation or amendment of any provision of this Security Agreement shall be made except by a Written Agreement, executed by the parties hereto and no waiver of any provision hereof shall be effective unless in writing.
- (h) Subject to the requirements of Clauses 9(g) and 10(e) hereof, whenever either party hereto is required or entitled to notify or direct the other or to make a demand or request upon that other, such notice, direction, demand or request shall be in writing and shall be sufficiently given only if delivered to the party for whom it is intended at the principal address of such party herein set forth or as changed pursuant hereto or if sent by prepaid registered mail addressed to the party for whom it is intended at the principal address of such party herein set forth or as changed pursuant hereto. Either party may notify the other pursuant hereto of any change in such party's principal address to be used for the purpose hereof.
- (i) This Security Agreement and the security afforded hereby shall remain in full force and effect until all Indebtedness contracted for or created, shall be paid in full.
- (j) The headings used in this Security Agreement are for convenience only and are not to be considered a part of this Security Agreement and do not in any way limit or amplify the terms and provisions of this Security Agreement.
- (k) When the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with all

grammatical changes necessary dependent upon the person referred to being a male, female, firm or corporation.

- (l) In the event any provisions of this Security Agreement, as amended from time to time, shall be deemed invalid or void, in whole or in part, by any Court of competent jurisdiction, the remaining terms and provisions of this Security Agreement shall remain in full force and effect.
- (m) Nothing herein contained shall in any way obligate the Lender to grant, continue, renew, extend time for payment of or accept anything which constitutes or would constitute Indebtedness.
- (n) The Security Interest created hereby is intended to attach when this Security Agreement is signed by the Debtor and delivered to the Lender.

11. **COPY OF AGREEMENT AND ATTACHMENT**

The Debtor hereby acknowledges receipt of a copy of this Security Agreement and that the parties do not intend any postponement of the attachment of the Security Interest to the Collateral.

IN WITNESS WHEREOF the Debtor has executed this Security Agreement under the hand of its authorized signing officers this 3rd day of December, 2019

VILLAGE DEVELOPMENTS INC.

Per: 

Paul DiBattista, President

I have the authority to bind the corporation

SCHEDULE "A"

All property located at:

194 Bronte Road, South

(the "Property");

SCHEDULE "B"

Permitted Encumbrances

None.

This is Exhibit “W” referred to in the Affidavit of GARY GRUNEIR sworn by GARY GRUNEIR of the City of Markham, before me at the City of Toronto, in the Province of Ontario, on May 31, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

DAVID P. PREGER



Dickinson Wright LLP

PERSONAL PROPERTY SECURITY ACT (ONTARIO)
SEARCH SUMMARY WITH RESPECT TO:
VILLAGE DEVELOPMENTS INC.

eSummary Requested By: Dickinson Wright LLP
PPSA Enquiry ID: 3280532
File Currency: 09MAY 2023

DISCLAIMER:

This report was produced by a compilation of data retrieved from the Personal Property Registration System, Ministry of Government Services, Government of Ontario. Dye & Durham Corporation is not responsible for the accuracy, reliability or currency of the information provided by this external source. The purchaser of this report has agreed with consideration at the time of purchase to assume all liability and further indemnify Dye & Durham Corporation for any and all damages and costs resulting from any matter related to the content of this report. Users wishing to rely upon this information should consult directly with the source of the information. No liability is undertaken by Dye & Durham Corporation regarding the completeness, correctness or the interpretation or use which may be made of this report.

	File No.	Enquiry Page No.	Reg. No.	Debtor(s)	Secured Party	Collateral Class.					
						CG	I	E	A	O	MV
1.	787110228 PPSA	32	20220928 1302 1590 1982 Reg. 5 year(s) Expires 28SEP 2027	VILLAGE DEVELOPMENTS INC. PAUL DEBATTISTA (DOB: 14AUG1964)	1846836 ONTARIO INC.		X	X	X	X	
		Amount Secured: \$1000000 No Fixed Maturity Date General Collateral Description: GENERAL SECURITY AGREEMENTS AND GUARANTEE BY DEBTORS IN FAVOUR OF SECURED PARTY RELATED TO 485,501,511 ONTARIO STREET, MILTON, ONTARIO									
	File No.	Enquiry Page No.	Reg. No.	Debtor(s)	Secured Party	Collateral Class.					
						CG	I	E	A	O	MV
2.	783700875 PPSA	30	20220606 1556 1590 5847 Reg. 5 year(s) Expires 06JUN 2027	2725431 ONTARIO LIMITED VILLAGE DEVELOPMENTS INC. PAUL DEBATTISTA (DOB: 14AUG1964)	VAULT CAPITAL INC.		X	X	X	X	X
	File No.	Enquiry Page No.	Reg. No.	Debtor(s)	Secured Party	Collateral Class.					
						CG	I	E	A	O	MV
3.	783700848 PPSA	29	20220606 1556 1590 5846 Reg. 5 year(s) Expires 06JUN 2027	2725431 ONTARIO LIMITED VILLAGE DEVELOPMENTS INC.	VAULT CAPITAL INC.				X	X	
	File No.	Enquiry Page No.	Reg. No.	Debtor(s)	Secured Party	Collateral Class.					
						CG	I	E	A	O	MV
4.	780349698 PPSA	25	20220211 1257 1901 1060 Reg. 05 year(s)	VILLAGE DEVELOPMENTS INC.	JASON WAXMAN	X	X	X	X	X	

			Expires 11FEB 2027										
Amount Secured: \$1700000													
General Collateral Description: SECURITY GRANTED PURSUANT TO A GENERAL SECURITY AGREEMENT MADE ON OR ABOUT THE 26TH DAY OF JANUARY, 2022, BETWEEN VILLAGE DEVELOPMENTS INC. AS DEBTOR, AND JASON WAXMAN, OR AS ASSIGNED AND SUCCESSORS THEREOF, AS SECURED PARTY, AS AMENDED FROM TIME TO TIME AND INCLUDING ANY ANNEX, SUPPLEMENT OR SCHEDULE THERETO. GENERAL SECURITY AGREEMENT OVER ALL PRESENT AND AFTER-ACQUIRED PERSONAL/MOVABLE PROPERTY OF THE DEBTOR INCLUDING, WITHOUT LIMITATION, ALL INVENTORY, WAREHOUSE RECEIPTS, CDN ACCOUNTS RECEIVABLE, MACHINERY AND EQUIPMENT. GENERAL ASSIGNMENT OF RENTS AND LEASES AND ASSIGNMENT OF CONSTRUCTION & SERVICING CONTRACTS IN CONNECTION WITH THE PROPERTY 485, 501, & 511 ONTARIO STREET S, MILTON, ONTARIO.													
	File No.	Enquiry Page No.	Reg. No.	Debtor(s)	Secured Party	Collateral Class.							
						CG	I	E	A	O	MV		
5.	780342894 PPSA	22	20220211 1030 9234 1376 Reg. 4 year(s) Expires 11FEB 2026	VILLAGE DEVELOPMENTS INC.	VECTOR FINANCIAL SERVICES LIMITED		X	X	X	X			
General Collateral Description: ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY LOCATED AT, ON, OR ABOUT THE LANDS AND PREMISES MUNICIPALLY KNOWN AS 485-511 ONTARIO STREET SOUTH, MILTON, ONTARIO, OR USED OR ACQUIRED IN CONNECTION WITH OR PRIMARILY RELATED TO THE BUSINESS OF THE DEBTOR CONDUCTED ON OR WITH RESPECT TO SUCH LANDS AND PREMISES.													
		24	20230315 1236 1590 4873 A AMNDMNT	VILLAGE DEVELOPMENTS INC.	OLYMPIA TRUST COMPANY								
Reason for Amendment: TO ADD A NEW SECURED PARTY													
	File No.	Enquiry Page No.	Reg. No.	Debtor(s)	Secured Party	Collateral Class.							
						CG	I	E	A	O	MV		
6.	777755691 PPSA	20	20211029 0950 1590 1826 Reg. 5 year(s) Expires 29OCT 2026	2865594 ONTARIO INC. 2865595 ONTARIO INC. VILLAGE DEVELOPMENTS INC.	2487586 ONTARIO INC. PINE-ONTARIO DEVELOPMENT INC.	X	X	X	X	X			

				PAUL DEBATTISTA										
		General Collateral Description: GENERAL SECURITY AGREEMENT PERTAINING TO 248-250 MARTIN STREET, MILTON AND 446 PINE STREET AND 72 ONTARIO STREET, MILTON												
	File No.	Enquiry Page No.	Reg. No.	Debtor(s)	Secured Party	Collateral Class.								
						CG	I	E	A	O	MV			
7.	777098979 PPSA	18	20211006 1308 1793 3385 Reg. 5 year(s) Expires 06OCT 2026	VILLAGE DEVELOPMENTS INC. PAUL J DEBATTISTA (DOB: 14AUG1964)	C & K MORTGAGE SERVICES INC. CANADIAN WESTERN TRUST COMPANY		X	X	X	X	X			
		No Fixed Maturity Date General Collateral Description: GUARANTEE AND POSTPONEMENT OF CLAIM IN CONNECTION WITH THE GUARANTEE OF INDEBTEDNESS OF 2865594 ONTARIO INC. TO THE SECURED PARTIES												
	File No.	Enquiry Page No.	Reg. No.	Debtor(s)	Secured Party	Collateral Class.								
						CG	I	E	A	O	MV			
8.	777096819 PPSA	16	20211006 1241 1793 3379 Reg. 5 year(s) Expires 06OCT 2026	VILLAGE DEVELOPMENTS INC. PAUL J DEBATTISTA (DOB: 14AUG1964)	C & K MORTGAGE SERVICES INC. CANADIAN WESTERN TRUST COMPANY		X	X	X	X				
		No Fixed Maturity Date General Collateral Description: GUARANTEE AND POSTPONEMENT OF CLAIM IN CONNECTION WITH THE GUARANTEE OF INDEBTEDNESS OF 2865595 ONTARIO INC. TO THE SECURED PARTIES												
	File No.	Enquiry Page No.	Reg. No.	Debtor(s)	Secured Party	Collateral Class.								
						CG	I	E	A	O	MV			
9.	765404811 PPSA	15	20200903 0916 1793 7209 Reg. 5 year(s)	VILLAGE DEVELOPMENTS INC.	C & K MORTGAGE SERVICES INC.		X	X	X	X	X			

			Expires 03SEP 2025									
		No Fixed Maturity Date										
		General Collateral Description: GENERAL SECURITY AGREEMENT AND GENERAL ASSIGNMENT OF RENTS AND LEASES AND ASSIGNMENT OF CONSTRUCTION CONTRACTS IN CONNECTION WITH 32 AND 42 BRONTE STREET SOUTH, MILTON, ONTARIO										
	File No.	Enquiry Page No.	Reg. No.	Debtor(s)	Secured Party	Collateral Class.						
						CG	I	E	A	O	MV	
10.	762745968 PPSA	13	20200616 1405 1462 7210 Reg. 5 year(s) Expires 16JUN 2025	VILLAGE DEVELOPMENTS INC. DANIEL J DEBATTISTA (DOB: 15OCT1990) ROSE MARIE DEBATTISTA (DOB: 02JUL1966)	SOMERVILLE NATIONAL LEASING & RENTALS LTD.	X		X		X	X	
		Amount Secured: \$192172										
		No Fixed Maturity Date										
		2020 MERCEDES-BENZ G63 AMG SUV (VIN: W1NYC7HJXLX347369)										
	File No.	Enquiry Page No.	Reg. No.	Debtor(s)	Secured Party	Collateral Class.						
						CG	I	E	A	O	MV	
11.	760790412 PPSA	10	20200310 1401 1793 8123 Reg. 5 year(s) Expires 10MAR 2025	VILLAGE DEVELOPMENTS INC.	BAMBURGH HOLDINGS LTD. YERUSHA INVESTMENTS INC. 1008118 ONTARIO LIMITED		X	X	X	X	X	
		No Fixed Maturity Date										
		General Collateral Description: GENERAL SECURITY AGREEMENT IN CONNECTION WITH 17 BRONTE STREET SOUTH, MILTON, ONTARIO										

	File No.	Enquiry Page No.	Reg. No.	Debtor(s)	Secured Party	Collateral Class.					
						CG	I	E	A	O	MV
12.	752968998 PPSA	5	20190703 1705 1462 9867 Reg. 5 year(s) Expires 03JUL 2024	VILLAGE DEVELOPMENTS INC.	SOMERVILLE NATIONAL LEASING & RENTALS LTD.	X		X		X	X
				DANIEL J DEBATTISTA (DOB: 15OCT1990) ROSE M DEBATTISTA (DOB: 02JUL1966)							
		Amount Secured: \$124650 No Fixed Maturity Date 2019 MERCEDES-BENZ GLC63 (VIN: WDC0G8KB4KF525906)									
		7	20190715 1705 1462 4006 A AMNDMNT	VILLAGE DEVELOPMENTS INC. DANIEL J DEBATTISTA (DOB: 15OCT1990) ROSE M DEBATTISTA (DOB: 02JUL1966)							
Reason for Amendment: POSTAL CODE AMENDMENT											

	File No.	Enquiry Page No.	Reg. No.	Debtor(s)	Secured Party	Collateral Class.					
						CG	I	E	A	O	MV
13.	733766868 PPSA	1	20171107 1707 1462 1066 Reg. 3 year(s) Expires 07NOV 2026	VILLAGE DEVELOPMENTS INC.	SOMERVILLE NATIONAL LEASING & RENTALS LTD.	X		X		X	X
				DANIEL J DEBATTISTA (DOB: 15OCT1990) PAUL J DEBATTISTA (DOB: 14AUG1964)							
		Amount Secured: \$224111									

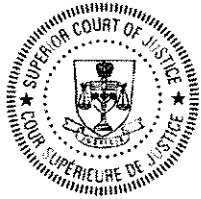
		No Fixed Maturity Date									
		2018 MERCEDES-BENZ AMG GT C COUPE (VIN: WDDYJ8AA7JA015361)									
		3	20191028 1406 1462 1897	VILLAGE DEVELOPMENTS INC.							
			B RENEWAL Renew 2 year(s)								
		4	20210308 1402 1462 7153	VILLAGE DEVELOPMENTS INC.							
			B RENEWAL Renew 4 year(s)								

This is Exhibit “X” referred to in the Affidavit of GARY GRUNEIR sworn by GARY GRUNEIR of the City of Markham, before me at the City of Toronto, in the Province of Ontario, on May 31, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

DAVID P. PREGER



Court File No.

**ONTARIO
 SUPERIOR COURT OF JUSTICE**

BETWEEN:

**ORNELLA GROUP INC., BIOINSIGHT INC.
 and PETER GIAMPUZZI**

Plaintiffs

- and -

**VILLAGE DEVELOPMENTS INC.
 and PAUL DEBATTISTA**

Defendants

STATEMENT OF CLAIM

TO THE DEFENDANTS

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the plaintiffs. The claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a statement of defence in Form 18A prescribed by the *Rules of Civil Procedure*, serve it on the plaintiffs' lawyer or, where the plaintiffs do not have a lawyer, serve it on the plaintiffs, and file it, with proof of service, in this court office, WITHIN TWENTY DAYS after this statement of claim is served on you, if you are served in Ontario.

If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your statement of defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

Instead of serving and filing a statement of defence, you may serve and file a notice of intent to defend in Form 18B prescribed by the *Rules of Civil Procedure*. This will entitle you to ten more days within which to serve and file your statement of defence.

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

TAKE NOTICE: THIS ACTION WILL AUTOMATICALLY BE DISMISSED if it has not been set down for trial or terminated by any means within five years after the action was commenced unless otherwise ordered by the court.

Date: _____
Local registrar

Issued by: _____

Address of court office:
491 Steeles Ave E.
Milton, Ontario L9T 1Y7

TO: VILLAGE DEVELOPMENTS INC.
17 Bronte St S.
Milton, ON L9T 1Z2

Defendant

AND TO: PAUL DEBATTISTA
7686 Appleby Line
Milton, ON L9E 0N1

Defendant

CLAIM

1. The Plaintiffs, Ornella Group Inc. ("**Ornella**"), BioInsight Inc. ("**BioInsight**"), and Peter Giampuzzi ("**Giampuzzi**"), claim against the Defendant, Village Developments Inc. ("**Village**"), for:
 - a. a declaration that the Amendment and Extension to Agreement of Purchase and Sale between Ornella and BioInsight, as purchasers, and Village, as vendor, dated December 22, 2022 (the "**Dec. 22, 2022 APS**") in respect of the property municipally known as 194 Bronte Street South, Milton, Ontario, registered in Land Registry Office No. #20 as PIN 24962-4100 and legally described as PT LT 13, CON 1 TRAFALGAR NEW SURVEY , PART 1 , 20R3661 EXCEPT PT 14 20R18868; TOWN OF MILTON (the "**Property**") was and is a binding contract of sale;
 - b. a declaration that Village breached the Original APS (as defined below) and the Dec. 22, 2022 APS;
 - c. specific performance of the Original APS, as modified by the Dec. 22, 2022 APS;
 - d. in the alternative to paragraph c. above, if specific performance is not an appropriate remedy in this case, damages for breach of contract in the amount of \$20,000,000.00, or such other amount as this Honourable Court may order;
 - e. leave to issue a certificate of pending litigation to issue in respect of the Property, pursuant to section 103 of the *Courts of Justice Act* (the "**CJA**") and Rule 42 of the *Rules of Civil Procedure*;
 - f. damages in the amount necessary to discharge any encumbrances on title to the Property in the event that Village cannot transfer clear title to the Property;
 - g. punitive damages in the amount of \$100,000.00, or such other amount as this Honourable Court may order;
 - h. the costs of this action on a substantial indemnity basis;

- i. any Harmonized Sales Tax which may be payable on any amount pursuant to the *Excise Tax Act*;
 - j. prejudgment and postjudgment interest on any damages, in accordance with the CJA;
 - k. any transaction levy which may be payable; and
 - l. such further and other relief as this Honourable Court may deem just.
2. Giampuzzi claims against the Defendants, Village and Paul Debattista ("**Debattista**"), for:
- a. damages in the amount of \$3,173,676.55, or such greater amount as may be proved at trial;
 - b. damages in the amount necessary to discharge any encumbrances on title to the Property in the event that Village cannot transfer clear title to the Property;
 - c. prejudgment and postjudgment interest at a rate of 10% per annum in accordance with the Loan Agreements (as described below);
 - d. in the alternative, prejudgment and postjudgment interest in accordance with the CJA;
 - e. costs of this action on a substantial indemnity basis;
 - f. any transaction levy which may be payable; and
 - g. such further and other relief as counsel may advise and this Honourable Court deems just.

The Parties

- 3. Ornella is a real estate and property development company incorporated pursuant to the laws of Ontario, with its head office in Mississauga, Ontario.
- 4. BioInsight is a real estate and property development company incorporated pursuant to the laws of Ontario, with its head office in Mississauga, Ontario.
- 5. Giampuzzi is an individual residing in Mississauga, Ontario. At all relevant times, Giampuzzi was a director of Ornella and BioInsight.

6. Village is a corporation incorporated pursuant to the laws of Ontario, with its head office in Milton, Ontario. Village carries on business as a real estate developer.
7. Debattista is an individual residing in Milton, Ontario. At all relevant times, Debattista was a director, an officer, and/or a directing mind of Village.
8. Village is the owner on title to the Property, which consists of, *inter alia*, a vacant lot.

The Property and the APS

9. In or about January, 2020, Ornella and Giampuzzi became aware that the Property was available for sale. The Property was of particular interest to Ornella and Giampuzzi, as Ornella was the registered owner of an adjacent parcels of land municipally known as 180-184 Bronte Street South, Milton, Ontario (collectively the "**Adjacent Property**"). Ornella has since transferred title to the Adjacent Property to BioInsight. The acquisition of the Property represented a significant and unique land assembly and development opportunity for Ornella and BioInsight.
10. To this end, Ornella took immediate steps to purchase the Property. On or about January 23, 2020, Ornella, on behalf of a company to be incorporated (namely BioInsight), and Village entered into an agreement of purchase and sale (the "**Original APS**"), the material terms of which included the following:
 - a. Village represented and warranted that:
 - i. it was the registered and sole beneficial owner of the Property and had good and marketable title to same;
 - ii. on closing of the purchase and sale transaction contemplated by, and on the terms set out in, the Original APS (the "**Purchase Transaction**"), the Property would be free and clear of all encumbrances, including all mortgages and charges; and
 - iii. it had full right, power and authority to enter into the Original APS;

- b. Ornella agreed to purchase, and Village agreed to sell, the Property;
 - c. the purchase price for the Property was \$2,625,000.00 (the "**Purchase Price**");
 - d. Ornella was obligated to pay a deposit of \$125,000.00 toward the Purchase Price, with the balance of the Purchase Price being payable on closing of the Purchase Transaction;
 - e. the closing date for the Purchase Transaction was February 3, 2021 (the "**Closing Date**");
 - f. Village agreed that each of the representations and warranties described above would be true and correct and complied with fully in all respects on the Closing Date;
 - g. Village agreed that it would discharge any and all encumbrances, including all mortgages and charges;
 - h. on the Closing Date, Village agreed to deliver title to the Property free and clear of all encumbrances, including all mortgages and charges; and
 - i. time was of the essence with respect to all aspects of the Original APS.
11. The Plaintiffs plead and rely on the Original APS.
12. Despite the terms of the Original APS, which required a deposit of only \$125,000.00, Ornella paid Village a deposit in the sum of \$1,000,045.00 (the "**Deposit**") to be held in trust pending the completion of the Original APS.

The Loan Agreements

13. At or around the time that the parties executed the Original APS, Debattista asked Giampuzzi if Giampuzzi would provide him with a short-term loan until the Closing Date, so that Debattista and Village could use the loaned funds toward another project.
14. To this end, on or about January 8, 2020, Debattista and Village executed a promissory note in favour of Giampuzzi ("**Promissory Note 1**") with the following terms:

- a. Village and Debattista acknowledge that they are indebted to, and promise to pay, Giampuzzi, or as Giampuzzi may direct, the sum of \$135,017.00 by, or before, February 8, 2020; and
 - b. the loaned amount will bear interest at a rate of 10% per annum.
15. Pursuant to Promissory Note 1, Giampuzzi loaned Debattista and Village the sum of \$125,000.00.
16. On or about January 24, 2020, Debattista and Village executed a promissory note in favour of Giampuzzi ("**Promissory Note 2**") with the following terms:
 - a. Village and Debattista acknowledge that they are indebted to, and promise to pay, Giampuzzi, or as Giampuzzi may direct, the sum of \$425,000.00 by, or before, February 8, 2020; and
 - b. the loaned amount will bear interest at a rate of 10% per annum.
17. Pursuant to Promissory Note 2, Giampuzzi loaned Debattista and Village the sum of \$425,000.00.
18. On or about January 27, 2020, Debattista and Village executed a promissory note in favour of Giampuzzi ("**Promissory Note 3**") with the following terms:
 - a. Village and Debattista acknowledge that they are indebted to, and promise to pay, Giampuzzi, or as Giampuzzi may direct, the sum of \$450,045.00 by, or before, February 8, 2020; and
 - b. the loaned amount will bear interest at a rate of 10% per annum.
19. Pursuant to Promissory Note 3, Giampuzzi loaned Debattista and Village the sum of \$450,045.00.

20. The parties agreed that the amounts loaned by Giampuzzi pursuant to Promissory Note 1, Promissory Note 2, and Promissory Note 3 were to be used as the Deposit and that the additional Loaned Amounts (as defined below) would be credited toward the Purchase Price.
21. On or about February 6, 2020, Debattista and Village executed a promissory note in favour of Giampuzzi ("**Promissory Note 4**") with the following terms:
 - a. Village and Debattista acknowledge that they are indebted to, and promise to pay, Giampuzzi, or as Giampuzzi may direct, the sum of \$1,285,000.00 by, or before, August 14, 2020; and
 - b. the loaned amount will bear interest at a rate of 10% per annum.
22. Pursuant to Promissory Note 4, Giampuzzi loaned Debattista and Village the sum of \$1,285,000.00.
23. Also on or about February 6, 2020, Debattista executed a general security agreement (the "**GSA**") in favour of Giampuzzi.
24. On or about February 14, 2020, Debattista and Village executed a promissory note in favour of Giampuzzi ("**Promissory Note 5**") with the following terms:
 - a. Village and Debattista acknowledge that they are indebted to, and promise to pay, Giampuzzi, or as Giampuzzi may direct, the sum of \$125,000.00 by, or before, February 20, 2020; and
 - b. the loaned amount will bear interest at a rate of 10% per annum.
25. Pursuant to Promissory Note 5, Giampuzzi loaned Debattista and Village the sum of \$125,000.00.

26. On or about February 26, 2020, Debattista and Village executed a promissory note in favour of Giampuzzi ("**Promissory Note 6**") with the following terms:
- a. Village and Debattista acknowledge that they are indebted to, and promise to pay, Giampuzzi, or as Giampuzzi may direct, the sum of \$125,000.00 by, or before, February 28, 2020; and
 - b. the loaned amount will bear interest at a rate of 10% per annum.
27. Pursuant to Promissory Note 6, Giampuzzi loaned Debattista and Village the sum of \$125,000.00.
28. On or about March 5, 2020, Giampuzzi loaned Debattista and Village the sum of \$110,045.00 with interest payable at 10% per annum ("**Loan 1**").
29. On or about March 13, 2020, Giampuzzi loaned Debattista and Village the sum of \$75,045.00 with interest payable at 10% per annum ("**Loan 2**").
30. On or about October 27, 2020, Debattista and Village executed a promissory note in favour of Giampuzzi ("**Promissory Note 7**") with the following terms:
- a. Village and Debattista acknowledge that they are indebted to, and promise to pay, Giampuzzi, or as Giampuzzi may direct, the sum of \$2,700,000.00 by, or before, March 14, 2021;
 - b. the loaned amount will bear interest at a rate of 10% per annum; and
 - c. Promissory Note 7 replaced Promissory Note 1, Promissory Note 2, Promissory Note 3, Promissory Note 4, Promissory Note 5, and Promissory Note 6.

31. The Plaintiffs plead and rely upon Loan 1, Loan 2, Promissory Note 1, Promissory Note 2, Promissory Note 3, Promissory Note 4, Promissory Note 5, Promissory Note 6, Promissory Note 7, and the GSA (collectively the "**Loan Agreements**").
32. On or about March 1, 2021, Debattista and Village repaid the sum of \$25,000.00 in respect of the amounts owing pursuant to the Loan Agreements (collectively the "**Loaned Amounts**").
33. On or about March 31, 2021, Debattista and Village repaid the sum of \$25,000.00 in respect of the Loaned Amounts.
34. On or about April 21, 2021, Debattista and Village repaid the sum of \$20,000.00 in respect of the Loaned Amounts.
35. As of the date of this pleading, and pursuant to the Loan Agreements, Debattista and Village owe Giampuzzi the sum of \$3,814,570.89 inclusive of interest in respect of the unpaid balance of the Loaned Amounts.

Amendment and Extension to Original APS

36. Village was unable to complete the Original APS on the Closing Date, and Village and Ornella (on behalf of BioInsight) agreed on a regular basis to extend the Closing Date such that the Original APS remained a firm and binding agreement.
37. On or about February 2, 2021, Village and Ornella (on behalf of BioInsight) executed a new agreement of purchase and sale (the "**February 2, 2021 APS**") on substantially similar terms to the Original APS, with a new closing date of February 26, 2021, and two additional terms in the Schedule "A" to the agreement, which provided that:

- a. the Loan Agreements would be assigned from Giampuzzi to Ornella, and the unpaid balance of the Loaned Amounts would be used as a credit toward the Purchase Price, land transfer tax, title searches, and closing costs; and
 - b. Village was to ensure that the title to the Property was free and clear of all mortgages, debts, or liens prior to closing.
38. Village did not complete the sale transaction contemplated in the February 2, 2021 APS on February 26, 2021. Ornella became concerned that Village would not ever close a sale of the Property. In order to break this apparent stalemate, Ornella proposed, and Village agreed to, a “buy-sell” structure in which Village would have an opportunity to purchase the Adjacent Property and, if it did not proceed with that purchase, then Ornella (on behalf of BioInsight) would proceed with its purchase of the Property.
39. To this end, on or about April 11, 2022, Ornella and Village executed an Amendment and Extension to Agreement of Purchase and Sale (the “**April 11, 2022 APS**”), the material terms of which included the following:
- a. Village agreed to purchase, and BioInsight agreed to sell, the Adjacent Property;
 - b. the purchase price for the Adjacent Property was \$12,000,000.00 (the “**Adjacent Property Purchase Price**”);
 - c. Village was obligated to pay a non-refundable deposit of \$200,000.00 (the “**Village Deposit**”) toward the Adjacent Property Purchase Price by or before April 13, 2022, with the balance of the Adjacent Property Purchase Price being payable on closing of the purchase of the Adjacent Property;
 - d. the closing date for the purchase of the Adjacent Property was April 28, 2022 (the “**Adjacent Property Closing Date**”), and the completion of the purchase of the Adjacent Property was conditional on Village and Debattista repaying the unpaid balance of the Loaned Amounts to Giampuzzi, or as he may further direct;

- e. BioInsight was to assign to Village all of the construction contracts, planning approvals, permits, licenses, development agreements and contracts, project plans, and specifications and certificates, engineers and land surveys contracts, and any other instruments or agreements relating to the development of the Property and the Adjacent Property; and
- f. If Village failed to pay the Village Deposit, then Village would have no further right to purchase the Adjacent Property, and the parties in that case would be bound by the terms of the Original APS with the following amendments:
 - i. the Closing Date was amended to April 22, 2022 (the “**April 11, 2022 Closing Date**”);
 - ii. the Purchase Price was amended to \$2,600,000.00 (the “**Amended Purchase Price**”), which amount would be satisfied by way of credit to Village and/or Debattista as a part payment of the unpaid balance of the Loaned Amounts;
 - iii. after the Amended Purchase Price was satisfied by way of credit, a new loan agreement for the remaining unpaid balance of the Loaned Amounts would be entered into by Debattista and would be secured by Debattista’s personal assets including the property municipally known as 7686 Appleby Line, Milton, Ontario, which loan agreement would bear interest at a rate of 10% per annum;
 - iv. if there were encumbrances that Village could not discharge in advance of the April 11, 2022 Closing Date, then Ornella (on behalf of BioInsight) would have the option of assuming same and adding the amounts of such encumbrances to the amounts owing to Giampuzzi pursuant to the Loan Agreements; and
 - v. all terms and conditions from the Original APS would remain binding on the parties, except where there were inconsistencies with the April 11, 2022 APS in which case the latter would prevail.

40. Village did not pay the Village Deposit on April 13, 2022. Rather, the parties executed a further agreement of purchase and sale, on substantially similar terms as their past agreements, that extended the Closing Date to May 7, 2021.
41. On or about April 20, 2022, the Plaintiffs' real estate lawyer wrote to the Defendants' real estate lawyer to confirm that Village had not paid the Village Deposit, and to request a draft Transfer/Deed of Land along with a statement of adjustments showing the Amended Purchase Price and an assumption of the mortgage on title to the Property, and a mortgage statement for the purposes of BioInsight assuming the mortgage that Village had granted on title to the Property. The Plaintiffs' real estate lawyer further confirmed that there would be no monies flowing to Village, but rather that the difference between the Amended Purchase Price and the assumption of mortgage (which was estimated to be approximately \$400,000.00) will be credited by Village and Debattista to Giampuzzi as a part payment toward the Loaned Amounts.
42. On or about April 11, 2022, the Plaintiffs advised the Defendants that BioInsight would be entity receiving title to the Property. Village and Debattista did not respond and did not transfer title to the Property.
43. On or about December 22, 2022, BioInsight and Ornella and Village executed a further Amendment and Extension to Agreement of Purchase and Sale (being the Dec. 22, 2022 APS), the material terms of which included the following:
- a. Village agreed to purchase, and BioInsight agreed to sell, the Adjacent Property;
 - b. the purchase price for the Adjacent Property was \$15,500,000.00 (the "**Amended Adjacent Property Purchase Price**");
 - c. Village was obligated to pay non-refundable deposits of deposits of:

- i. \$100,000.00 by way of certified funds no later than 5:00 p.m. on December 23, 2022;
 - ii. \$400,000.00 by no later than January 6, 2023; and
 - iii. \$2,3000,000.00 by no later than January 27, 2023

(collectively the **"Village Deposits"**);
- d. the closing date for the purchase of the Adjacent Property was March 31, 2023 (the **"Amended Adjacent Property Closing Date"**), and the completion of the purchase of the Adjacent Property was conditional on Village and Debattista repaying the unpaid balance of the Loaned Amounts to Giampuzzi, or as he may further direct;
- e. BioInsight was to assign to Village all of the construction contracts, planning approvals, permits, licenses, development agreements and contracts, project plans, and specifications and certificates, engineers and land surveys contracts, and any other instruments or agreements relating to the development of the Property and the Adjacent Property; and
- f. If Village failed to pay the Village Deposits, then Village would have no further right to purchase the Adjacent Property, and the parties in that case would be bound by the terms of the Original APS with the following amendments:
 - i. the Closing Date would be amended to March 31, 2023 (the **"March 31, 2023 Closing Date"**);
 - ii. the Amended Purchase Price would be satisfied by way of credit to Village and/or Debattista as a part payment toward the unpaid balance of the Loaned Amounts;
 - iii. after the Amended Purchase Price is satisfied by way of credit, a new loan agreement for the remaining balance of the Loaned Amounts would be entered into by Debattista, which loan agreement will bear interests at a rate of 10% per annum;

- iv. if there were encumbrances that Village could not discharge in advance of the March 31, 2023 Closing Date, then Ornella would have the option of assuming same and adding the amounts of such encumbrances to the amounts owing to Giampuzzi pursuant to the Loan Agreements; and
- v. all terms and conditions of the Original APS would remain binding on the parties, except where there were inconsistencies with the Dec. 22, 2022 APS in which case the latter would prevail.

The Defendants' Breach of the Dec. 22, 2022 APS

- 44. Village did not pay any of the Village Deposits as required by the Dec. 22, 2022 APS. Accordingly, Ornella, BioInsight, and Giampuzzi were entitled to treat Village's right to purchase the Adjacent Property as being null and void, and to proceed with the Purchase Transaction on the terms set out in the Original APS as modified by the Dec. 22, 2022 APS.
- 45. On or about February 8, 2023, the Plaintiffs' lawyer wrote to the Defendants' lawyer and confirmed that, contrary to the Dec. 22, 2022 APS, Village and Debattista had failed to make any of the Village Deposits, and that Village was now required to transfer title to the Property to BioInsight on March 31, 2023.
- 46. The Plaintiffs' lawyer further confirmed that the Plaintiffs were ready, willing, and able to accept title to the Property at any time prior to March 31, 2023, and asked that the Defendants' lawyer confirm if Village and Debattista would be fulfilling their obligations under the Original APS and the Dec. 22, 2022 APS by transferring title to the Property to BioInsight, and if so, when.

47. The Plaintiffs' lawyer also asked the Defendants' lawyer to confirm if there would be any encumbrances on title to the Property that the Defendants could not discharge from title and that would therefore be assumed by BioInsight.
48. Finally, the Plaintiffs' lawyer asked that the Defendants' lawyer respond by, or before, February 13, 2023, failing which the Plaintiffs would understand that the Defendants were not prepared to transfer title to the Property to BioInsight, and would treat the non-responsiveness as a confirmation of an anticipatory breach of the Dec. 22, 2022 APS by the Defendants.
49. As of the date of this pleading, the Defendants have not responded to the aforementioned correspondence of February 8, 2023.

Defendants are Liable

50. The Plaintiffs state that the Defendants' conduct, as detailed herein, amounts to a breach of the Original APS and the Dec. 22, 2022 APS, and to breaches of the Loan Agreements, and that Village and Debattista are liable for same.

Plaintiffs Entitled to Specific Performance

51. The Plaintiffs remain ready, willing, and able to complete the Purchase Transaction on the terms set out in the Original APS, as modified by the Dec. 22, 2022 APS.
52. At all material times, BioInsight intended to purchase the Property by completing the Purchase Transaction.
53. The Plaintiffs state that the Property is unique in its location and character, such that a substitute is not available, and an award of damages will not adequately compensate the Plaintiffs for their loss.

54. Without limiting the generality of the foregoing, and as is stated above, BioInsight is the owner of the Adjacent Property. The purpose of the Plaintiffs' acquisition of the Property was so that same could be redeveloped together with the Adjacent Property. Accordingly, there is no substitute available to replace the Property. The Plaintiffs' acquisition of the Property creates a unique and irreplaceable land assembly and development opportunity.
55. The Plaintiffs have invested significant funds to preparing development plans and to obtain development approvals.
56. In light of the foregoing, the Plaintiffs seek specific performance of the Original APS, as modified by the Dec. 22, 2022 APS.

Damages

57. In the alternative, if specific performance is not an appropriate remedy in this case, the Plaintiffs plead that they have suffered damages because of the failure, refusal, or neglect of the Defendants to comply with their obligations pursuant to the Dec. 22, 2022 APS. These damages total at least \$20,000,000.00. Full particulars of these damages will be provided prior to trial.
58. The damages suffered by the Plaintiffs as a result of the Defendants' breach of the Dec. 22, 2022 APS include, but are not necessarily limited to:
- a. lost income from the Property;
 - b. the loss of the development opportunity described in paragraph 53 above;
 - c. the difference between the market value of the Property on the March 31, 2023 Closing Date and the Amended Purchase Price;
 - d. financing costs;
 - e. professional and consulting costs; and

f. other costs associated with the negotiation of the Original APS, the April 11, 2022 APS, and the Dec. 22, 2022 APS, due diligence, and steps toward closing the Purchase Transaction.

59. Further, and in any event, Giampuzzi has suffered damages, being the unpaid balance of the Loaned Amounts, as a result of the Defendants' breaches of the Loan Agreements. As of the date of this pleading, the unpaid balance of the Loaned Amounts is \$3,814,570.89. Interest continues to accrue on this amount.

Certificate of Pending Litigation

60. The Plaintiffs further claim an interest in the Property, and state that they are entitled to the issuance of a certificate of pending litigation for registration against the Property so that prospective purchasers of the Property have notice of the Plaintiffs' within claims.

61. The Plaintiffs propose that this action be tried at Milton.

Date of issue:

HORLICK LEVITT DI LELLA LLP

Barristers and Solicitors
100 Sheppard Avenue East
Suite 204
Toronto, Ontario
M2N 6N5

Douglas H. Levitt (43652J)

Timothy M. Duggan (57864D)

Spencer F. Toole (61323W)

Tel: (416) 512-7440

Email: dlevitt@hldlawyers.com

tduggan@hldlawyers.com

stoole@hldlawyers.com

Lawyers for the Plaintiffs

Court File No.

ORNELLA GROUP INC. et al.
Plaintiffs

v.

VILLAGE DEVELOPMENT INC. et al.
Defendants

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT MILTON

STATEMENT OF CLAIM

HORLICK LEVITT DI LELLA LLP
Barristers & Solicitors
100 Sheppard Avenue East
Suite 204
Toronto, Ontario
M2N 6N5

Douglas H. Levitt (43652J)
Timothy M. Duggan (57864D)
Spencer F. Toole (61323W)
Tel: (416) 512-7440
Email: dlevitt@hldlawyers.com
tduggan@hldlawyers.com
stoole@hldlawyers.com

Lawyers for the Plaintiffs

Court File No. CV-20-00649443-0000
Bankruptcy Estate No: 31-2403066

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

**A. FARBER & PARTNERS INC., as Trustee in Bankruptcy of the Bankruptcy
Estate of SPECIALTY CHEMICAL INDUSTRIES INC.**

Plaintiff

- and -

BONNIE ANN PALMER and A SQUARED HOLDINGS INC.

Defendants

STATEMENT OF DEFENCE

1. The Defendants admit the allegations contained in paragraph 4 of the Statement of Claim (the "**Claim**").

2. The Defendants have no knowledge in respect of the allegations contained in paragraph 3 of the Claim.

3. Unless expressly admitted hereinafter, the Defendants deny the balance of the allegations contained in the Claim, and specifically deny that the Plaintiff is entitled to any of the relief claimed in paragraphs 1 and 2 of the Claim.

A. The Parties

4. Bonnie Palmer ("**Bonnie**") is an individual residing in Toronto.

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5. A Squared Holdings Inc. ("**ASH**") is a corporation incorporated pursuant to the laws of Ontario. A Squared Holdings Inc. was incorporated for the sole purpose of the Share Redemption Transaction (defined below).

B. The Share Redemption Transaction

6. On or around March 21, 2017, SCII completed a share redemption transaction with ASH on the advice of SCII's accountant, MNP LLP, and counsel at the time, Miller Thomson LLP (the "**Share Redemption Transaction**"). The transaction was intended to assist SCII with reducing its payable taxes.

7. Bonnie pleads and relies upon the principle of *non est factum* in relation to the Share Redemption Transaction as:

- (a) Bonnie was not provided with an opportunity or encouraged to obtain independent legal advice with respect to the Share Redemption Transaction or the documents she was signing;
- (b) Bonnie did not understand the terms and consequences of the Share Redemption Transaction or the documents she was signing;
- (c) Bonnie's business experience was limited to operating her own salon; and
- (d) Bonnie's first language is Serbian and not English.

8. ASH pleads that it was incorporated solely to carry out the Share Redemption Transaction. As stated, this transaction was intended to solely benefit SCII and was

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completed on the advice and instructions of SCII's accountant and legal counsel at the time. Notwithstanding any alleged "paper" gain, ASH did not obtain any material benefit from the Share Redemption Transaction.

C. The Share Redemption Transaction did not have the effect of removing any actual value from SCII.

9. Notwithstanding any alleged "paper" loss reflected on the balance sheet of SCII, SCII has not suffered any actual loss in relation to the Share Redemption Transaction. The unsecured claim by SCII against Alan Palmer ("**Alan**") of \$855,812 was and is of zero value. Alan was declared personally bankrupt in January 2019, without any assets available in his estate for distribution to unsecured creditors.

10. The indebtedness of SCII to ASH has not been repaid and there are no assets available for distribution to unsecured creditors in the bankruptcy of SCII.

D. The Share Redemption Transaction Did Not Occur Within One Year of Bankruptcy

11. Contrary to paragraphs 43-44 of the Statement of Claim, the Share Redemption Transaction did not occur in November or December 2017, and the Defendants put the Plaintiff to the strict proof thereof.

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E. Bonnie Loaned Money to SCII

12. On or around September 1, 2013, Bonnie loaned SCII \$222,702 (the "**222 Loan**"). This loan was supported by a promissory note and secured by a general security agreement.

13. Contrary to paragraphs 58 of the Claim, Bonnie denies that she never advanced the 222 Loan funds to SCII.

14. On or around August 29, 2014, Bonnie loaned SCII \$700,000 (the "**700 Loan**"). This loan was also supported by a promissory note and secured by a general security agreement. The 700 Loan funds were deposited in accordance with SCII's instructions. Bonnie understood that some of the 700 Loan funds would be used to repay a loan from Selwyn Chatz to SCII and the balance would be deposited into SCII's bank account.

15. Accordingly, Bonnie denies that she never advanced funds for the 700 Loan and puts the Plaintiff to the strict proof thereof.

16. Between 2014 and 2018, Bonnie made additional loans to SCII (collectively with the 222 Loan and the 700 Loan, the "**Loans**").

17. By letter dated August 30, 2019, counsel for the Plaintiff stated, among other things that:

- (a) The 222 Loan funds were received by SCII in two transactions, but that they appear in SCII's 2014 year end adjustment entries; and

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- (b) It was demanding repayment by Bonnie of the amount of \$895,829.03 owing to SCII on account of shareholder advances or other loans by SCII to Bonnie.

18. Bonnie does not know why the funds from the 222 Loan appear in SCII's 2014 year end adjustment entries and in any event, pleads that it should not have any bearing on the fact that the 222 Loan was advanced.

19. Further, Bonnie does not understand why the Plaintiffs are now claiming \$1,363,902 in "improper loan payments" when it had previously only claimed \$895,829.03. No satisfactory explanation has been provided to Bonnie to justify the increase.

20. In any event, Bonnie pleads that the Bonnie Loan Payments (as defined in the Claim) between 2014 and 2017 were legitimate payments by SCII on the principal and interest of the Loans made in the ordinary course of business.

21. Bonnie pleads that between 2014 and 2017, SCII began repaying the principal and interest of the Loans (the "**Loan Repayments**"). Accordingly, the Bonnie Loan Repayments (as defined in the Claim) were proper loan repayments made in the ordinary course of business.

F. No Postponement

22. Contrary to paragraphs 67-69, the Loan Repayments after February 8, 2016 were not in violation of any postponement. Bonnie did not agree to postpone her entitlement to

-6-

be repaid on the Loan and any applicable interest and puts the Plaintiff to the strict proof thereof.

G. No Other Improper Payments

23. Contrary to paragraphs 70-71 of the Claim, the payments referred to at Schedule "B" and "C" of the Claim were not improper and the Defendants put the Plaintiff to the strict proof thereof (the "**Other Payments**"). For example, SCII provided a vehicle to Bonnie as she needed a car to attend to her duties for SCII (as described below). As another example, the transaction labelled "Clear old LOC" at Schedule "B" of the Claim was a payment by SCII towards one of its lines of credit (the "**Line of Credit**"). At the time, the Line of Credit was secured against a condominium belonging to Bonnie. Since Bonnie was selling the condominium, SCII paid off the balance of the Line of Credit so the creditor no longer had a security interest in the property.

H. The Bonnie Consulting Fees are Justified

24. Between 2015 and 2018, SCII paid a total of \$227,436.43 to Bonnie for her consulting services (the "**Bonnie Consulting Fees**"). Contrary to paragraphs 72 and 76 of the Claim, these fees were justified. During that period, Bonnie:

- (a) Assisted SCII with obtaining its woman's minority owned business certification, which allowed SCII to acquire business from AutoLiv Inc., SCII's largest client ("**AutoLiv**");

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- (b) Performed administrative tasks for SCII, including issuing cheques, couriering documents, tracking shipments and contacting warehouses and freight companies; and,
- (c) Travelled to AutoLiv's office, and the office of SCII's suppliers at their request.

25. Contrary to paragraph 74 of the Statement of Claim, Bonnie issued invoices to SCII for the Bonnie Consulting Fees.

26. In the alternative, some of the Bonnie Consulting Fees were bonuses, expense repayments, dividends (when Bonnie was a shareholder of SCII) or other forms of payments related to the work she was performing for SCII.

27. In the further alternative, some of the Bonnie Consulting Fees were actually payments by SCII for the Loans and mischaracterized as "consulting fees" by SCII.

I. The ETE Consulting Fees are Justified

28. Contrary to paragraphs 73 and 76 of the Statement of Claim, the payments from SCII to ETE Salon totalling \$22,600 are justified (together with the Loan Repayments, Other Payments, and Bonnie Consulting Fees, the "**Payments**"). At the time, SCII sought ETE Salon's advice on the possible creation and distribution of its own beauty products line.

A. FARBER & PARTNERS INC., et al
Plaintiff

-and-

BONNIE ANN PALMER et al
Defendants

Court File No. CV-20-00649443-0000
Bankruptcy Estate No: 31-2403066

ONTARIO
SUPERIOR COURT OF JUSTICE
PROCEEDING COMMENCED AT
TORONTO

STATEMENT OF DEFENCE

DICKINSON WRIGHT LLP
Barristers & Solicitors
199 Bay Street
Suite 2200, Box 447
Commerce Court Postal Station
Toronto, Ontario M5L 1G4

LISA CORNE (27974M)
Email: LCorne@dickinsonwright.com
Tel: 416-646-4603

JACKY CHEUNG (79336H)
Email: JCheung@dickinsonwright.com
Tel: 416-646-6878

Lawyers for the Defendants

This is Exhibit “Y” referred to in the Affidavit of GARY GRUNEIR sworn by GARY GRUNEIR of the City of Markham, before me at the City of Toronto, in the Province of Ontario, on May 31, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

DAVID P. PREGER

AMENDMENT AND EXTENSION TO AGREEMENT
OF PURCHASE AND SALE

WHEREAS:

- A. Village Developments Inc. ("Village") is the owner of the property known municipally as 194 Bronte Road South, Milton, Ontario (the "194 Property");
- B. BioInsight Inc. ("BioInsight") is the owner of the property known municipally as 180-184 Bronte Road South, Milton, Ontario (the "180 Property"), which is adjacent to the 194 Property;
- C. Ornella Group Inc. ("Ornella"), a company associated with BioInsight, on behalf of a company to be incorporated, and Village entered into an Agreement of Purchase and Sale in January, 2020 for the purchase and sale of the 194 Property with a closing date in March, 2020 (the "First Agreement");
- D. As part of the First Agreement, Ornella did provide to Village a deposit in the amount of one million dollars (\$1,000,000.00) ("the Deposit") to be held in trust pending completion or other termination of the First Agreement;
- E. At the request of Village, Ornella agreed to release the Deposit to Village as a short-term loan bearing interest at the rate of ten per cent (10%) per annum, the repayment of which was guaranteed by Paul Debattista, the principal of Village;
- F. Due to the inability of Village to complete the First Agreement in March of 2020, Village and Ornella have agreed on a regular basis to extend the completion date of the First Agreement such that same remains a firm and binding agreement;
- G. Since March 2020, Peter Giampuzzi, a principal of Ornella has, at the request of Paul Debattista, provided further loans to Village in the amount of approximately two million eight hundred and fifteen thousand dollars (\$2,815,000) bearing interest at the rate of ten per cent (10%) to Paul Debattista;

NOW THEREFORE IN CONSIDERATION of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged by each of the parties hereto, the parties agree as follows:

1. Village hereby agrees to purchase and BioInsight agrees to sell the 184 Property for a purchase price of Seventeen Million, Five Hundred Thousand Dollars (\$17,500,000). ^{180 +} _{15,500,000 17}
2. Village will provide the following non-refundable deposits (i) One Hundred Thousand Dollars (\$100,000) by way of certified funds no later than 5 pm on December 23rd, 2022, (ii) Four Hundred Thousand Dollars (\$400,000) no later than January 6th, 2023 and (iii) Two Million Dollars (\$2,300,000) no later than January 27th, 2023 all made payable to Peter Giampuzzi. 17 DEC 20/23

3. The completion date shall be March 31, 2023, Village shall have the option to extend the closing times up to three times by written notice of extension together with a payment of Fifty Thousand Dollars (\$50,000) per each one month extension. Closing of the purchase of the 184 Property shall be conditional on Village and/or Debattista repaying in full all loans provided by Ornella., Peter Giampuzzi, BioInsight and/or their related companies being Two Million Eight Hundred and Fifteen Thousand Dollars (\$2,815,000.00) plus interest presently estimated at Nine Hundred, Ninety Nine Thousand, Four Hundred and Ten and 39/100 Dollars (\$999,410.39), as of January 2, 2023 (collectively the "Village Debt"). All loan repayments shall be made payable to Peter Giampuzzi or as to who he may further direct, and all interest repayments shall be made payable to the Ornella or as to whom it may further direct and be deemed a consulting fee.
4. BioInsight assigns, transfers and sets over to Village collectively, all construction contracts, planning approvals, permits and licenses, development agreements and contracts, project plans and specifications and certificates, engineers and land surveys contracts in favour of Village Developments Inc. and other instruments or agreements relating to the Project ("Assignments").
5. BioInsight represents and warrants that it is the sole legal and beneficial owner of the Assignments and has the full right to assign same and that there are no previous or other assignment thereof and that the Assignments have been fully paid to all consultants and other persons and entities who have prepared same and will be valid and enforceable in accordance with their terms. BioInsight shall obtain and deliver all necessary consents to transfer the Assignments to Village. The Parties agree that this representation and warranty shall survive and not merge on completion of this transaction but apply only to the state of the Assignments existing as at completion of this transaction.
6. BioInsight shall provide to Village Developments Inc. a copy of all of the Assignments forthwith upon acceptance of this Amendment and Extension Agreement.
7. BioInsight agrees to co-operate with Village with any pending application and/or plans currently before the local municipality and BioInsight agrees to execute any requisite documents for the application of any plan free of charge, provided that Village pay all costs for the application.
8. BioInsight covenants to observe and perform in all material respects the obligations imposed by the Assignments, not to do, or permit to be done, anything to impair, and not to omit to do anything that would impair, the enforceability of the Assignments, and not to delay, amend or default under any provisions of any of the Assignments.
9. BioInsight represents and warrants that (i) all tenants of the 180 Property have been notified of the future development of the 180 Property and (ii) shall provide Village with proof of proper service thereof.
10. Village agrees to assume the existing tenancies.

17 DEC 20/27

11. Upon acceptance of this Offer, BioInsight. agrees to provide Village Developments Inc. with copies of all leases on the 180 Property.
12. Upon completion of the 180 Property acquisition, BioInsight. shall provide Village with a notice to all tenants advising them of the new owner and requiring all future rents to be paid as Village directs.
13. BioInsight represents and warrants to the best of BioInsight's knowledge and belief that, during the period of BioInsight ownership, (i) the 180 Property has been rented in accordance with Landlord and Tenant legislation and that any rent increase has been effected in accordance with relevant rent review legislation; and (ii) BioInsight has not received any notice of non-compliance with any relevant legislation. The Parties agree that this representation and warranty shall survive and not merge on completion of this transaction but apply only to those circumstances existing at completion of this transaction.
14. Unless otherwise agreed between BioInsight and Village, BioInsight shall not negotiate any leases after this Agreement becomes unconditional.
15. All terms and conditions in the First Agreement set out as Schedule "A" shall form part of this Second Agreement except where there are inconsistencies, in which case, the terms of this Second Agreement shall prevail.
16. In the event Village fails to pay the non-refundable deposits contemplated in section 2 above or is otherwise unable or unwilling to complete this Agreement, this Agreement shall be at an end agree to that the be bound by the First Agreement with amendments as follows:
 - a) Ornella, on behalf of a company to be incorporated will purchase from Village with a closing date of March 31, 2023 (or up to 10 days thereafter), the 194 Property with a purchase price of Two Million Six Hundred Thousand Dollars (\$2,600,000.00).
 - b) The Purchase Price shall be satisfied by way of credit to Village and/or Debattista of the outstanding Village Debt.
 - c) Village will be credited with any deposit monies delivered pursuant to section 2 above.
 - d) After the Purchase Price is satisfied by way of credit, a new loan for any remaining part of the Village Debt will be entered into by Debattista on the date of completion ~~which new loan shall be secured by Debattista's personal assets including the property known as 7686 Appleby Lane~~ and which loan shall bear interest at the rate of 10% per annum.

17 DEC. 20/23

- e) In the event title to the property is subject to any mortgages or other encumbrances which have not been discharged on the date of completion, Ornella shall have the option of assuming same and adding the amount of such mortgages or other encumbrances to the new loan referred to in paragraph 16(c) above.

17. This Amendment And Extension To Agreement Of Purchase And Sale replaces and supersedes any and all other agreements between the parties hereto and any of them.

SIGNED, SEALED AND DELIVERED this 20th day of December, 2022.

Buyer:

BIOINSIGHT INC.

Per: _____
Peter Giampuzzi

ORNELLA GROUP INC.

Per: _____
Peter Giampuzzi

VILLAGE DEVELOPMENTS
INC.


Per:  _____
Paul Debattista

- e) In the event title to the property is subject to any mortgages or other encumbrances which have not been discharged on the date of completion, Ornella shall have the option of assuming same and adding the amount of such mortgages or other encumbrances to the new loan referred to in paragraph 16(c) above.
17. This Amendment And Extension To Agreement Of Purchase And Sale replaces and supersedes any and all other agreements between the parties hereto and any of them.

SIGNED, SEALED AND DELIVERED this 20th day of December, 2022.

Buyer:

BIOINSIGHT INC.

Per:  DE 22, 2022
Peter Giampuzzi

ORNELLA GROUP INC.

Per: 
Peter Giampuzzi

VILLAGE DEVELOPMENTS
INC.

Per: 
Paul Debattista

Schedule A
Provisions of First Agreement Applicable to any purchase and sale of land contemplated in this Agreement

7. HST: If the sale of the property (Real Property as described above) is subject to Harmonized Sales Tax (HST), then such tax shall be in addition to the Purchase Price. If the sale of the property is not subject to HST, Seller agrees to certify on or before (included in/in addition to) closing, that the sale of the property is not subject to HST. Any HST on chattels, if applicable, is not included in the Purchase Price.

8. TITLE SEARCH: Buyer shall be allowed until 6:00 p.m. on the... day of... **10 days before closing (revised from original)** (Requisition Date) to examine the title to the property at Buyer's own expense and until the earlier of: (i) thirty days from the later of the Requisition Date or the date on which the conditions in this Agreement are fulfilled or otherwise waived or; (ii) five days prior to completion, to satisfy Buyer that there are no outstanding work orders or deficiency notices affecting the property, and that its present use (.....) may be lawfully continued and that the principal building may be insured against risk of fire. Seller hereby consents to the municipality or other governmental agencies releasing to Buyer details of all outstanding work orders and deficiency notices affecting the property, and Seller agrees to execute and deliver such further authorizations in this regard as Buyer may reasonably require.

9. FUTURE USE: Seller and Buyer agree that there is no representation or warranty of any kind that the future intended use of the property by Buyer is or will be lawful except as may be specifically provided for in this Agreement.

10. TITLE: Provided that the title to the property is good and free from all registered restrictions, charges, liens, and encumbrances except as otherwise specifically provided in this Agreement and save and except for (a) any registered restrictions or covenants that run with the land providing that such are complied with; (b) any registered municipal agreements and registered agreements with publicly regulated utilities providing such have been complied with, or security has been posted to ensure compliance and completion, as evidenced by a letter from the relevant municipality or regulated utility; (c) any minor easements for the supply of domestic utility or telephone services to the property or adjacent properties; and (d) any easements for drainage, storm or sanitary sewers, public utility lines, telephone lines, cable television lines or other services which do not materially affect the use of the property. If within the specified times referred to in paragraph 8 any valid objection to title or to any outstanding work order or deficiency notice, or to the fact the said present use may not lawfully be continued, or that the principal building may not be insured against risk of fire is made in writing to Seller and which Seller is unable or unwilling to remove, remedy or satisfy or obtain insurance save and except against risk of fire (Title Insurance) in favour of the Buyer and any mortgagee, (with all related costs at the expense of the Seller), and which Buyer will not waive this Agreement notwithstanding any intermediate acts or negotiations in respect of such objections, shall be at an end and all monies paid shall be returned without interest or deduction and Seller, Listing Brokerage and Co-operating Brokerage shall not be liable for any costs or damages. Save as to any valid objection so made by such day and except for any objection going to the root of the title, Buyer shall be conclusively deemed to have accepted Seller's title to the property.

11. CLOSING ARRANGEMENTS: Where each of the Seller and Buyer retain a lawyer to complete the Agreement of Purchase and Sale of the property, and where the transaction will be completed by electronic registration pursuant to Part III of the Land Registration Reform Act, R.S.O. 1990, Chapter L4 and the Electronic Registration Act, S.O. 1991, Chapter 44, and any amendments thereto, the Seller and Buyer acknowledge and agree that the exchange of closing funds, non-registrable documents and other items (the "Requisite Deliveries") and the release thereof to the Seller and Buyer will (a) not occur at the same time as the registration of the transfer/deed (and any other documents intended to be registered in connection with the completion of this transaction) and (b) be subject to conditions whereby the lawyer(s) receiving any of the Requisite Deliveries will be required to hold same in trust and not release same except in accordance with the terms of a document registration agreement between the said lawyers. The Seller and Buyer irrevocably instruct the said lawyers to be bound by the document registration agreement which is recommended from time to time by the Law Society of Upper Canada. Unless otherwise agreed to by the lawyers, such exchange of the Requisite Deliveries will occur in the applicable Land Titles Office or such other location agreeable to both lawyers.

12. DOCUMENTS AND DISCHARGE: Buyer shall not call for the production of any title deed, abstract, survey or other evidence of title to the property except such as are in the possession or control of Seller. If requested by Buyer, Seller will deliver any sketch or survey of the property within Seller's control to Buyer as soon as possible and prior to the Requisition Date. If a discharge of any Charge/Mortgage held by a corporation incorporated pursuant to the Trust And Loan Companies Act (Canada), Chartered Bank, Trust Company, Credit Union, Caisse Populaire or Insurance Company and which is not to be assumed by Buyer on completion, is not available in registrable form on completion, Buyer agrees to accept Seller's lawyer's personal undertaking to obtain, out of the closing funds, a discharge in registrable form and to register same, or cause same to be registered, on title within a reasonable period of time after completion, provided that on or before completion Seller shall provide to Buyer a mortgage statement prepared by the mortgagee setting out the balance required to obtain the discharge, and, where a real-time electronic cleared funds transfer system is not being used, a direction executed by Seller directing payment to the mortgagee of the amount required to obtain the discharge out of the balance due on completion.

13. INSPECTION: Buyer acknowledges having had the opportunity to inspect the property and understands that upon acceptance of this offer there shall be a binding agreement of purchase and sale between Buyer and Seller. **The Buyer acknowledges having the opportunity to include a requirement for a property inspection report in this Agreement and agrees that except as may be specifically provided for in this Agreement, the Buyer will not be obtaining a property inspection or property inspection report regarding the property.**

14. INSURANCE: All buildings on the property and all other things being purchased shall be and remain until completion at the risk of Seller. Pending completion, Seller shall hold all insurance policies, if any, and the proceeds thereof in trust for the parties as their interests may appear and in the event of substantial damage, Buyer may either terminate this Agreement and have all monies paid returned without interest or deduction or else take the proceeds of any insurance and complete the purchase. No insurance shall be transferred on completion. If Seller is taking back a Charge/ Mortgage, or Buyer is assuming a Charge/Mortgage, Buyer shall supply Seller with reasonable evidence of adequate insurance to protect Seller's or other mortgagee's interest on completion.

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15. PLANNING ACT: This Agreement shall be effective to create an interest in the property only if Seller complies with the subdivision control provisions of the Planning Act by completion and Seller covenants to proceed diligently at Seller's expense to obtain any necessary consent by completion.

16. DOCUMENT PREPARATION: The Transfer/Deed shall, save for the Land Transfer Tax Affidavit, be prepared in registrable form at the expense of Seller, and any Charge/Mortgage to be given back by the Buyer to Seller at the expense of the Buyer. If requested by Buyer, Seller covenants that the Transfer/Deed to be delivered on completion shall contain the statements contemplated by Section 50(22) of the Planning Act, R.S.O.1990.

17. RESIDENCY: (a) Subject to (b) below, the Seller represents and warrants that the Seller is not and on completion will not be a non-resident under the non-residency provisions of the Income Tax Act which representation and warranty shall survive and not merge upon the completion of this transaction and the Seller shall deliver to the Buyer a statutory declaration that Seller is not then a non-resident of Canada; (b) provided that if the Seller is a non-resident under the non-residency provisions of the Income Tax Act, the Buyer shall be credited towards the Purchase Price with the amount, if any, necessary for Buyer to pay to the Minister of National Revenue to satisfy Buyer's liability in respect of tax payable by Seller under the non-residency provisions of the Income Tax Act by reason of this sale. Buyer shall not claim such credit if Seller delivers on completion the prescribed certificate.

18. ADJUSTMENTS: Any rents, mortgage interest, realty taxes including local improvement rates and unmetered public or private utility charges and unmetered cost of fuel, as applicable, shall be apportioned and allowed to the day of completion, the day of completion itself to be apportioned to Buyer.

19. PROPERTY ASSESSMENT: The Buyer and Seller hereby acknowledge that the Province of Ontario has implemented current value assessment and properties may be re-assessed on an annual basis. The Buyer and Seller agree that no claim will be made against the Buyer or Seller, or any Brokerage, Broker or Salesperson, for any changes in property tax as a result of a re-assessment of the property, save and except any property taxes that accrued prior to the completion of this transaction.

20. TIME LIMITS: Time shall in all respects be of the essence hereof provided that the time for doing or completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by Seller and Buyer or by their respective lawyers who may be specifically authorized in that regard.

21. TENDER: Any tender of documents or money hereunder may be made upon Seller or Buyer or their respective lawyers on the day set for completion. Money shall be tendered with funds drawn on a lawyer's trust account in the form of a bank draft, certified cheque or wire transfer using the Large Value Transfer System.

22. FAMILY LAW ACT: Seller warrants that spousal consent is not necessary to this transaction under the provisions of the Family Law Act, R.S.O.1990 unless the spouse of the Seller has executed the consent hereinafter provided.

23. UFFI: Seller represents and warrants to Buyer that during the time Seller has owned the property, Seller has not caused any building on the property to be insulated with insulation containing ureaformaldehyde, and that to the best of Seller's knowledge no building on the property contains or has ever contained insulation that contains ureaformaldehyde. This warranty shall survive and not merge on the completion of this transaction, and if the building is part of a multiple unit building, this warranty shall only apply to that part of the building which is the subject of this transaction.

24. LEGAL, ACCOUNTING AND ENVIRONMENTAL ADVICE: The parties acknowledge that any information provided by the brokerage is not legal, tax or environmental advice.

25. CONSUMER REPORTS: The Buyer is hereby notified that a consumer report containing credit and/or personal information may be referred to in connection with this transaction.

26. AGREEMENT IN WRITING: If there is conflict or discrepancy between any provision added to this Agreement (including any Schedule attached hereto) and any provision in the standard pre-set portion hereof, the added provision shall supersede the standard pre-set provision to the extent of such conflict or discrepancy. This Agreement including any Schedule attached hereto, shall constitute the entire Agreement between Buyer and Seller. There is no representation, warranty, collateral agreement or condition, which affects this Agreement other than as expressed herein. For the purposes of this Agreement, Seller means vendor and Buyer means purchaser. This Agreement shall be read with all changes of gender or number required by the context.

27. TIME AND DATE: Any reference to a time and date in this Agreement shall mean the time and date where the property is located.

This is Exhibit “Z” referred to in the Affidavit of GARY GRUNEIR sworn by GARY GRUNEIR of the City of Markham, before me at the City of Toronto, in the Province of Ontario, on May 31, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

DAVID P. PREGER

Court Case Search (gov.on.ca)

VILLAGE DEVELOPMENTS INC. N/A CV22000015730000 Milton 1978667 ONTARIO INC. v. VILL
INC. et al

Rep Name: UNREPRESENTED

Amount: \$760,396.48

Case Opened Date:

Most Recent Order Type: Judgment default (against all defendants)

Most Recent Order

Next Event: N/A

Next Event Date:

VILLAGE DEVELOPMENTS INC. N/A CV22000015750000 Milton

1978667 ONTARIO INC. v. VILL
INC. et al**Rep Name:** UNREPRESENTED**Amount:** \$760,396.48**Case Opened Date:****Most Recent Order Type:** Judgment default (against all defendants)**Most Recent Order****Next Event:** N/A**Next Event Date:**

This is Exhibit "AA" referred to in the Affidavit of GARY GRUNEIR sworn by GARY GRUNEIR of the City of Markham, before me at the City of Toronto, in the Province of Ontario, on May 31, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

DAVID P. PREGER



RESCOM Capital
1870 Bayview Avenue, Suite 400
Toronto, Ontario M4G 3C2

T. 416.489.2830
F. 416.482.4043
www.rescomcapital.com

March 5, 2020

Mr. Paul De Battista
Tony Raposo
Village Developments Inc.
7686 Appleby Line
Milton, Ontario
L9E 0N1

Dear Sir:

Re: 17 Bronte Street South, Milton, Ontario

This letter will serve as our commitment to arrange first mortgage financing on the above captioned property.

- Loan Amount:** FOUR HUNDRED THOUSAND DOLLARS (\$400,000)
- Interest Rate:** 11% percent per annum, calculated and payable interest only monthly.
- Term:** 1 year.
- Privileges:** The mortgage will be closed for ^{two} ~~three~~ months and open thereafter upon receipt of 30 days written notice and payment of one month's interest bonus. *IB*
- Amortization:** Interest only.
- Security:**
1. A first mortgage on the lands known as 17 Bronte Road South, Milton, Ontario.
 2. A first general security agreement in a form satisfactory to the lender's solicitor.
 3. The personal guarantee of Paul De Battista.
 4. ~~The personal guarantee of Tony Raposo.~~ *IB*
 5. The Corporate guarantee of Village Developments Inc.
 6. Such other reasonable documentation as the lender's solicitor may consider advisable.

Advance of Funds: The advance of funds will be made when the lender's solicitor can provide their certificate(s) of title and when all other conditions precedent to such advance as stated herein are satisfied. Advance of funds will be subject to the following conditions.

IB

Conditions:

1. Satisfactory review of an appraisal report by Accredited Appraisers Inc. indicating an as is value of \$850,000. It is a further condition for the making of this loan that the appraiser provide the lender with a Letter authorizing the lender that they may rely on the appraisal for lending purposes.
2. Satisfactory evidence that the property is zoned to permit the proposed use and there are no outstanding work orders or notices of violations from any governmental departments. The mortgagor will provide all appropriate consents to obtain such information.
3. All local improvement charges, realty taxes and other charges affecting the properties shall have been paid to the date of the advance of funds. The charge shall include a provision for the collection of property taxes by the lender, at the lender's option. Payment of taxes by the lender can be waived or asked for at any time during the term of the mortgage. The lender acknowledges that the outstanding realty taxes affecting the property in question will be satisfied out of the advance of funds hereunder.
4. All reasonable engineering, inspections, title, survey and legal customary expenses of the lender are for the account of and shall be paid by the borrower.
5. Satisfactory physical site inspection.
6. Title and all security must be satisfactory to the lender's solicitor.
7. Title insurance in a form satisfactory to the lender's solicitor.
8. The lender shall be provided with original or certified copies of insurance policies. The coverage, terms and insurance company must be satisfactory to the lender.
9. The borrower and guarantors shall provide financial and supporting information as the lender may require, including the following: Unaudited Financial Statements; and Net Worth Statements.
10. In the event of the borrower selling, transferring or conveying title to the lands, or if there is a change in the beneficial ownership, the mortgage will become due and payable, save and except the transfer from the current owner to a corporation of which the corporation shall have as its officer, director and majority shareholder, the borrower's shareholders with satisfactory evidence to the mortgagee. It is understood and agreed that such a transfer shall not relieve the borrower from its obligations.
11. In the event that any payment is returned to the lenders for any cause whatsoever, including there being insufficient funds in the borrower's account to cover same, the lender will be entitled to reimbursement for all

bank charges related to the dishonoured cheque in addition, the lender or administrator's time for collection will be charged at a rate of \$300 per hour and all time will be docketed and charged to the borrower's account. These charges will apply to all administration costs related to any default under the mortgage including but not limited to collection costs related to late payments, insurance cancellation and work orders affecting the property.

12. Any payment (other than payment of the regular payments of interest) that is made after 1:00 p.m. on any date or 11:00 a.m. on a Friday or the business day preceding a statutory holiday, shall be deemed for the purpose of calculation of interest, to have been made and received on the next bank business day. For greater certainty, if funds are received (or deemed received) on a Friday after 11:00 a.m. or the day preceding a statutory holiday, interest will be payable to the next bank business day.

13. If at any time before or after the advance, there is or has been any material discrepancy or inaccuracy in any written information, statements or representations therefore made or furnished by or on behalf of the borrower, then the lender shall be entitled forthwith to cancel the lender's obligations hereunder or declare any monies therefore advanced with interest to be forthwith due and payable and retain all fees provided by the borrower.

14. In the event of default, Rescom Capital will be appointed as the lender's manager and will be entitled to a fee of \$300 per hour for its services and such fee will be charged to the borrower's account.

16. The borrower and guarantor will complete an application on the lenders standard form and will provide photo identification.

17. If the borrower is a corporation, a list of every legal or beneficial owner of, or person who exercises direct or indirect control or direction over more than 25% of the voting rights attached to the outstanding voting securities of the corporation must be provided.

18. *These questions must be asked and answered to comply with the new regulations of the Financial Services Commission of Ontario (FSCO), that went into affect on July 1, 2018.*

Has the borrower or any of the principals of the developer (directors, officers, owners, partners or majority shareholders) been involved in any of the following:

(a) Been convicted, found guilty of or currently charged with any criminal or regulatory offence under any law of any province, territory, state or country

Yes/

No/?

(b) Currently the subject of any civil proceedings or any unsatisfied judgements imposed by a civil court in Canada or elsewhere, against the

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developer, against the principals personally, or against a business in which they have an interest in at least ten percent of the equity shares or ownership shares of the business? Yes/ No/

(c) Within the five years before the date of this form, has the borrower, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver-manager or trustee appointed to hold the assets of that person. Yes/ No/

(d) Been the subject of a regulatory investigation or proceeding, or has otherwise been subject to regulatory sanctions Yes/ No/

19. This commitment is open for acceptance until 5:00 PM on March 06, 2020

20. The first advance must be drawn down and qualified for by March 10, 2020 or the commitment will be terminated.

Inspection Fee: \$750

Special Conditions: The borrower acknowledges that as settlement for unpaid brokerage fees related to an aborted mortgage transaction for 145 & 151 Nipissing Road, Milton, Ontario, \$60,000 will be deducted from the advance of funds, to be combined with deposit monies held in trust related to the Nipissing transaction as settlement in full for unpaid brokerage and lenders fees. Both parties will be required to sign a mutual release. 25,000 NO 177

An amount equal to six months interest will be deducted from the advance of funds to be applied as pre-paid interest. The borrower acknowledges that that this will be paid to the investors as a lump-sum payment. If the loan is repaid prior to six months, the borrower will be given credit for the unused portion. (\$ 27,000.00) 177. ✓

This commitment is issued on the understanding that your acceptance will be accompanied by a cheque payable to Rescom Capital for \$5,000 which shall be deemed earned as a standby fee upon acceptance hereof and which will be credited toward the commission payable when the proceeds of the loan are advanced. The fee shall be forfeited if the loan is not proceeded with, due to any cause whatsoever other than the lender's default. Notwithstanding such retention, you shall remain liable for all fees and costs as referred to herein. ✓

Yours truly,

RESCOM CAPITAL

Peter Santos




5

The undersigned hereby accepts the above terms and conditions.

Dated this 5 day of MARCH, 2020.


Paul DeBattista


Tony Raposo
Village Developments Inc.

LOAN AMOUNT \$ 400,000
 LESS 22,000 % 6 MONTHS
 LESS 12,000 LENDER FEE
 (7,000) (LESS \$5,000.00
 PAID MARCH
 5,000
 MISSING)
 LESS 25,000
 LESS 2,500 LEGALS
 \$ 353,500 BAL ON CLOSING
 177
 MARCH 5/20 343,500



RESCOM Capital
1670 Bayview Avenue, Suite 400
Toronto, Ontario M4G 3C2

T. 416.485.2638
F. 416.482.4043
www.rescomcapital.com

March 6, 2020

**AMENDMENT TO COMMITMENT
DATED MARCH 5, 2020**

Mr. Paul De Battista
Tony Raposo
Village Developments Inc.
7686 Appleby Line
Milton, Ontario L9E 0N1

Dear Sir:

Re: 17 Bronte Street South, Milton, Ontario

DELETE:

Special Conditions: The borrower acknowledges that as settlement for unpaid brokerage fees related to an aborted mortgage transaction for 145 & 151 Nipissing Road, Milton, Ontario, \$25,000 will be deducted from the advance of funds, to be combined with deposit monies held in trust related to the Nipissing transaction as settlement in full for unpaid brokerage and lenders fees. Both parties will be required to sign a mutual release.

INSERT:

Special Conditions: The borrower acknowledges that as settlement for unpaid brokerage fees related to an aborted mortgage transaction for 145 & 151 Nipissing Road, Milton, Ontario, an amount of \$25,000 will be deducted from the advance of funds. There will be an outstanding balance of an additional \$35,000 owing.

Yours truly,
Rescom Capital

Peter Santos

The undersigned hereby accepts the above terms and conditions.
Dated this 10 day of MARCH, 2020.

Paul Di Battista

Tony Raposo
Village Developments Inc.



RESKOM Capital
1670 Bayview Avenue, Suite 400
Toronto, Ontario M4G 3C2

T. 416.405.2630
F. 416.402.4043
www.rescomcapital.com

March 05, 2020

Mr. Paul De Battista
Tony Raposo
Village Developments Inc.
7686 Appleby Line
Milton, Ontario
L9E 0N1

Dear Sir:

Re: 17 Bronte Street South, Milton, Ontario

Further to our letter of proposal dated March 05, 2020, this letter forms part of the conditions thereof. Your costs in obtaining the loan shall be \$12,000. Legal costs, ~~inspection fees~~ and disbursements are additional and such fees will be deducted from the first advance of funds. If the loan is not proceeded with, due to any cause whatsoever other than the lender's default, you shall remain liable for all fees and costs as referred to herein. 17B

Any fees earned as a result of acceptance of this Commitment Letter, together with any expenses or costs incurred by Rescom Capital, including but not limited to, appraisal, re-appraisal, inspections, re-inspections, title searches, plan review, soil tests, survey, environmental assessments and legal costs on a solicitor and its client basis, are deemed to be a charge on the Subject Property referred to herein and Rescom Capital may file and maintain a caveat on the title to the Subject Property to protect that charge and the Borrower(s) and Guarantor(s) do hereby mortgage to Rescom Capital the amount necessary to pay all fees and expenses as detailed herein as a charge against the Subject Property.

Yours truly,
Rescom Capital

Peter Santos

The undersigned hereby accepts the above terms and conditions.
Dated this 5 day of MARCH, 2020.

Paul De Battista

Tony Raposo
Village Developments Inc.



RESCOM Capital
1670 Bayview Avenue, Suite 400
Toronto, Ontario M4G 3C2

T. 416.485.2636
F. 416.482.4043
www.rescomcapital.com

March 6, 2020

AMENDMENT TO COMMITMENT
DATED MARCH 5, 2020

Mr. Paul De Battista
Tony Raposo
Village Developments Inc.
7686 Appleby Line
Milton, Ontario L9E 0N1

Dear Sir:

Re: 17 Bronte Street South, Milton, Ontario

DELETE:

Special Conditions: The borrower acknowledges that as settlement for unpaid brokerage fees related to an aborted mortgage transaction for 145 & 151 Nipissing Road, Milton, Ontario, \$25,000 will be deducted from the advance of funds, to be combined with deposit monies held in trust related to the Nipissing transaction as settlement in full for unpaid brokerage and lenders fees. Both parties will be required to sign a mutual release.

INSERT:

Special Conditions: The borrower acknowledges that as settlement for unpaid brokerage fees related to an aborted mortgage transaction for 145 & 151 Nipissing Road, Milton, Ontario, an amount of \$25,000 will be deducted from the advance of funds. There will be an outstanding balance of an additional \$35,000 owing.

Yours truly,
Rescom Capital

Peter Santos

The undersigned hereby accepts the above terms and conditions.
Dated this ____ day of _____, 2020.

Paul Di Battista

Tony Raposo

Village Developments Inc.

This is Exhibit “BB” referred to in the Affidavit of GARY GRUNEIR sworn by GARY GRUNEIR of the City of Markham, before me at the City of Toronto, in the Province of Ontario, on May 31, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

DAVID P. PREGER

LRO # 20 Charge/Mortgage

Received as HR1689124 on 2020 03 10 at 13:36

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

yyyy mm dd Page 1 of 13

Properties

PIN 24952 - 0157 LT Interest/Estate Fee Simple
 Description PT LT 2 BLK 1 ON PL 7 BEING PT 2 ON PL 20R-19786; S/T EASE IN GROSS OVER PT
 1 ON PL 20R-21184 AS IN HR1594215; TOWN OF MILTON
 Address 17 BRONTE STREET SOUTH
 MILTON

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 VILLAGE DEVELOPMENTS INC.
 Address for Service 7686 Appleby Line
 Milton, Ontario
 L9E 0N1

I, Paul DeBatista, have the authority to bind the corporation.

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

Chargee(s)**Capacity****Share**

Name	BAMBURGH HOLDINGS LTD.	an undivided \$100,000 / \$400,000 interest
Address for Service	c/o C & K Mortgage Services Inc. 1670 Bayview Avenue, Suite 400 Toronto, Ontario M4G 3C2	
Name	YERUSHA INVESTMENTS INC.	an undivided \$200,000 / \$400,000 interest
Address for Service	c/o C & K Mortgage Services Inc. 1670 Bayview Avenue, Suite 400 Toronto, Ontario M4G 3C2	
Name	1008118 ONTARIO LIMITED	an undivided \$100,000 / \$400,000 interest
Address for Service	c/o C & K Mortgage Services Inc. 1670 Bayview Avenue, Suite 400 Toronto, Ontario M4G 3C2	

Statements

Schedule: See Schedules

Provisions

Principal	\$400,000.00	Currency	CDN
Calculation Period	monthly, not in advance		
Balance Due Date	2021/04/01		
Interest Rate	11.00		
Payments	\$3,666.67		
Interest Adjustment Date	2020 04 01		
Payment Date	first day of each and every month		
First Payment Date	2020 05 01		
Last Payment Date	2021 04 01		
Standard Charge Terms	200033		
Insurance Amount	Full insurable value		
Guarantor	Paul DeBatista		

LRO # 20 Charge/Mortgage

Received as HR1689124 on 2020 03 10 at 13:36

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

yyyy mm dd Page 2 of 13

Signed By

Kimberly Anne Gabriel

1 Adelaide Street E., Suite 801
Toronto
M5C 2V9acting for
Chargor(s)

Signed 2020 03 06

Tel 416-869-1234

Fax 416-869-0547

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

Submitted By

GARFINKLE, BIDERMAN LLP

1 Adelaide Street E., Suite 801
Toronto
M5C 2V9

2020 03 10

Tel 416-869-1234

Fax 416-869-0547

Fees/Taxes/Payment

Statutory Registration Fee

\$65.05

Total Paid

\$65.05

SCHEDULE "A" - Additional Provisions

1. Letter of Commitment

Any reference in this Charge to the Commitment Letter or Letter of Commitment (the "Commitment Letter" or "Letter of Commitment") shall mean the Commitment Letter referable to this transaction dated March 5, 2020 (and any amendments thereto, if applicable).

This Charge shall secure any and all amounts owing by the Chargor to the Chargee pursuant to the Letter of Commitment.

All provisions of the Letter of Commitment are hereby incorporated into this Charge.

Any default by the Mortgagor with regard to any provision of the Letter of Commitment shall constitute a default under this Charge.

2. Interest Rate

The mortgage shall bear interest at the rate of 11.00% per annum, compounded and payable monthly, not in advance. Interest at the aforesaid rate on the amounts advanced from time to time shall be payable on the first day of each and every month throughout the term of the Charge and the principal sum (with all unpaid accrued interest) shall become due and payable on April 2, 2021. The parties hereto acknowledge and agree that the Chargee shall not be deemed to reinvest any monthly or other payments received by it hereunder.

In case default shall be made in payment of any sum to become due for interest at any time appointed for payment in this Charge, compound interest shall be payable and the sum in arrears for interest from time to time, as well after as before maturity and judgment, shall bear interest at the rate provided for in this Charge. In the event the interest and compound interest are not paid one month from the time of default, a rest shall be made, and compound interest at the rate provided for in this Charge shall be payable on the aggregate amount then due, as well after as before maturity and judgment, and so on from time to time, and all such interest and compound interest shall be a charge upon the Charged Property.

The Chargee shall have the right to deduct from any advance, interest from the date of advance to the interest adjustment date.

3. Prepayment Privilege

Provided that this Charge shall be closed for the period of two months and thereafter, if the Charge is not in default, the Chargor shall have the right of prepaying the whole amount hereby secured upon thirty day's written notice by the Mortgagor to the Mortgagee and further upon payment of one month's interest on the amount so prepaid as a bonus.

4. Default

In addition to any other Default Clauses set out in this Charge, or in the Standard Charge Terms referred to herein, the monies hereby secured, together with interest thereon as aforesaid, shall become payable and the security hereby constituted shall become enforceable immediately upon demand by the Chargee on the occurrence or happening of any of the following events ("Event(s) of Default"):

- (a) the Chargor makes default in the payment of the principal, interest or other monies hereby secured or any principal or interest payment and other monies owed by it to the Chargee whether secured by this Charge or not;
- (b) the Chargor makes default in the payment of principal, interest or other monies secured by any other Charges registered against the Charged Property whether in priority to or subsequent to this Charge;
- (c) the Chargor makes material default in the observance or performance of any written covenant or undertaking heretofore or hereafter given by it to the Chargee, whether contained herein or not and pertaining to the assets or the financial condition of the Chargor and such default has not been cured within fifteen (15) days of written notice thereof being delivered to the Chargor;
- (d) if any statement, information (oral or written) or representation heretofore or hereafter made or given by or on behalf of the Chargor to the Chargee and pertaining to the assets or the financial condition of the Chargor, and whether contained herein or not is false, inaccurate and/or misleading in any material

respect;

- (e) an order is made or an effective resolution passed for the winding-up, liquidation, amalgamation or reorganization of the Chargor, or a petition is filed for the winding up of the Chargor;
- (f) the Chargor becomes insolvent or makes a general assignment for the benefit of its creditors or otherwise acknowledges its insolvency; or the Chargor makes a bulk sale of its assets; or a bankruptcy petition or receiving order is filed or presented against the Chargor;
- (g) any proceedings with respect to the Chargor are commenced under the Companies' Creditors Arrangement Act;
- (h) any execution, sequestration, extent or any other process of any Court becomes enforceable against the Chargor or a distress or analogous process is levied upon the property and assets of the Chargor or any part thereof, which in the opinion of the Chargee is a substantial part, and remains unsatisfied for such period as would permit such property to be sold thereunder, less two (2) business days, provided that such process is not in good faith disputed and, in that event, if the Chargor shall desire to contest such process it shall give security to the Chargee which, in the absolute discretion of the Chargee, shall be deemed sufficient to pay in full the amount claimed in the event it shall be held to be a valid claim;
- (i) the Chargor ceases or threatens to cease to carry on its business or the Chargor commits or threatens to commit any act of bankruptcy or insolvency;
- (j) the property hereby mortgaged and charged (the "Charged Property") or any part thereof, other than sales of lots containing fully completed single family dwellings to bona fide purchasers for value, with prior written approval by the Chargee, are sold by the Chargor or if there is a change in the present effective voting control of the Chargor or a change in the beneficial ownership of the Chargor or the assets or any one of them;
- (k) the monies secured hereby, together with interest thereon shall not be repaid to the Chargee when due;
- (l) the Chargor makes any default with regard to any provision of the Commitment Letter.

5. Chargee May Remedy Default

If the Chargor should fail to perform any covenant or agreement of the Chargor hereunder, the Chargee may itself perform or cause to be performed such covenant or agreement and all expenses incurred or payments made by the Chargee in so doing, together with interest thereon at the rate set forth herein, shall be added to the indebtedness secured herein and shall be paid by the Chargor and be secured by this Charge together with all other indebtedness secured thereby, provided however that the foregoing shall not in any way be interpreted as an obligation of the Chargee.

6. Construction Liens

Provided also that upon the registration of any construction lien against title to the charged property which is not discharged within a period of ten (10) days from the registration thereof, all monies hereby secured shall, at the option of the Chargee, forthwith become due and payable.

The Chargee may at its option, withhold from any advances for which the Chargor may have qualified, such holdbacks as the Chargee in its sole discretion, considers advisable to protect its position under the provisions of the Construction Act, R.S.O. 1990, c. C30 so as to secure its priority over any construction liens, until the Chargee is fully satisfied that all construction lien periods have expired and that there are no preserved or perfected liens outstanding. Nothing in this clause shall be construed to make the Chargee an "owner" or "payer" as defined under the Construction Act, R.S.O. 1990, c. C30, nor shall there be, or be deemed to be, any obligation by the Chargee to retain any holdback which may be required by the said legislation. Any holdback which may be required to be made by the owner or payer shall remain solely the Chargor's obligation. The Chargor hereby covenants and agrees to comply in all respects with the provisions of the Construction Act, R.S.O. 1990, c. C30.

7. Construction Loan

Provided that the Chargor and Chargee agree that if this is a construction loan, the following conditions shall apply:

- (a) the Chargor further covenants that all installation of services and construction on the lands hereby secured shall be carried out by reputable contractors with sufficient experience in a project of this nature and size, which contractors must be approved by the Chargee and which approval shall not be unreasonably withheld;
- (b) that the installation of services and the construction of dwellings on the said lands, once having been commenced, shall be continued in a good and workmanlike manner, with all due diligence and in substantial accordance with the plans and specifications delivered to the Chargee and to the satisfaction of the Municipality and all governmental and regulatory authorities having jurisdiction;
- (c) provided that should the servicing and construction on the said lands cease for any reason whatsoever (strike, material shortages, weather and conditions or circumstances beyond the control of the Chargor excepted), for a period of fifteen (15) consecutive days unless explained to the satisfaction of the Chargee acting reasonably (Saturdays, Sundays and Statutory holidays excepted), then the monies hereby secured, at the option of the Chargee shall immediately become due and payable. In the event that construction does cease, then the Chargee shall have the right, at its sole option, to assume complete control of the servicing and construction of the project on the said lands in such manner and on such terms as it deems advisable. The cost of completion of servicing and construction of the project by the Chargee and all expenses incidental thereto shall be added to the principal amount of the Charge, together with a management fee of fifteen percent (15%) of the costs of the construction completed by the Chargee. All costs and expenses, as well as the said management fee shall bear interest at the rate as herein provided for and shall form part of the principal secured hereunder and the Chargee shall have the same rights and remedies with respect to collection of same as it would have with respect to collection of principal and interest hereunder or at law;
- (d) at the option of the Chargee, at all times there shall be a holdback of ten percent (10%) with respect to work already completed;
- (e) all advances which are made from time to time hereunder shall be based on Certificate of the Chargee's agents prepared at the expense of the Chargor, which Certificates shall without limitation certify the value of the work completed and the estimated costs of any uncompleted work and such Certificates shall further certify that such completed construction and/or servicing to the date of such Certificate shall be in accordance with the approved plans and specifications for the said construction and further, in a good and workmanlike manner and in accordance with the permits issued for such servicing and construction and in accordance with all municipal and other governmental requirements of any authority having jurisdiction pertaining to such servicing and construction and there shall be no outstanding work orders or other requirements pertaining to servicing and construction on the said lands. Such Certificates with respect to any values shall not include materials on the site which are not incorporated into the buildings or the services;
- (f) At all times there shall be sufficient funds unadvanced under this Charge to complete the construction as well as a holdback of ten (10%) with respect to work already completed.

8. Environmental

- (a) "Hazardous Substances" includes:
 - (i) any substances that, if added to any water or emitted into the air would create or contribute to the creation of a condition of such water or air that is detrimental to its use by or to the health, safety or welfare of persons or animals or cause damage to plant life or Charged property;
 - (ii) any radioactive materials or explosives;
 - (iii) any substances declared from time to time to be hazardous, dangerous or toxic under any applicable federal, provincial or municipal law, by-law, regulation or other enactment, including without limitation, asbestos; and
 - (iv) any other substances which is or may become hazardous, toxic or dangerous to persons or Charged property.

- (b) The Chargor hereby represents, warrants, covenants and agrees to and with the Chargee that:
- (i) to the best of the knowledge of the Chargor after due and diligent inquiry, there are no Hazardous Substances on the Charged property no Hazardous Substances have ever been used, stored or located on the Charged property and no part of the Charged property is or has ever been contaminated by any Hazardous Substances;
 - (ii) no Hazardous Substances shall be brought onto or used on the Charged property without the prior written consent of the Chargee;
 - (iii) any Hazardous Substances brought onto the Charged property or used by any person on the Charged property shall be transported, used and stored only in accordance with all applicable laws, regulations, by-laws and other lawful requirements, prudent industrial standards and any other requirements of the Chargee;
 - (iv) no use of the Charged property will be allowed which may cause or increase the likelihood of the escape, seepage, leakage, spillage, release or discharge of any Hazardous Substances on, from or under the Charged property or permit any policy of insurance in respect to the Charged property to be cancelled; and
 - (v) the Chargor shall promptly notify the Chargee as soon as it knows or suspects that any Hazardous Substances have been brought onto the Charged property or that there is any actual, threatened or potential escape, seepage, leakage, spillage, release or discharge of any Hazardous Substances on, from or under the Charged property.
- (c) The Chargor shall indemnify and save harmless the Chargee, its officers, directors, employees, agents and shareholders against and from all loss, costs and damages (including, without limitation, all legal fees and disbursements) which they or any of them may suffer, incur or become liable for by reason of or arising out of the use, generation, storage, escape, seepage, leakage, spillage, release, disposal or presence on, from or under the Charged property of any Hazardous Substances including, without limitation the cost of any reports as to compliance with or breach of the provisions of this paragraph 8 which the Chargee, acting reasonably may obtain at any time and from time to time.

9. Miscellaneous

The Chargor agrees as follows:

- (a) The Chargor shall keep the Charged Property and buildings, erections and improvements thereon in good condition and repair according to the nature and description thereof, respectively, and the Chargee may, whenever it deems necessary, by its agent, enter upon and inspect the Charged Property and make such repairs as it deems necessary, and the reasonable cost of such inspection and repairs with interest at the rate aforesaid shall be added to the Charge debt and be payable forthwith and be a charge upon the Charged Property prior to all claims thereon subsequent to this Charge.
- (b) to pay taxes, utilities and other operating and maintenance costs and provide evidence thereof to the Chargee;
- (c) to perform all governmental requirements and obligations as required;
- (d) to deliver to the Chargee all reasonable financial information deemed necessary by the Chargee, when requested including, within one hundred and twenty (120) days of the end of each fiscal year of the Chargor, furnishing to the Chargee audited financial statements prepared at the expense of the Chargor and, additionally, within one hundred and twenty (120) days of the end of the fiscal year of the operation of the Charged Property by the Chargor, furnishing to the Chargee an audited annual operating statement prepared at the expense of the Chargor, which statement, notwithstanding the generality of the foregoing, shall set forth the gross rents and other revenue derived by the Chargor from the Charged

Property, the costs and expenses of the operation and maintenance of the Charged Property and such information and explanation in respect of the foregoing as may be required by the Chargee and such statements shall be required to be prepared by a duly qualified chartered accountant and/or certified public accountant suitable to the Chargee and the correctness of such statements shall be duly supported by the affidavit of a director or officer of the Chargor.

- (e) to comply with all covenants and reporting requirements set out in the Commitment Letter;
- (f) to provide or comply with such other covenants and terms as the Chargee may reasonably require.

10. Restriction on Transfer

In the event of the Chargor selling, transferring or conveying title or its rights to a purchaser, transferee or grantee not approved by the Chargee or in the event of a change in the legal or beneficial ownership of the Property, the Mortgagor or the Chargor, not approved in writing by the Chargee, then, at the sole option of the Chargee, all monies secured, together with all accrued and unpaid interest thereon and any other amounts due under this Charge shall become due and payable.

11. Assignment of Condominium Voting Rights

In the event that the property or any part thereof is or becomes a unit within a Condominium Corporation, the Chargee shall have all rights to vote on all matters relating to the said Condominium Corporation, in the place of and on behalf of the Chargor, and the Chargor hereby assigns unto the Chargee all such voting rights.

In the event that the property or any part thereof is or becomes a Common Element Condominium Corporation, the Chargee shall have all rights to vote on all matters relating to the said Common Element Condominium Corporation in the place of and on behalf of the Chargor, to the extent that the Chargor would have such rights, and the Chargor hereby assigns unto the Chargee all such voting rights.

The Chargor agrees that voting control of the Chargor shall not change during the currency of this loan without the prior written consent of the Chargee.

12. Subsequent Financing

No financing subsequent to the Chargee's facilities shall be permitted, without the prior written consent of the Chargee which consent shall not be unreasonably withheld.

13. NSF and Late Payment Charge

In the event that any payment is returned to the lender for any cause whatsoever, including there being insufficient funds in the borrower's account to cover same, the lender will be entitled to reimbursement for all bank charges related to the dishonoured cheque in addition, the lender or administrator's time for collection will be charged at a rate of \$300 per hour and all time will be docketed and charged to the borrower's account. These charges will apply to all administration costs related to any default under the mortgage including but not limited to collection costs related to late payments, insurance cancellation and work orders affecting the property. All payments (other than regular monthly payments of interest) must be received no later than 1:00 PM or they shall be deemed earned the following business day. Payments being made on a Friday or on a business day preceding a statutory holiday must be received no later than 11:00 AM or they shall be deemed earned the following business day. For greater certainty, if funds are not received before the times stipulated herein, interest will continue to accrue to the next bank business day. All payments not made by the due date will be subject to the lender's administration costs in processing same.

14. Default

In the event default is made in the payment of any principal money, at the time or times provided herein, the Chargee will not be required to accept payment of the principal monies without first receiving three (3) months notice in writing or receiving three (3) months interest bonus in advance payment of the principal monies.

15. Manager's Fee

In the event of default herein, Rescom Capital will be appointed as the Chargee's Manager, at the Chargee's discretion and will be entitled to a fee of \$300.00 per hour for its services and such fee will be charged to the Chargor's account, and added to the amount owing under this Charge.

16. Post-dated Cheques

The Chargor shall supply a series of post-dated cheques to each of the Chargee(s) (or as directed) on or before the advance and any renewal or extension thereof.

17. Statement Charge

The Chargor shall pay to the Chargee the sum of \$100.00 for every statement requested by the Chargor, or any party on behalf of the Chargor or any party interested in the Charged Property and provided by the Chargee.

18. Commencing of Proceedings

The Chargor shall pay to the Chargee (exclusive of legal costs) the sum of \$500.00 for each and every instance the Chargee is required to institute default or enforcement proceedings under this Charge.

19. Insurance

Without limiting the generality of any provision of this Charge, the Chargor shall carry such liability, rental, boiler, fire and other insurance coverage in such amounts as required by the Chargee. Written evidence of continuance of such insurance from the insurer under such policy or policies to the effect that coverage has been extended for a minimum of at least one year and all premiums with respect to such extended term of such coverage have been paid for in full shall be produced to the Chargee at least thirty (30) days before expiration of any term of such respective policy; otherwise the Chargee may provide therefor and charge the premium paid and interest thereon at the rate provided in this Charge to the Chargor and the same shall be payable forthwith and shall also be a charge upon the Charged Property together with a penalty of \$500.00.

Notwithstanding any other provision to the contrary, statutory or otherwise, in the event of any moneys becoming payable pursuant to an insurance policy with respect to buildings located on the Charged Property, the Chargee may at its option require the said moneys to be applied by the Chargor in making good the loss or damage in respect of which the money is received, or in the alternative, may require that any or all of the moneys so received to applied in or towards satisfaction of any or all of the indebtedness secured hereunder whether or not the same has become due.

Provided also that the covenant for insurance hereinbefore contained shall provide that loss, if any, shall be payable to the said Chargee, as its interest may appear, subject to the Chargee's standard form of mortgage clause or the standard form of mortgage clause approved by the Insurance Bureau of Canada which shall be attached to the policy of insurance and form part thereof.

20. Payment of Taxes

With respect to municipal taxes, school taxes and local improvement rates (hereinafter referred to as "**Taxes**") chargeable against the Charged Property, the Chargor covenants and agrees with the Chargee that:

- (a) The Chargee may deduct from any advance of the moneys secured by this Charge an amount sufficient to pay the Taxes which have become due and payable during any calendar year;

- (b) The Chargee may at its sole option estimate the amount of the Taxes chargeable against the Charged Property payable in each year and the Chargor shall forthwith upon demand of the Chargee pay to the Chargee one-twelfth (1/12) of the estimated annual amount of such Taxes on the dates on which instalments of principal and interest are payable during the term of this Charge commencing with the 1st day of the first full month of the term of this Charge. The Chargee may at its option apply such payments to the Taxes so long as the Chargor is not in default under any covenant or agreement contained in this Charge, but nothing herein contained shall obligate the Chargee to apply such payments on account of Taxes more often than yearly. Provided, however, that if the Chargor shall pay any sum or sums to the Chargee to apply on account of Taxes, and if before the same shall have been so applied, there shall be default by the Chargor in respect of any payment of principal or interest as herein provided, the Chargee may at its option apply such sum or sums in or towards payment of the principal and/or interest in default. If the Chargor desires to take advantage of any discounts or avoid any penalties in connection with the payment of Taxes, the Chargor may pay to the Chargee such additional amounts as are required for that purpose.
- (c) In the event that the Taxes actually charged in one (1) calendar year, together with any interest and penalties thereon, exceed the estimated amount, the Chargor shall pay to the Chargee on demand the amount required to make up the deficiency. The Chargee may at its option, pay any of the Taxes when payable, either before or after they are due, without notice, or may make advances therefor in excess of the then amount of any credit held by the Chargee for the said Taxes. Any excess amount advanced by the Chargee shall be secured as an additional principal sum under this Charge and shall bear the same rate of interest as aforesaid until repaid by the Chargor.
- (d) The Chargor shall transmit to the Chargee forthwith after receipt of same the assessment notices, Tax bills and other notices affecting the imposition of Taxes upon the Charged Property
- (e) In no event shall the Chargee be liable for any interest on any amount paid to it as hereinbefore required and the moneys so received may be held with its own funds pending payment or application thereof as hereinbefore provided, provided that in the event that the Chargee does not utilize the funds received on account of Taxes in any calendar year, such amount or amounts may be held by the Chargee on account of any pre-estimate of Taxes required for the next succeeding calendar year, or at the Chargee's option the Chargee may repay such amount to the Chargor without any interest.
- (f) The Chargor shall in all instances be responsible for the payment of any and all penalties resulting out of any late payment of current Tax instalments or any arrears of Taxes, and at no time shall such penalty be the responsibility of the Chargee.
- (g) The Chargor shall deliver to the Chargee on or before December 31st in each such calendar year, written evidence from the taxing authority having jurisdiction with respect to the municipal realty Taxes levied and assessed against the Charged Property, such evidence to be to the effect that all Taxes for the current calendar year and any preceding calendar year have been paid in full. In the event of the failure of the Chargor to comply with the covenant as aforesaid, the Chargee shall be entitled to charge a servicing fee for each written enquiry directed to such taxing authority or the relevant taxation office for the purpose of ascertaining the status of the Tax account pertaining to the Charged Property, together with any costs payable to the taxing authority for such information. Such servicing fee is hereby agreed to be a fair and equitable one under the circumstances and is intended to cover the Chargee's administrative costs and shall not be deemed a penalty.

21. Appointment of a Receiver

NOTWITHSTANDING anything herein contained, it is declared and agreed that at any time, and from time to time, when there shall be default under the provisions of these presents, the Chargee may at such time, and from time to time, and with or without entering

into possession of the Charged Property appoint in writing a receiver (the "**Receiver**" which term shall include a receiver/manager) of the Charged Property, or any part thereof, and of the rents and profits thereof and with or without security and may from time to time by similar writing remove any such Receiver and appoint another in its place and stead, and in the making of any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor. The Chargor hereby agrees and consents to the appointment of the Receiver of the Chargee's choice and without limitation, whether pursuant to this Charge, the Mortgages Act, the Construction Act, R.S.O. 1990, c. C30 or pursuant to the Courts of Justice Act (as the Chargee may at its sole option require). Without limitation, the purpose of such appointment shall be the orderly management, administration and/or sale of the Charged Property and every part thereof.

Upon the appointment of any such Receiver or Receivers from time to time the following provisions shall apply:

- (a) a statutory declaration of an officer of the Chargee as to default under the provisions of these presents shall be conclusive evidence thereof;
- (b) every such Receiver shall be the irrevocable agent or attorney of the Chargor for the collection of all rents falling due with respect to the Charged Property, and every part thereof, whether in respect of any tenancies created in priority to these presents or subsequent thereto;
- (c) the Chargee may from time to time fix the remuneration of every such Receiver who shall be entitled to deduct same out of the Charged Property or the proceeds thereof;
- (d) each such Receiver shall, so far as concerns responsibility and liability for its acts or omissions, be deemed to be the agent or attorney of the Chargor and in no event the agent of the Chargee;
- (e) the appointment of every such Receiver by the Chargee shall not incur or create any liability on the part of the Chargee to the Receiver in any respect and such appointment or anything which may be done by any such Receiver or the removal of any such Receiver or the termination of any such Receivership shall not have the effect of constituting the Chargee a chargee in possession with respect to the Charged Property or any part thereof;
- (f) the Receiver shall have the power to rent any portion of the Charged Property for such terms and subject to such provisions as it may deem advisable or expedient and in so doing such Receiver shall be acting as the attorney or agent of the Chargor and shall have the authority to execute any lease of any such premises in the name and on behalf of the Chargor and the Chargor undertakes to ratify and confirm whatever acts such Receiver may do in the Charged Property;
- (g) every such Receiver shall have full power to complete any unfinished construction upon the Charged Property;
- (h) any such Receiver shall have full power to carry on or concur in the carrying on of the business of the Chargor, and to employ and discharge such agents, workmen, accountants and other individuals or companies as are required to carry on the said business, upon such terms and with such salaries, wages or remuneration as it shall think proper, and to repair and keep in repair the Charged Property and to do all necessary acts and things for the carrying on of the business of the Chargor and the protection of the Charged Property;
- (i) any such Receiver shall have the power to sell or lease or concur in selling or leasing the Charged Property, or any part thereof, and to carry any such sale or lease into effect by conveying in the name of or on behalf of the Chargor or otherwise; and any such sale may be made either at public auction or private sale as to the Receiver may seem best and any such sale may be made from time to time as to the whole or any part of the Charged Property; and the Receiver may make any stipulations as to title or conveyance or commencement of title or otherwise as it shall deem proper;

- (j) any such Receiver shall have the power to borrow money to carry on the business of the Chargor or to maintain the whole or any part of the Charged Property, in such amounts as the Receiver may from time to time deem necessary and in so doing, the Receiver may issue certificates that may be payable when the Receiver thinks expedient and shall bear interest as stated therein and the amounts from time to time payable under such certificates shall charge the Charged Property in priority to this Charge;
- (k) any such Receiver shall have the power to execute and prosecute all suits, proceedings and actions which the Receiver in its opinion considers necessary for the proper protection of the Charged Property, to defend all suits, proceedings and actions against the Chargor or the Receiver, to appear in and conduct the prosecution and defence of any suit, proceeding or action then pending or thereafter instituted and to appeal any suit, proceeding or action;
- (l) any such Receiver shall have the full power to manage, operate, amend, repair, alter or extend the Charged Property, or any part thereof, in the name of the Chargor for the purpose of securing the payment of rentals from the Charged Property or any part thereof;
- (m) any such Receiver shall not be liable to the Chargor to account: for moneys or damages other than cash received by it with respect to the Charged Property or any part thereof and out of such cash so received every such Receiver shall pay in the following order:
 - (i) its remuneration;
 - (ii) all payments made or incurred by the Receiver in connection with the management, operation, amendment, repair, alteration or extension of the Charged Property or any part thereof;
 - (iii) in payment of interest, principal and other money which may from time to time be or become a charge upon the Charged Property in priority to moneys owing hereunder and all taxes, insurance premiums and every other proper expenditure made or incurred by it with respect to the Charged Property or any part thereof;
 - (iv) in payment of all interest and arrears of interest and any other moneys remaining unpaid hereunder;
 - (v) the residue of any money so received by the Receiver shall be applied to the principal sum or any other amounts from time to time owing under this Charge;
 - (vi) subject to subparagraph (v) above, in the discretion of the Receiver, interest, principal and other moneys which may from time to time constitute a charge or encumbrance on the Charged Property subsequent in priority or subordinate to the interest of the Chargee under this Charge;

and that such Receiver may in its discretion retain reasonable reserves to meet accruing amounts and anticipated payments in connection with any of the foregoing, and further, that any surplus remaining in the hands of the Receiver, after payments made and such reasonable reserves retained as aforesaid, shall be payable to the Chargor.

Provided that save as to moneys payable to the Chargor pursuant to subparagraph (m) of this Paragraph, the Chargor hereby releases and discharges the Chargee and every such Receiver from every claim of every nature, whether sounding in damages for negligence or trespass or otherwise, which may arise or be caused to the Chargor or any person claiming through or under it by reason or as a result of anything done by the Chargee or any such Receiver under the provisions of this Paragraph, unless such claim be the direct and proximate result of bad faith or gross neglect.

The Chargor hereby irrevocably appoints the Chargee as its attorney to execute such consent or consents and all such documents as may be required in the sole discretion of the Chargee and/or its solicitor so as to give effect to the foregoing provisions and the signature

of such attorney shall be valid and binding on the Chargor and all parties dealing with the Chargor, the Chargee and/or Receiver and/or with respect to the Charged Property in the same manner as if such documentation was duly executed by the Chargor itself.

22. Payments

- (a) All payments shall be applied firstly on account of interest calculated as aforesaid on the balance of the principal amount outstanding from time to time except that in the case of default hereunder, the Chargee may then apply any payment(s) received during default in whatever order it may elect as between taxes, interest, repairs, insurance, legal fees (on a solicitor and client basis) or any other payments made on behalf of the Chargor. All payments and charges and fees upon which H.S.T. is chargeable shall include an additional H.S.T. component.

23. Notice

Any notice, election, demand, declaration or request which may or is required to be given or made pursuant to this Charge, shall (unless otherwise required by law or set out in this Charge) be given or made in writing and shall be served personally upon an individual party for whom it is intended or upon any executive officer of a corporate party for whom it is intended or mailed by prepaid registered mail:

- (a) in the case of the Chargor at:

7686 Appleby Line
Milton, Ontario
L9E 0N1

Attention: Mr. Paul DeBatista

- (b) in the case of Chargee at:

c/o C & K Mortgage Services Inc.
1670 Bayview Avenue
Suite 400
Toronto, Ontario
M4G 3C2

Attention: Mr. Gary Gruneir

or such other address (or in the case of a corporate party in care of such other officer) as any party may from time to time advise the other parties hereto by notice in writing as aforesaid. The date of receipt of any such notice, election, demand, declaration or request, shall be the date of delivery of such notice, election, demand or request if delivered personally or if mailed as aforesaid shall be deemed to be the third juridical day next following the date of such mailing. If at the date of any such mailing there is a general interruption in the operation of the postal service in the Province of Ontario which does or is likely to delay the delivery by mail of such notice, election, demand or request, it shall be served personally.

24. Invalidity

If any of the terms, covenants or conditions of this Charge shall be void for any reason, it shall be severed from the remainder of the provisions hereof and the remaining provisions shall remain in full force and effect notwithstanding such severance.

25. Power of Sale

PROVIDED that in the event power of sale proceedings are taken, the Chargee as vendors may sell the property on terms and if the result is that any mortgages taken back are at a rate lower than the rate for the first and/or second mortgagee in the industry then the

Chargee shall be entitled to sell these charges at a discount and the discount shall form part of the loss incurred by the Chargee and be recoverable against the Chargor.

F:\CONVEY\DOCS\2677-578.M\RESCOM CHARGE TERMS.DOC

This is Exhibit "CC" referred to in the Affidavit of GARY GRUNEIR sworn by GARY GRUNEIR of the City of Markham, before me at the City of Toronto, in the Province of Ontario, on May 31, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

DAVID P. PREGER

GENERAL SECURITY AGREEMENT

1. SECURITY INTEREST

(a) For value received, **B. & M. Handelman Investments Limited, Carol Handelman, E. Manson Investments Ltd., Beatrice Spiegel/Randy Spiegel and Stacey Spiegel, on joint account, Randy Spiegel, Comfort Capital Inc. and Noorlander Capital Inc. (collectively the "Lender")** is hereby granted by the Debtor (the "Debtor") by way of assignment and transfer, a security interest (the "Security Interest") in the undertaking of the Debtor and in all Goods (including all parts, accessories, special tools, additions and accessions thereto), Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Accounts, Intangibles, Money and Securities now owned or hereafter owned or acquired by or on behalf of the Debtor relating to the Property described in Schedule "A" annexed hereto (including such as may be returned to or repossessed by the Debtor) and in all Proceeds and renewals thereof, accretions thereto and substitutions therefor (hereinafter collectively called "Collateral"), including without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of the Debtor:

- (i) all present and future equipment of the Debtor, including all machinery, appliances, fixtures, plant, tools, furniture, vehicles of any kind or description, all spare parts, accessories installed in or affixed or attached to any of the foregoing, and all drawings, specifications, plans and manuals relating thereto ("Equipment");
- (ii) all present and future inventory of the Debtor, including all raw materials, materials used or consumed in the business or profession of the Debtor, work-in-progress, finished goods, goods used for packing, materials used in the business of the Debtor not intended for sale, and goods acquired or held for sale or furnished or to be furnished under contracts of rental or service ("Inventory");
- (iii) all book accounts and book debts and generally all accounts, debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including letters of credit and advices of credit, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by the Debtor ("Accounts");
- (iv) all deeds, documents, writings, papers, books of account and other books relating to or being records of Debts, Chattel Paper or Documents of Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
- (v) all present and future intangible personal property of the Debtor, including all contract rights, licences, goodwill, patents, trade marks, copyrights and other industrial property, and all other choses in

action of the Debtor of every kind, whether due at the present time or hereafter to become due or owing ("Intangibles");

- (vi) all monies other than trust monies lawfully belonging to others;
 - (vii) all present and future securities held by the Debtor, including shares, options, rights, warrants, joint venture interests, interests in limited partnerships, bonds, debentures and all other documents which constitute evidence of a share, participation or other interest of the Debtor in property or in an enterprise or which constitute evidence of an obligation of the issuer; and including an uncertificated security within the meaning of Part VI (Investment Securities) of the Business Corporations Act, 1982, (Ontario) and all substitutions therefor and dividends and income derived therefrom ("Securities");
 - (viii) all Personal Property now in or in the future located at the premises of the Debtor described in Schedule "A" annexed or described in any schedule hereafter annexed or in any subsequent security agreement related to the Indebtedness of the Debtor and belonging to the Debtor.
- (b) The Security Interest granted hereby shall not extend or apply to and Collateral shall not include the last day of the term of any lease or agreement therefor but upon the enforcement of the Security Interest the Debtor shall stand possessed of such term.
- (c) The terms "Goods", "Chattel Paper", "Documents of Title", "Equipment", "Consumer Goods", "Accounts", "Money", "Instruments", "Intangibles", "Securities", "Proceeds", "Inventory", "Personal Property", and "Accession" whenever used herein shall be interpreted pursuant to their respective meanings when used in the Personal Property Security Act (Ontario), as amended from time to time (herein referred to as the "P.P.S.A."). Provided always that the term "Goods" when used herein shall not include "consumer goods" of the Debtor as that term is defined in the P.P.S.A. Any reference herein to "Collateral" shall, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof". The term "Proceeds", whenever used herein and interpreted as above shall, by way of example, include trade-ins, equipment, cash, bank accounts, notes, chattel paper, goods, contract rights, accounts and any other personal property or obligation received when such collateral or proceeds are sold, exchanged, collected or otherwise disposed of.

2. **INDEBTEDNESS SECURED**

The Security Interest granted hereby secures payment and satisfaction of any and all obligations, indebtedness and liability to the Lender arising out of a certain charge/mortgage delivered by the Debtor to the Lender for the principal sum of One Million, Four Hundred and Fifty Thousand Dollars (\$1,450,000.00) (hereinafter collectively called the "Indebtedness") dated on or about the 23rd day of December, 2019.

3. **REPRESENTATIONS AND WARRANTIES OF DEBTOR**

The Debtor represents and warrants and so long as this Security Agreement remains in effect shall be deemed to continuously represent and warrant that:

- (a) The Collateral is genuine and owned both legally and beneficially by the Debtor free of all interests, mortgages, liens, claims, charges or other encumbrances (hereinafter collectively called "Encumbrances"), save for the Security Interest and those Encumbrances shown on Schedule "B" or hereafter approved in writing by the Lender, prior to their creation or assumption;
- (b) Each Account, Chattel Paper and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "Account Debtor"), and the amount represented by the Debtor to the Lender from time to time as owing by each Account Debtor or by all Account Debtors is owing except for normal cash discounts where applicable, and the Debtor will use its best efforts to insure that no Account Debtor will have any defence, set off, claim or counterclaim against the Debtor which can be asserted against the Lender, whether in any proceeding to enforce Collateral or otherwise; and
- (c) The location specified in Schedule "A" as to business operations, the location of Collateral and records is accurate and complete.

4. **COVENANTS OF THE DEBTOR**

So long as this Security Agreement remains in effect the Debtor covenants and agrees:

- (a) To defend the Collateral against the claims and demands of all other parties claiming the same or an interest therein; to keep the Collateral free from all Encumbrances, except for the Security Interest and those shown on Schedule "B" or hereafter approved in writing by the Lender, prior to their creation or assumption and not to sell, exchange, transfer, assign, lease, otherwise dispose of Collateral or any interest therein without the prior written consent of the Lender; provided always that, until default the Debtor may, in the

ordinary course of the Debtor's business, sell or lease Inventory and, subject to Clause 6 hereof, use monies available to the Debtor;

- (b) To notify the Lender promptly of:
 - (i) any change in the information contained herein or in the Schedules hereto relating to the Debtor, the Debtor's business or Collateral;
 - (ii) the details of any significant acquisition of Collateral;
 - (iii) the details of any claims or litigation affecting Collateral;
 - (iv) any material loss or damage to Collateral;
 - (v) any material default by any Account Debtor in payment or other performance of his obligations with respect to Collateral; and
 - (vi) the return to or repossession by the Debtor of Collateral;
- (c) To keep the Collateral in good order, condition and repair and not to use Collateral in violation of the provisions of this Security Agreement or any other agreement relating to Collateral or any policy insuring Collateral or any applicable statute, law, by-law, rule, regulation or ordinance;
- (d) To do, execute, acknowledge and deliver such further assignments, transfers, documents, acts, matters and things (including further schedules hereto) as may be reasonably requested by the Lender of or with respect to Collateral in order to give effect to these presents and to pay all reasonable costs for searches and filings in connection therewith;
- (e) To pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of the Collateral as and when the same become due and payable;
- (f) To insure the Collateral for such periods, in such amounts, on such terms and against loss or damage by fire and such other risks as the Lender shall reasonably direct with loss payable to the Lender and the Debtor, as insureds, as their respective interest may appear, and to pay all premiums therefor;
- (g) To prevent Collateral, save Inventory sold or leased as permitted hereby, from being or becoming an Accession to other property not covered by this Security Agreement;
- (h) To carry on and conduct the business of the Debtor in a proper and efficient manner and so as to protect and preserve the Collateral and to keep, in

accordance with generally accepted accounting principles, consistently applied, proper books of account for the Debtor's business as well as accurate and complete records concerning Collateral, and mark any and all such records and Collateral at the Lender's request so as to indicate the Security Interest;

- (i) To deliver to the Lender from time to time promptly upon request:
 - (i) any Documents of Title, Instruments, Securities and Chattel Paper constituting, representing or relating to Collateral;
 - (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to Collateral for the purpose of inspecting, auditing or copying the same;
 - (iii) all financial statements prepared by or for the Debtor regarding the Debtor's business;
 - (iv) all policies and certificates of insurance relating to Collateral; and
 - (v) such information concerning Collateral, the Debtor and business and affairs as the Lender may reasonably request;
- (j) To have the premises at which the Debtor carries on business or where Collateral is located professionally managed at all times.

5. USE AND VERIFICATION OF COLLATERAL

Subject to compliance with the Debtor's covenants herein and Clause 6 hereof, the Debtor may, until default, possess, operate, use, enjoy and deal with Collateral in the ordinary course of the Debtor's business in any manner not inconsistent with the provisions hereof; provided always that the Lender shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner the Lender may consider appropriate and the Debtor agrees to furnish all assistance and information and to perform all such acts as the Lender may reasonably request in connection therewith and for such purpose to grant to the Lender or its agents access, upon forty-eight (48) hours' notice, to all places where Collateral may be located and to the premises described in Schedule "A".

6. COLLECTION OF DEBTS

Before or after default under this Security Agreement, if the Lender believes that its security is impaired, the Lender may notify all or any Account Debtors of the Security Interest and may also direct such Account Debtors to make all payments on Collateral to the Lender. The Debtor acknowledges that any payments on or other proceeds of Collateral received by the Debtor from Account Debtors, whether on or before after default under this Security Agreement, shall be

received and held by the Debtor in trust for the Lender and shall be turned over to the Lender upon request if the Lender believes that its security is impaired.

7. **DISPOSITION OF MONIES**

Subject to any applicable requirements of the P.P.S.A., all monies collected or received by the Lender pursuant to or in exercise of any right it possesses with respect to Collateral shall be applied on account of Indebtedness in such manner as the Lender deems best or, at the option of the Lender, may be held unappropriated in a collateral account or released to the Debtor, all without prejudice to the liability of the Debtor or the rights of the Lender hereunder, and any surplus shall be accounted for as required by law.

8. **EVENTS OF DEFAULT**

The happening of any of the following events or conditions shall constitute default hereunder (hereinafter referred to as "default"):

- (a) The non-payment when due, whether by acceleration or otherwise, of any principal or interest forming part of Indebtedness.
- (b) The bankruptcy or insolvency of the Debtor; the filing against the Debtor of a petition in bankruptcy unless the making of an authorized assignment for the benefit of creditors by the Debtor; the appointment of a receiver or trustee for the Debtor or for any assets of the Debtor or the institution by or against the Debtor of any other type of insolvency proceeding under the Bankruptcy Act or otherwise;

9. **REMEDIES**

- (a) Upon default, the Lender may appoint or reappoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of the Lender or not, to be a receiver or receivers (hereinafter called a "Receiver", which term when used herein shall include a receiver and manager) of Collateral (including any interest, income or profits therefrom) and may remove any Receiver so appointed and appoint another in his stead. Any such Receiver shall, so far as concerns responsibility for his acts, be deemed the agent of the Debtor and not the Lender and the Lender shall not be in any way responsible for any misconduct, negligence, or non-feasance on the part of any such Receiver, his servants, agents or employees. Subject to the provisions of the instruments appointing him, any such Receiver shall have the power to take possession of Collateral, to preserve Collateral or its value, to carry on or concur in carrying on all or any part of the business of the Debtor and to sell, lease or otherwise dispose of or concur in selling, leasing or otherwise disposing of Collateral. To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others, including the Debtor, enter upon, use and occupy all premises

owned or occupied by the Debtor, maintain Collateral upon such premises, borrow money on a secured or unsecured basis and use Collateral directly in carrying on the Debtor's business or otherwise, as such Receiver shall, in his discretion, determine. Except as may be otherwise directed by the Lender, all monies received from time to time by such Receiver in carrying out his appointment shall be received in trust for and paid over to the Lender. Every such Receiver may, in the discretion of the Lender, be vested with all or any of the rights and powers of the Lender.

- (b) Upon default, the Lender may, either directly or indirectly or through its agents or nominees, exercise any or all of the powers and rights given to a Receiver by virtue of the foregoing subclause (a).
- (c) The Lender may take possession of, collect, demand, sue on, enforce, recover and receive Collateral and give valid and binding receipts and discharges therefor and in respect thereof and, upon default, the Lender may sell, lease or otherwise dispose of Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as to the Lender may seem reasonable.
- (d) In addition to those rights granted herein and in any other agreement now or hereafter in effect between the Debtor and the Lender and in addition to any other rights the Lender may have at law or in equity, the Lender shall have, both before and after default, all rights and remedies of a secured party under the P.P.S.A. provided always, that the Lender shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, lease or otherwise dispose of Collateral or to institute any proceedings for such purposes. Furthermore, the Lender shall have no obligation to take any steps to preserve rights against prior parties to any Instrument or Chattel Paper whether Collateral or proceeds and whether or not in the Lender's possession and shall not be liable or accountable for failure to do so.
- (e) The Debtor acknowledges that the Lender or any Receiver appointed by it may take possession of Collateral wherever it may be located and by any method permitted by law and the Debtor agrees upon request from the Lender or any such Receiver to assemble and deliver possession of Collateral at such place or places as directed if practicable.
- (f) The Debtor agrees to pay all costs, charges and expenses reasonably incurred by the Lender or any Receiver appointed by it, whether directly or for services rendered (including reasonable solicitors and auditors costs and other legal expenses and Receiver remuneration), in operating the Debtor's accounts, in preparing or enforcing this Security Agreement, taking custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting Indebtedness and all such costs,

charges and expenses, together with any monies owing as a result of any borrowing by the Lender or any Receiver appointed by it, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of Collateral and shall be secured hereby.

- (g) The Lender will give the Debtor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of Collateral is to be made, as may be required by the P.P.S.A.
- (h) Upon failure of the Debtor to have its premises professionally managed in accordance with Clause 4(j) hereof, the Lender may, but shall not be obligated to appoint such professional manager or managers, as it may deem necessary in its sole discretion, to manage such premises at the sole expense of the Debtor.

10. **MISCELLANEOUS**

- (a) The Debtor hereby authorizes the Lender to file such financing statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying Collateral or any permitted encumbrances affecting Collateral) as the Lender may deem appropriate to perfect and continue the Security Interest, to protect and preserve Collateral and to realize upon the Security Interest, and the Debtor hereby irrevocably constitutes and appoints the Lender the true and lawful attorney of the Debtor, with full power of substitution, to do any of the foregoing in the name of the Debtor whenever and wherever it may be deemed necessary or expedient.
- (b) Upon the Debtor's failure to perform any of its duties hereunder, the Lender may, but shall not be obligated to, perform any or all such duties, and the Debtor shall pay to the Lender, forthwith upon written demand therefor, an amount equal to the expense incurred by the Lender in so doing plus interest thereon from the date such expense is incurred until it is paid at the rate per annum set forth in the said mortgage.
- (c) The Lender may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with the Debtor, sureties and others and with Collateral and other security as the Lender may see fit without prejudice to the liability of the Debtor or the Lender's right to hold and realize the Security Interest. Furthermore, the Lender may demand, collect and sue on Collateral in either the Debtor's or the Lender's name on any and all cheques, commercial paper, and any other Instrument pertaining to or constituting Collateral.

- (d) No delay or omission by the Lender in exercising any right or remedy hereunder or with respect to any Indebtedness shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Furthermore, the Lender may remedy any default by the Debtor hereunder or with respect to any Indebtedness in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by the Debtor. All rights and remedies of the Lender granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.
- (e) The Debtor waives protest of any Instrument constituting Collateral at any time held by the Lender on which the Debtor is in any way liable and, subject to Clause 9(g) hereof, notice of any other action taken by the Lender.
- (f) This Security Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
- (g) Save for any schedules which may be added hereto pursuant to the provisions hereof, no modification, variation or amendment of any provision of this Security Agreement shall be made except by a Written Agreement, executed by the parties hereto and no waiver of any provision hereof shall be effective unless in writing.
- (h) Subject to the requirements of Clauses 9(g) and 10(e) hereof, whenever either party hereto is required or entitled to notify or direct the other or to make a demand or request upon that other, such notice, direction, demand or request shall be in writing and shall be sufficiently given only if delivered to the party for whom it is intended at the principal address of such party herein set forth or as changed pursuant hereto or if sent by prepaid registered mail addressed to the party for whom it is intended at the principal address of such party herein set forth or as changed pursuant hereto. Either party may notify the other pursuant hereto of any change in such party's principal address to be used for the purpose hereof.
- (i) This Security Agreement and the security afforded hereby shall remain in full force and effect until all Indebtedness contracted for or created, shall be paid in full.
- (j) The headings used in this Security Agreement are for convenience only and are not to be considered a part of this Security Agreement and do not in any way limit or amplify the terms and provisions of this Security Agreement.
- (k) When the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with all

grammatical changes necessary dependent upon the person referred to being a male, female, firm or corporation.

- (l) In the event any provisions of this Security Agreement, as amended from time to time, shall be deemed invalid or void, in whole or in part, by any Court of competent jurisdiction, the remaining terms and provisions of this Security Agreement shall remain in full force and effect.
- (m) Nothing herein contained shall in any way obligate the Lender to grant, continue, renew, extend time for payment of or accept anything which constitutes or would constitute Indebtedness.
- (n) The Security Interest created hereby is intended to attach when this Security Agreement is signed by the Debtor and delivered to the Lender.

11. **COPY OF AGREEMENT AND ATTACHMENT**

The Debtor hereby acknowledges receipt of a copy of this Security Agreement and that the parties do not intend any postponement of the attachment of the Security Interest to the Collateral.

IN WITNESS WHEREOF the Debtor has executed this Security Agreement under the hand of its authorized signing officers this 13th day of December, 2019

VILLAGE DEVELOPMENTS INC.

Per: 

Paul DiBattista, President

I have the authority to bind the corporation

SCHEDULE "A"

All property located at:

194 Bronte Road, South

(the "Property");

SCHEDULE "B"

Permitted Encumbrances

None.

This is Exhibit “DD” referred to in the Affidavit of GARY GRUNEIR sworn by GARY GRUNEIR of the City of Markham, before me at the City of Toronto, in the Province of Ontario, on May 31, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

DAVID P. PREGER



RESCOM Capital
 1670 Bayview Avenue, Suite 400
 Toronto, Ontario M4G 3C2

T. 416.485.2636
 F. 416.482.4043
www.rescomcapital.com

June 7, 2021

Mr. Paul De Battista
 Village Developments Inc.
 7686 Appleby Line
 Milton, Ontario
 L9E 0N1

Dear Sir:

Re: 17 Bronte Street South, Milton, Ontario

This letter will serve as our commitment to arrange second mortgage financing on the above captioned property.

Loan Amount: THREE HUNDRED THOUSAND DOLLARS (\$300,000)

Interest Rate: 13% percent per annum, calculated and payable interest only monthly.

Term: 1 year.

Privileges: The mortgage will be closed for three months and open thereafter upon receipt of 30 days written notice and payment of one month's interest bonus.

Amortization: Interest only.

Security:

1. A second mortgage on the lands known as 17 Bronte Street South, Milton, Ontario.
2. A second general security agreement in a form satisfactory to the lender's solicitor.
3. The personal guarantee of Paul Di Battista.
4. The Corporate guarantee of Village Developments Inc.
5. Such other reasonable documentation as the lender's solicitor may consider advisable.

Advance of Funds: The advance of funds will be made when the lender's solicitor can provide their certificate(s) of title and when all other conditions precedent to such advance as stated herein are satisfied. Advance of funds will be subject to the following conditions.

Conditions:

1. Satisfactory review of an appraisal report by a real estate appraiser approved by the lender indicating an as is value of not less than \$1,100,000. It is a further condition for the making of this loan that the appraiser provide

A handwritten signature in dark ink, appearing to be "PD", located at the bottom right of the page.

the lender with a Letter authorizing the lender that they may rely on the appraisal for lending purposes. It is a condition for the making of this loan that the appraisal be addressed to Canadian Western Trust.

2. Satisfactory evidence that the property is zoned to permit the proposed use and there are no outstanding work orders or notices of violations from any governmental departments. The mortgagor will provide all appropriate consents to obtain such information.

3. All local improvement charges, realty taxes and other charges affecting the properties shall have been paid to the date of the advance of funds. The charge shall include a provision for the collection of property taxes by the lender, at the lender's option. Payment of taxes by the lender can be waived or asked for at any time during the term of the mortgage. The lender acknowledges that the outstanding realty taxes affecting the property in question will be satisfied out of the advance of funds hereunder.

4. All reasonable engineering, inspections, title, survey and legal customary expenses of the lender are for the account of and shall be paid by the borrower.

5. Satisfactory physical site inspection.

6. Title and all security must be satisfactory to the lender's solicitor.

7. Title insurance in a form satisfactory to the lender's solicitor.

8. The lender shall be provided with original or certified copies of insurance policies. The coverage, terms and insurance company must be satisfactory to the lender.

9. The borrower and guarantors shall provide financial and supporting information as the lender may require, including the following: Unaudited Financial Statements; and Net Worth Statements.

10. The mortgage will be subject to a first mortgage of \$400,000.

11. In the event of the borrower selling, transferring, or conveying title to the lands, or if there is a change in the beneficial ownership, the mortgage will become due and payable, save and except the transfer from the current owner to a corporation of which the corporation shall have as its officer, director and majority shareholder, the borrower's shareholders with satisfactory evidence to the mortgagee. It is understood and agreed that such a transfer shall not relieve the borrower from its obligations.

12. In the event that any payment is returned to the lenders for any cause whatsoever, including there being insufficient funds in the borrower's account to cover same, the lender will be entitled to reimbursement for all bank charges related to the dishonoured cheque in addition, the lender or

administrator's time for collection will be charged at a rate of \$300 per hour and all time will be docketed and charged to the borrower's account. These charges will apply to all administration costs related to any default under the mortgage including but not limited to collection costs related to late payments, insurance cancellation and work orders affecting the property.

13. Any payment (other than payment of the regular payments of interest) that is made after 1:00 p.m. on any day or 11:00 a.m. on a Friday or the business day preceding a statutory holiday, shall be deemed for the purpose of calculation of interest, to have been made and received on the next bank business day. For greater certainty, if funds are received (or deemed received) on a Friday after 11:00 a.m. or the day preceding a statutory holiday, interest will be payable to the next bank business day.

14. If at any time before or after the advance, there is or has been any material discrepancy or inaccuracy in any written information, statements or representations therefore made or furnished by or on behalf of the borrower, then the lender shall be entitled forthwith to cancel the lender's obligations hereunder or declare any monies therefore advanced with interest to be forthwith due and payable and retain all fees provided by the borrower.

15. In the event of default, Rescom Capital will be appointed as the lender's manager and will be entitled to a fee of \$300 per hour for its services and such fee will be charged to the borrower's account.

16. 15. In the event the loan is not repaid at the time or times provided within the charge, the lender will not be required to accept payment of the principal monies without first receiving three (3) months' notice in writing or receiving ~~three (3) months~~ ^{ONE} month's interest bonus in advance of the principal monies. *17*

17. The borrower and guarantor will complete an application on the lenders standard form and will provide photo identification.

18. If the borrower is a corporation, a list of every legal or beneficial owner of, or person who exercises direct or indirect control or direction over more than 25% of the voting rights attached to the outstanding voting securities of the corporation must be provided.

19. *These questions must be asked and answered to comply with the new regulations of the Financial Services Commission of Ontario (FSCO), that went into affect on July 1, 2018.*

Has the borrower or any of the principals of the developer (directors, officers, owners, partners or majority shareholders) been involved in any of the following:

17

4

(a) Been convicted, found guilty of or currently charged with any criminal or regulatory offence under any law of any province, territory, state or country
Yes/ No/?

(b) Currently the subject of any civil proceedings or any unsatisfied judgements imposed by a civil court in Canada or elsewhere, against the developer, against the principals personally, or against a business in which they have an interest in at least ten percent of the equity shares or ownership shares of the business? Yes/ No/

(c) Within the five years before the date of this form, has the borrower, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person. Yes/ No/

(d) Been the subject of a regulatory investigation or proceeding, or has otherwise been subject to regulatory sanctions Yes/ No/

20. This commitment is open for acceptance until 5:00 PM on June 10, 2021.

21. The first advance must be drawn down and qualified for by June 15, 2021, or the commitment will be terminated.

Special Conditions:

One year's interest will be deducted from the advance of funds.

\$3,000.00 TB
This commitment is issued on the understanding that your acceptance will be accompanied by a cheque payable to Rescom Capital for \$3,000 which shall be deemed earned as a standby fee upon acceptance hereof and which will be credited toward the commission payable when the proceeds of the loan are advanced. The fee shall be forfeited if the loan is not proceeded with, due to any cause whatsoever other than the lender's default. Notwithstanding such retention, you shall remain liable for all fees and costs as referred to herein.

Yours truly,

RESCOM CAPITAL

[Signature]
Gary Gruper
President/Principal Broker

The undersigned hereby accepts the above terms and conditions.

Dated this 8 day of JUNE, 2021.



Paul DeBattista



Village Developments Inc.



RESCOM Capital
1670 Bayview Avenue, Suite 400
Toronto, Ontario M4G 3C2

T. 416.485.2636
F. 416.482.4043
www.rescomcapital.com

June 7, 2021

Mr. Paul De Battista
Tony Raposo
Village Developments Inc.
7686 Appleby Line
Milton, Ontario
L9E 0N1

Dear: Sir:

Re: 17 Bronte Street South, Milton, Ontario

Further to our letter of proposal dated June 7, 2021, this letter forms part of the conditions thereof. Your costs in obtaining the loan shall be \$9,000. Legal costs, inspection fees and disbursements are additional and such fees will be deducted from the first advance of funds. If the loan is not proceeded with, due to any cause whatsoever other than the lender's default, you shall remain liable for all fees and costs as referred to herein.

Any fees earned as a result of acceptance of this Commitment Letter, together with any expenses or costs incurred by Rescom Capital, including but not limited to, appraisal, re-appraisal, inspections, re-inspections, title searches, plan review, soil tests, survey, environmental assessments and legal costs on a solicitor and its client basis, are deemed to be a charge on the Subject Property referred to herein and Rescom Capital may file and maintain a caveat on the title to the Subject Property to protect that charge and the Borrower(s) and Guarantor(s) do hereby mortgage to Rescom Capital the amount necessary to pay all fees and expenses as detailed herein as a charge against the Subject Property.

Yours truly,
Rescom Capital


Gary Gruney
President/Principal Broker

The undersigned hereby accepts the above terms and conditions.
Dated this 8 day of JUNE, 2020.


Paul De Battista


Village Developments Inc.

This is Exhibit “EE” referred to in the Affidavit of GARY GRUNEIR sworn by GARY GRUNEIR of the City of Markham, before me at the City of Toronto, in the Province of Ontario, on May 31, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

DAVID P. PREGER

LRO # 20 Charge/Mortgage

Received as HR1810513 on 2021 07 19 at 10:46

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

yyyy mm dd Page 1 of 5

Properties

PIN 24952 - 0157 LT Interest/Estate Fee Simple
 Description PT LT 2 BLK 1 ON PL 7 BEING PT 2 ON PL 20R-19786; S/T EASE IN GROSS OVER PT
 1 ON PL 20R-21184 AS IN HR1594215; TOWN OF MILTON
 Address 17 BRONTE STREET SOUTH
 MILTON

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 VILLAGE DEVELOPMENTS INC.
 Address for Service 17 Bronte St S, Milton, Ontario, L9T 1Z2
 I, Paul DeBattista, have the authority to bind the corporation.
 This document is not authorized under Power of Attorney by this party.

Chargee(s)

Capacity

Share

Name CANADIAN WESTERN TRUST COMPANY
 Address for Service 750 Cambie Street, Suite 300, Vancouver, British Columbia ,
 Ontario V6B 0A2

Statements

Schedule: CANADIAN WESTERN TRUST COMPANY (INCORPORATION NO. A46845) IN TRUST FOR RRSP ACCOUNT NO. 112661.

Provisions

Principal	\$300,000.00	Currency	CDN
Calculation Period	Monthly, not in advance		
Balance Due Date	2022/07/01		
Interest Rate	13.00 % per annum		
Payments	\$3,250.00		
Interest Adjustment Date	2021 07 01		
Payment Date	first day of each month		
First Payment Date	2021 08 01		
Last Payment Date	2022 07 01		
Standard Charge Terms	200033		
Insurance Amount	Full Insurable value		
Guarantor	Paul DeBattista		

Additional Provisions

See Schedules

Signed By

Sara Irene Mirza 402-300 John St. acting for Signed 2021 06 10
 Thornhill
 L3T 5W4
 Chargor(s)

Tel 905-886-3110

Fax 905-886-0989

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

Submitted By

RUBINOFF LAW 402-300 John St. 2021 07 19
 Thornhill
 L3T 5W4

Tel 905-886-3110

Fax 905-886-0989

LRO # 20 Charge/Mortgage

Received as HR1610513 on 2021 07 19 at 10:46

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

yyyy mm dd Page 2 of 5

Fees/Taxes/Payment

Statutory Registration Fee	\$65.30
Total Paid	\$65.30

File Number

Charge Client File Number : 2021-470

Additional Provisions

The Chargor hereby assigns and sets over to the Chargee all rents payable from time to time under all leases to the Property or any part thereof, whether presently existing or arising in the future, together with the benefits of all covenants, agreements and provisos contained in the said leases, in favour of the Chargee.

Forthwith after entering into any lease of the Property or any part thereof, the Chargor agrees that it will execute and deliver to the Chargee an assignment in registerable form in the Chargee's usual form of all rents payable under such lease. The benefits of all covenants, agreements and provisos therein contained on the part of the tenant to be observed and performed and the reversion of such lease, and will also execute and deliver to the Chargee all such notices and other documents as may be required upon the request of the Chargee.

Nothing herein contained shall make the Chargee responsible for the collection of rents payable under any lease of the Property or any part thereof, or for the performance of any covenants, terms, and/or conditions in any such lease.

The Chargee shall not, by virtue of these presents, be deemed a Chargee in possession of the Property.

The Chargee shall be liable to account for only such rents as actually come into its hands less reasonable collection charges in respect thereof and may apply such rents to the repayment of the monies owing hereof.

Notwithstanding anything herein contained, no lease of the Property or any part thereof made by the Chargor without the consent in writing of the Chargee shall have priority over this Charge.

The Chargor will remain in actual possession of the Property.

The Chargor agrees to assign to the Chargee forthwith upon the request of the Chargee as additional security for payment of the monies due hereunder and the performance of the covenants herein contained, and present or future lease which may be granted by the Chargor as to the whole or any portion of the Property, and agrees to deliver to the Chargee executed copies of all such leases at the written request of the Chargee. The Chargor covenants to perform and comply with all lessor's covenants contained in any leases assigned by the Chargor to the Chargee. Notwithstanding any assignment or assignments or any lease or leases by the Chargor to the Chargee, it is nevertheless declared and agreed that none of the rights or remedies of the Chargee under this Charge shall be delayed or in any way hindered or prejudiced by such assignment or assignments or by any act of the Chargee pursuant thereto.

RECEIVER

(a) If and whenever the Chargee becomes entitled hereunder to enter into possession of the Charged Premises, it may, in its discretion, by writing appoint a receiver (which term shall include a receiver and manager) of the Charged Premises or any part thereof and of the rents and profits thereof and may from time to time remove any receiver and appoint another in his stead, and in making any such appointment or appointments the Chargee shall be deemed to be acting as the attorney for the Chargor unless the Chargee indicates in writing a contrary intention.

(b) The following provisions shall apply in respect of the appointment of any receiver: such appointment may be made either before or after the Chargee shall have entered into or taken possession of the Charged Premises or any part thereof; such receiver may, in the discretion of the Chargee, be vested with all the powers and discretions of the Chargor and shall have the power to borrow on the security of the Charged Premises; the Chargee may from time to time fix the remuneration of such receiver and direct the payment thereof out of the proceeds of the Charged Premises; such receiver shall, so far as concerns the responsibility for his acts or omissions, be deemed the agent of the Chargor and in no event the agent of the Chargee and the Chargee in making or consenting to such appointment shall not incur any liability to the receiver for his remuneration or otherwise howsoever; and all moneys from time to time received by such receiver may be paid by him - firstly, in payment of his commission as receiver; secondly, in discharge of all rents, taxes, insurance premiums and outgoings affecting the Charged Premises and the cost of executing necessary or proper repairs; thirdly in keeping in good standing all encumbrances on the Charged Premises prior to this charge; fourthly in payment of the interest accruing due under this charge; and the residue of such moneys shall be applied in payment of the Principal Amount and any other amounts payable by the Chargor hereunder.

PROVIDED that the Chargor shall supply a series of twelve (12) post-dated cheques to each of the Chargee' on or before the date of advance under this Charge.

IN THE EVENT that any of the Chargor's cheques are not received on the day of each month they are due or are not honoured when presented for payment to the bank, trust company or any other paying institution on which they are drawn, the Chargor shall pay to the Chargee for each such return of cheque or request for late payment, a servicing fee of \$200.00 as a liquidated amount to cover the Chargee's administration costs with respect to each dishonoured cheque and \$125.00 with respect to each late payment.

PROVIDED that when a discharge of mortgage is required for this mortgage then the Chargee' solicitor shall prepare the discharge documentation for execution by the Chargee, which costs shall be at the Chargor's expense and the parties herein agree that payment to discharge this mortgage must be by certified cheque.

PROVIDED the Chargor shall pay to the Chargee the sum of \$150.00 for every statement requested by the Chargor or any party on behalf of the Chargor or any party interested in the Charged Property and provided by the Chargee.

THE CHARGOR covenants and agrees that all payments under this mortgage must be at the Chargee' address for service or the Chargee' solicitor's office prior to 1:00 p.m. on the day of payment, failing which, such payment shall be deemed to be received on the next Banking Business Day. A "Banking Business Day" shall be a day when the Main Branch at Toronto of the Royal Bank of Canada is open for the transaction of normal banking business.

THE PARTIES hereto acknowledge and agree that the Chargee shall not be deemed to reinvest any monthly or other payments received by it hereunder.

PROVIDED the Chargor shall pay to the Chargee the sum of \$500.00 for each and every instance the Chargee are required to institute default or enforcement proceedings under this mortgage.

PROVIDED that should the mortgaged property be transferred or sold, or should there be a change in the beneficial owner, then all monies due and owing under the said mortgage shall, at the Chargee' option, forthwith become due and payable and without limiting the generality of the foregoing, said sum to include all outstanding principal, accrued interest and bonus interest as set out herein.

PROVIDED the Chargor shall deliver to the Chargee on or before the 31st of each January satisfactory written evidence that the realty taxes for the Charged Property have been paid in full for the calendar previous to the 31st of January. In the event such evidence is not provided by January 31st, the Chargee shall be entitled to obtain such information directly from the municipal Tax Department where the Charged Property is located and the Chargor shall thereafter be obligated to the Chargee in the amount of \$400.00 as a liquidated amount to cover the Chargee' administration costs.

PROVIDED that in the event power of sale proceedings are taken, the Chargee as vendors may sell the property on terms and if the result is that any mortgages taken back are at a rate lower than the rate for the first and/or second mortgages in the industry then the Chargee shall be entitled to sell these charges at a discount and the discount shall form part of the loss incurred by the Chargee and be recoverable against the Chargor.

PROVIDED the parties herein agree that payment to discharge the said charge must be solely

by certified cheque.

PROVIDED that in the event of prepayment before maturity, the Chargor may, at any time during the term of this Charge or if renewed, during the term of the last renewal of this Charge, prepay the entire principal sum herein secured plus interest accrued to the day of payment of such sum, after TWO (2) months from the commencement of the within mortgage, upon giving the Mortgagee 30 days notice in writing, plus one (1) months interest on the entire principal sum being prepaid, at the same interest rate charged under this Charge on the day of payment of such sum (unless a different prepayment bonus is otherwise provided for in this Charge,) plus payment of the Chargee's solicitors' discharge fee, registration cost, disbursements and applicable GST.

PROVIDED that in the event the Chargor is in default prior to the maturity date of this Charge or if renewed, of the maturity date of the last renewal of this Charge, the Chargee has the sole option to demand from the Chargee of repayment of the entire principal sum secured by this Charge, plus interest accrued to the day of payment of such sum, plus three (3) months interest on the entire principal sum being prepaid, at the same interest rate charged under this Charge on the day of payment of such sum, plus payment of the Chargee's solicitors' discharge fee, registration costs, disbursements and applicable GST.

PROVIDED that in the event the Chargor is in default after the balance due date of this Charge or if renewed, of the maturity date of the last renewal of this Charge, the Chargor may repay the outstanding principal sum secured by this Charge, plus interest accrued to the day of payment of such sum and upon payment of three (3) months interest bonus in advance of the principal monies or provides to the Chargee three (3) months notice in writing, plus payment of the Chargee's solicitors' discharge fee, registration costs, disbursements and applicable GST.

MANAGEMENT FEE

In the event that the Chargee is required to take possession of the lands herein, the chargee may appoint Tally Capital Ltd. as its manager and administrator at a cost of \$200.00 per hour.

Provided further that in the event that the chargee is required to place insurance on the property herein, the chargee shall be entitled to an administration fee of \$250.00 plus reimbursement of any premium paid.

Additional Fee

The Chargor covenants with the Chargee that in the event of non-payment of the principal monies at the time or times provided herein, the Chargor shall not require the Chargee to accept payment of the principal monies then owing without paying a bonus equal to 3 months interest on the said principal monies then owing.

MORTGAGE COMMITMENT

The terms and conditions of the mortgage commitment dated June 7 2021, and amendments thereto shall remain binding and effective upon the parties.

This is Exhibit “FF” referred to in the Affidavit of GARY GRUNEIR sworn by GARY GRUNEIR of the City of Markham, before me at the City of Toronto, in the Province of Ontario, on May 31, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

DAVID P. PREGER

GENERAL SECURITY AGREEMENT

THIS AGREEMENT made as of the day of ____ day of June, 2021.

BETWEEN:

Village Developments Inc.,
a corporation incorporated under the laws of the Province of Ontario
(hereinafter referred to as the "Debtor")

OF THE FIRST PART,

- and -

Canadian Western Trust Company,
a corporation incorporated under the laws of the Province of Ontario
(hereinafter referred to as the "Secured Parties")

OF THE SECOND PART.

WHEREAS the Debtor, has requested a loan from the Secured Parties in the amount of Three Hundred Thousand (\$300,000.00) Dollars;

AND WHEREAS the Debtor is indebted and liable to the Secured Parties under the Commitment Letter as set forth in Schedule "A";

AND WHEREAS the Secured Parties has provided the Debtor with a Commitment Letter (the "Commitment") which was executed by both Parties on/about June 7, 2021 and pursuant to the terms of which certain security, including a registered charge (the "Registered Charge") shall be/has been registered; and

AND WHEREAS this general security agreement (the "Agreement") is to secure the obligations, indebtedness and liabilities of the Debtor to and in favour of the Secured Parties;

NOW THIS AGREEMENT WITNESSES THAT in consideration of the closing of the above noted transaction and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto) it is agreed as follows:

1. DEFINITIONS IN THIS AGREEMENT

"accession", "Accounts", Chattel Paper", "Consumer Goods", "Document of Title" (whether negotiable or not), "Equipment", "Financial Assets", "financing statement" and "financing change statement", "Futures Accounts", "Futures Contracts", "Goods", "Instrument", "Inventory", "Investment Property", "Intangible", "Money", "Options", "Options on Futures", "proceed", "Proceeds" "Securities and "Security" whenever used herein shall be interpreted pursuant to their respective meanings when used in the *Personal Property Security Act* of the Province of Ontario, as amended from time to time, (the "Act") which Act, including amendments thereto and any Act substituted therefore and amendments thereto is herein referred to as the "PPSA".

"Books and Records" means all books, records, files, papers, disks, documents and other repositories of data recording, evidencing or relating to the Collateral to which the Debtor has access.

"Collateral" means all of Accounts, Chattel Papers, Consumer Goods, Documents of Title, Equipment, Financial Assets, Futures Accounts, Futures Contracts, Goods, Instruments, Inventory, Investment Property, Intangibles, Money, Options, Options on Futures, Proceeds, Receivables and Securities upon which a security interest is vested herein as well as specifically

"Default" has the meaning set out in Section 8 hereof.

"Liabilities" means the obligations, indebtedness and liability of the Debtor to the Secured Parties as evidenced by the Commitment Letter executed on the 7th day of June, 2021 by the Debtor and the Secured Parties and attached as Schedule "A".

"Person" means any natural person or artificial body (including any firm, corporation or government).

"Place of Business" means a location where the Debtor carries on business or where any of the Collateral is located.

"PPSA" means the *Personal Property Security Act* (Ontario) as amended from time to time and all regulations from time to time made thereunder.

"Receivables" means all debts, claims and chooses in action now or hereafter due or owing to or owned by the Debtor.

2. GRANT OF SECURITY INTEREST

The Debtor hereby grants to the Secured Parties a security interest in all of the Collateral of the Debtor, both present and future, including, but not limited to, all Inventory, Equipment, Receivables and the Proceeds of such property and assets as a general and continuing collateral security for the due payment and performance of all present and future obligations, indebtedness, liabilities of the Debtor to the Secured Parties.

3. OTHER SECURITY INTERESTS

The Debtor represents and warrants that the Collateral will remain free of any security interest except those granted in the ordinary course of business, those granted in favour of the Secured Parties and those granted with the prior written consent of the Secured Parties. The Secured Parties may, but shall have no obligation to, pay any amount required to remove any unauthorized security interest, and any amount so paid by the Secured Parties shall be reimbursed by the Debtor to the Secured Parties.

4. USE OF COLLATERAL

Without the prior written consent of the Secured Parties, the Debtor shall not sell, lease or otherwise dispose of any of the Collateral other than in the ordinary course of the Debtor's business.

5. INSURANCE

The Debtor will keep the Collateral insured to its full insurable value against loss or damage by fire and such other risks as are customarily insured against for property

similar to the Collateral and will notify the Secured Parties of any substantial loss or damage to the Collateral. If the Debtor does not obtain or maintain such insurance, the Secured Parties may, but shall have no obligation to, obtain and maintain such insurance. Any amount so paid by the Secured Parties shall be reimbursed by the Debtor to the Secured Parties.

6. INFORMATION AND INSPECTION

The Debtor will, from time to time, furnish to the Secured Parties all information reasonably requested by the Secured Parties relating to the Collateral.

7. RECEIVABLES

Upon Default, the Secured Parties may collect and otherwise deal with the Receivables in such manner and upon such terms as the Secured Parties considers appropriate.

8. DEFAULT

(a) Events of Default

The occurrence of any of the following events or conditions shall constitute a Default:

- (i) the Debtor does not make timely payment against the Liabilities; or
- (ii) any representation, warranty or statement made by the Debtor to the Secured Parties is untrue in any material respect at the time it was made; or
- (iii) the Debtor ceases or threatens to cease to carry on its business; or
- (iv) the Debtor becomes insolvent, bankrupt, makes a proposal or files an assignment for the benefit of creditors under the *Bankruptcy Act (Canada)* or similar statute; a petition in bankruptcy is filed against the Debtor; or steps are taken under any legislation by or against the Debtor seeking liquidation, winding-up or dissolution of the Debtor; or
- (v) a receiver, receiver and manager or trustee is appointed in respect of the Debtor; or
- (vi) the holder of a security interest takes possession of all or a substantial part of the Debtor's property; or
- (vii) any default pursuant to the terms of the Commitment and/or the Registered Charge.

(b) Rights upon Default

Upon giving ten (10) days written notice to the Debtor of the event of default relied upon, and unless such default is waived by the Secured Parties or cured

within such ten (10) day period, the Secured Parties shall have the following rights:

- (i) *Appointment of a Receiver.* The Secured Parties may by instrument in writing appoint a receiver or receiver and manager (a "Receiver") of the Collateral. The Secured Parties may from time to time remove or replace a Receiver, or make application to any court of competent jurisdiction for the appointment of a Receiver and may from time to time fix the Receiver's remuneration.
- (ii) *Dealings with the Collateral.* The Secured Parties or a Receiver may take possession of the Collateral and retain the same for as long as it takes to recover any unpaid Liabilities then due and owing and may receive any rents and profits therefrom, carry on (or concur in carrying on) the Debtor's business or any part thereof or refrain from doing so and sell or lease or concur in the selling or leasing of the Collateral. The Secured Parties or a Receiver may (without charge) enter upon all or any of the Places of Business.
- (iii) *Realization.* The Secured Parties or a Receiver may use, collect, sell or otherwise dispose of, realize upon, release to the Debtor and otherwise deal with the Collateral in such manner and upon such terms as the Secured Parties or the Receiver consider appropriate.
- (iv) *Application of Proceeds After Default.* All Proceeds of Collateral received by the Secured Parties or a Receiver shall be applied to discharge or satisfy any reasonable expenses (including the Receiver's remuneration and solicitor costs on a substantial indemnity basis), charges, borrowings, taxes and other outgoings required to preserve, maintain or enhance the Collateral and to keep in good standing the other permitted security interests. The balance of such Proceeds shall be applied to the Liabilities and thereafter shall be accounted for as required by law.

(c) Other Rights

Upon Default, the Secured Parties will have, in addition to the rights specifically provided in this Agreement, the rights of a Secured Parties under the PPSA. No such right shall be exclusive of or dependent upon any other right and one or more of such rights may be exercised independently or in combination from time to time.

(d) Deficiency

The Debtor will remain liable to the Secured Parties for payment of any Liabilities which are outstanding following realization of the Collateral or any part thereof.

9. FURTHER ASSURANCES

The Debtor will from time to time upon request by the Secured Parties take such action and execute such other documents as the Secured Parties may reasonably require in connection with the Collateral.

10. GENERAL PROVISIONS

(a) Attachment of Security Interest

The security interests created by this Agreement are intended to attach to Collateral existing when the Debtor signs this Agreement and to collateral subsequently acquired by the Debtor.

(b) Assignment

This Agreement shall enure to the benefit of and be binding upon the Secured Parties and the Debtor and their respective successors and permitted assigns. Neither party shall be entitled to assign this Agreement without the prior written consent of the other party.

(c) Notices

Notices. All notices, requests, demands or other communications (collectively, "Notices") by the terms hereof required or permitted to be given by one party to any other party, or to any other person shall be given in writing by personal delivery or by registered mail, postage prepaid, or by facsimile transmission to such other party as follows:

To the Debtor at:

17 Bronte St S
MILTON, ON L9T 1Z2

To the Secured Parties at:

750 Cambie Street
Suite 300
Vancouver, British Columbia Ontario
V6B 0A2

or at such other address as may be given by such person to the other parties hereto in writing from time to time.

All such Notices shall be deemed to have been received when delivered or transmitted, or, if mailed, 48 hours after 12:01 a.m. on the day following the day of the mailing thereof. If any Notice shall have been mailed and if regular mail service

shall be interrupted by strikes or other irregularities, such Notice shall be deemed to have been received 48 hours after 12:01 a.m. on the day following the resumption of normal mail service, provided that during the period that regular mail service shall be interrupted all Notices shall be given by personal delivery or by facsimile transmission.

(d) Counterparts

This Agreement may be executed in several counterparts, each of which so executed shall be deemed to be an original and such counterparts together shall be but one and the same instrument.

(e) Time of the Essence

Time shall be of the essence of this Agreement and of every part hereof and no extension or variation of this Agreement shall operate as a waiver of this provision.

(f) Entire Agreement

This Agreement constitutes the entire agreement between the parties with respect to all of the matters herein and its execution has not been induced by, nor do any of the parties rely upon or regard as material, any representations or writings whatever not incorporated herein and made a part hereof and may not be amended or modified in any respect except by written instrument signed by the parties hereto. Any schedules referred to herein are incorporated herein by reference and form part of the Agreement.

(g) Enurement

This Agreement shall enure to the benefit of and be binding upon the parties and their respective successors and assigns.

(h) Currency

Unless otherwise provided for herein, all monetary amounts referred to herein shall refer to the lawful money of Canada.

(i) Headings for Convenience Only

The division of this Agreement into articles and sections is for convenience of reference only and shall not affect the interpretation or construction of this Agreement.

(j) Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and each of the parties hereto agrees irrevocably to conform to the non-exclusive jurisdiction of the Courts of such Province.

(k) Gender

In this Agreement, words importing the singular number shall include the plural and vice versa, and words importing the use of any gender shall include the masculine, feminine and neuter genders and the word "person" shall include an individual, a trust, a partnership, a body corporate, an association or other incorporated or unincorporated organization or entity.

(l) Calculation of Time

When calculating the period of time within which or following which any act is to be done or step taken pursuant to this Agreement, the date which is the reference date in calculating such period shall be excluded. If the last day of such period is not a Business Day, then the time period in question shall end on the first business day following such non-business day.

(m) Legislation References

Any references in this Agreement to any law, by-law, rule, regulation, order or act of any government, governmental body or other regulatory body shall be construed as a reference thereto as amended or re-enacted from time to time or as a reference to any successor thereto.

(n) Severability

If any article, section or any portion of any section of this Agreement is determined to be unenforceable or invalid for any reason whatsoever that unenforceability or invalidity shall not affect the enforceability or validity of the remaining portions of this Agreement and such unenforceable or invalid article, section or portion thereof shall be severed from the remainder of this Agreement.

(o) Transmission by Facsimile/Electronic Mail

The parties hereto agree that this Agreement may be transmitted by facsimile or such similar device and that the reproduction of signatures by facsimile or such similar device will be treated as binding as if originals and each party hereto undertakes to provide each and every other party hereto with a copy of the Agreement bearing original signatures forthwith upon demand.

IN WITNESS WHEREOF the parties have duly executed this General Security Agreement this day of June, 2021.

VILLAGE DEVELOPMENTS INC.

Per: 

Name: Paul Debatista

Title: President

I have authority to bind the corporation.

SCHEDULE "A"

This is Exhibit “GG” referred to in the Affidavit of GARY GRUNEIR sworn by GARY GRUNEIR of the City of Markham, before me at the City of Toronto, in the Province of Ontario, on May 31, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

DAVID P. PREGER

LAND
REGISTRY
OFFICE #20

24952-0157 (LT)

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

PROPERTY DESCRIPTION: PT LT 2 BLK 1 ON PL 7 BEING PT 2 ON PL 20R-19786; S/T EASE IN GROSS OVER PT 1 ON PL 20R-21184 AS IN HR1594215; TOWN OF MILTON

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
DIVISION FROM 24952-0145

PIN CREATION DATE:
2019/01/30

OWNERS' NAMES
VILLAGE DEVELOPMENTS INC.

CAPACITY SHARE
ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:						
SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES * AND ESCHEATS OR FORFEITURE TO THE CROWN.						
THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY CONVENTION.						
ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.						
**DATE OF CONVERSION TO LAND TITLES: 1996/07/09 **						
20R19786	2014/02/12	PLAN REFERENCE				C
20R21184	2018/08/16	PLAN REFERENCE				C
REMARKS: HR1563695.						
HR1594215	2018/12/20	TRANSFER EASEMENT	\$2	JANSEN, JEFFREY JANSEN, MARCELA	THE CORPORATION OF THE TOWN OF MILTON	C
HR1683275	2020/02/10	TRANSFER	\$889,000	JANSEN, JEFFREY JANSEN, MARCELA	VILLAGE DEVELOPMENTS INC.	C
REMARKS: PLANNING ACT STATEMENTS.						
HR1685555	2020/02/21	CHARGE	\$250,000	VILLAGE DEVELOPMENTS INC.	GTA SOLID CONTRACTING INC.	C
HR1689124	2020/03/10	CHARGE	\$400,000	VILLAGE DEVELOPMENTS INC.	BAMBURGH HOLDINGS LTD. YERUSHA INVESTMENTS INC. 1008118 ONTARIO LIMITED	C
HR1689128	2020/03/10	POSTPONEMENT		GTA SOLID CONTRACTING INC.	BAMBURGH HOLDINGS LTD.	C

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

LAND
REGISTRY
OFFICE #20

24952-0157 (LT)

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
		REMARKS: HR1685555 TO HR1689124			YERUSHA INVESTMENTS INC. 1008188 ONTARIO LIMITED	
HR1810513	2021/07/19	CHARGE	\$300,000	VILLAGE DEVELOPMENTS INC.	CANADIAN WESTERN TRUST COMPANY	C
HR1810787	2021/07/19	POSTPONEMENT REMARKS: HR1685555 TO HR1810513		GTA SOLID CONTRACTING INC.	CANADIAN WESTERN TRUST COMPANY	C
HR1810789	2021/07/19	NOTICE REMARKS: AMENDS HR1685555		VILLAGE DEVELOPMENTS INC.	GTA SOLID CONTRACTING INC.	C
HR1867328	2022/02/11	CHARGE	\$200,000	VILLAGE DEVELOPMENTS INC.	ROBINSON, JOHN	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.

This is Exhibit “HH” referred to in the Affidavit of GARY GRUNEIR sworn by GARY GRUNEIR of the City of Markham, before me at the City of Toronto, in the Province of Ontario, on May 31, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

DAVID P. PREGER

Notice of Sale Under Mortgage

To: VILLAGE DEVELOPMENTS INC.
7686 Appleby Line
Milton ON L9E 0N1

C/O Paul DeBattista

And
To: See Schedule "A"

TAKE NOTICE that default has been made in payment of the moneys due under a certain mortgage dated February 21, 2020 and made between

VILLAGE DEVELOPMENTS INC., as Chargor

and

GTA SOLID CONTRACTING INC., as Chargee

upon the following properties, namely:

FIRSTLY: PIN Number: 24952-0157 LT

PT LT 2 BLK 1 ON PL 7 BEING PT 2 ON PL 20R-19786; S/T EASE IN GROSS OVER PT 1 ON PL 20R-21184 AS IN HR1594215; TOWN OF MILTON

Which mortgages were registered on February 21, 2020 in the Land Registry Office for the Land Titles Division of Simcoe (No. 20) as Instrument No. HR1685555.

And we hereby give you notice that the amount now due on the mortgage for principal money, interest, taxes and costs, respectively, is made up as follows:

Principal Balance as of the date of this letter per the Mortgage Commitment	\$300,000.00
Interest from July 2021 to April 20, 2023 on Principal Balance (\$2,500.00 x 20 months)	\$50,000.00
Interest from April 20, 2023 to May 1, 2023 (\$82.19 per diem)	\$904.09
Mortgage Extension/Renewal Fee dated July 5, 2021	\$5,000.00
Mortgage Extension/Renewal Fee dated July 5, 2022	\$5,000.00
Additional Advance dated July 17, 2021	\$100,000.00
Interest re: July, 2021 Advance from July 17, 2021 to April 20, 2023 (\$833.33 x 20 months)	\$16,666.60
Interest from April 20, 2023 to May 1, 2023 (27.40 per diem)	\$301.40
Additional Advance dated July October 28, 2020	\$22,000.00
Legal Costs Associated with Preparation of the Notice of Sale	\$2,500.00
Legal Costs Associated with Preparation of the Demand Letter	\$750.00
Total	\$503,122.09

(Such amount for costs being up to and including the service of this notice only, and therefore such further costs and disbursements will be charged as may be proper), together with interest at the rate of \$109.59 per diem, on the principal, interest, taxes and costs hereinbefore mentioned, from April 20, 2023 to the date of payment.

AND unless the said sums are paid on or before June 15, 2023 we shall sell the property covered by the said mortgage under the provisions contained in it.

THIS Notice is given to you as you appear to have an interest in the property and may be entitled to redeem the same.

May 1, 2023

GTA SOLID CONTRACTING INC., CHARGE
By its solicitors Regency Law Group,
Professional Corporation
194 James Street South
Hamilton ON L8P 3A7

Per:



Noah G. Aresta
Tel: 905-383-0500

Schedule "A"

JOHN ROBINSON
1364 Edgeware Road
Oakville ON L6H 3C4

HAMBURGH HOLDINGS INC.
c/o C & K Mortgage Services Inc. o/a Rescom Capital
1670 Bayview Avenue, Suite 400
Toronto ON M4G 3C2

YERUSHA INVESTMENTS INC.
c/o C & K Mortgage Services Inc. o/a Rescom Capital
1670 Bayview Avenue, Suite 400
Toronto ON M4G 3C2

-and-

85 Glen Park Avenue
Toronto ON M6B 2C3

1008188 ONTARIO LIMITED
c/o C & K Mortgage Services Inc. o/a Rescom Capital
1670 Bayview Avenue, Suite 400
Toronto ON M4G 3C2

CANADIAN WESTERN TRUST COMPANY
(INCORPORATION NO. A46845) IN TRUST FOR RRSP ACCOUNT NO. 112661
750 Cambie Street, Suite 300
Vancouver BC V6B 0A2

-and-

100 King Street West, First Canadian Place 1
Toronto ON M5X 1B2

This is Exhibit “II” referred to in the Affidavit of GARY GRUNEIR sworn by GARY GRUNEIR of the City of Markham, before me at the City of Toronto, in the Province of Ontario, on May 31, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

DAVID P. PREGER



199 BAY STREET, SUITE 2200
P.O. BOX 447, COMMERCE COURT POSTAL STATION
TORONTO, ON CANADA M5L 1G4
TELEPHONE: (416) 777-0101
FACSIMILE: (416) 865-1398
<http://www.dickinsonwright.com>

PAUL A. MUCHNIK
PMUCHNIK@dickinsonwright.com
(416) 777 4004

April 28, 2023

PRIVILEGED AND CONFIDENTIAL

2865594 Ontario Inc.
7686 Appleby Line,
Milton, Ontario, Canada, L9E 0N1

Paul DeBattista
7686 Appleby Line,
Milton, Ontario, Canada, L9E 0N1

Village Developments Inc.
7686 Appleby Line,
Milton, Ontario, Canada, L9E 0N1

Dear Sirs:

Re: C & K Mortgage Services Inc. and Canadian Western Trust Company (collectively, the "Lender") mortgage loan (the "Loan") to 2865594 Ontario Inc. (the "Borrower"), and guaranteed by Paul DeBattista and Village Developments Inc. (the "Guarantors"), on the security of property municipally known as 72 Ontario Street, Milton, Ontario and 446 Pine Street, Milton, Ontario (the "Property")

We are solicitors for the Lender, and confirm that the Loan has been in default by the Borrower since April 1, 2023.

Pursuant to the Loan, the Borrower is indebted to the Lender for the principal balance of the Loan in the sum of \$2,500,000.00, plus interest and costs as detailed below.

Accordingly, we hereby make formal demand for payment of the indebtedness owing by the Borrower to the Lender pursuant to the Loan, together with all interest accrued thereon, plus costs, legal fees and expenses which may be incurred by the Lender in connection with the recovery of the indebtedness owing by the Borrower to it, along with evidence of insurance coverage for the Property with the Lender noted thereon. Interest will continue to accrue until payment is received and evidence of insurance is provided to the Lender. The following is a breakdown of the outstanding indebtedness:

Principal as at March 1, 2023	\$ 2,500,000.00
Interest on Late Payments to April 1, 2023	\$ 707.61
Interest to April 1, 2023	\$ 22,395.83
Late Interest to April 27, 2023	\$ 176.80
Interest to April 27, 2023	\$ 19,143.80
Three Months Interest	\$ 67,187.49
Late Payment Fee	\$ 1,750.00
HST on Late Payment Fee	\$ 227.50
Statement Fee	\$ 250.00
HST on Statement Fee	\$ 32.50
Fees for Enforcement Proceedings	\$ 2,490.00
HST on Fees for Enforcement Proceedings	\$ 323.70
Mortgage Extension/Renewal Fees	\$ 29,166.67
Protective Disbursements/Payables	\$ 608.36
Legal costs to Dickinson Wright LLP	\$ 2,500.00
TOTAL	\$ 2,646,960.26
Per Diem = \$743.10	

We enclose the Notice of Intention to Enforce Security which is delivered pursuant to s. 244 of the *Bankruptcy and Insolvency Act* and the applicable rules and regulations.

In the event that payment, in full, is not made as required on or before May 8, 2023, the Lender reserves the right to take whatever measures it hereafter may consider necessary or appropriate to preserve and protect its interests and to pursue its remedies under its security, without further notice to the Borrower. Please govern yourself accordingly.

Yours truly,

DICKINSON WRIGHT LLP

Paul Muchnik



PAM/vj
Enclosures

ARIZONA

OHIO

FLORIDA

TENNESSEE

KENTUCKY

TEXAS

MICHIGAN

TORONTO

NEVADA

WASHINGTON DC

Schedule A

PIN: 24954-0168 (LT)

Legal Description: LT 9, BLK 17, PL 9 , (AKA TEETZEL'S SURVEY), W OF ONTARIO ST,
EXCEPT PT 3, 20R3309 ;; TOWN OF MILTON

PIN: 24954-0169 (LT)

Legal Description: LT 8, BLK 17, PL 9 , (AKA TEETZEL'S SURVEY), W OF ONTARIO ST,
EXCEPT 254152 ; MILTON

ARIZONA

FLORIDA

KENTUCKY

MICHIGAN

NEVADA

OHIO

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TEXAS

TORONTO

WASHINGTON DC

NOTICE OF INTENTION TO ENFORCE A SECURITY

Subsection 244(1) of the *Bankruptcy and Insolvency Act (Canada)*

TO: 2865594 Ontario Inc. (the "Debtor")

TAKE NOTICE THAT:

1. C & K Mortgage Services Inc. and Canadian Western Trust Company (collectively, the "Lender"), as secured creditor, intends to enforce its security on the insolvent person's property described below:

Real property municipally known as 72 Ontario Street, Milton, Ontario and 446 Pine Street, Milton, Ontario legally described in Schedule A as attached (collectively, the "Property"); and

All present and future property, assets and undertaking of the Debtor including without limitation, accounts, books and records, chattel paper, documents of title, equipment, goods, instruments, intangibles (including intellectual property rights, contracts and permits), inventory, money, investment property, securities, contracts, licenses, agreements and real property located at the Property and as more fully described in the security agreements set out below.

2. The security that is to be enforced is the following (hereinafter referred to collectively as the "Security"):
 - a) Charge/Mortgage registered as Instrument No. HR1840775 in the Land Registration District of Halton on October 29, 2021, granted by the Debtor in favour of the Lender;
 - b) All ancillary security documents granted by the Debtor in favour of the Lender.

3. The total amount of indebtedness secured by the security is as follows:

Principal as at March 1, 2023	\$	2,500,000.00
Interest on Late Payments to April 1, 2023	\$	707.61
Interest to April 1, 2023	\$	22,395.83
Late Interest to April 27, 2023	\$	176.80
Interest to April 27, 2023	\$	19,143.80

Three Months Interest	\$	67,187.49
Late Payment Fee	\$	1,750.00
HST on Late Payment Fee	\$	227.50
Statement Fee	\$	250.00
HST on Statement Fee	\$	32.50
Fees for Enforcement Proceedings	\$	2,490.00
HST on Fees for Enforcement Proceedings	\$	323.70
Mortgage Extension/Renewal Fees	\$	29,166.67
Protective Disbursements/Payables	\$	608.36
Legal costs to Dickinson Wright LLP	\$	2,500.00
TOTAL	\$	2,646,960.26

The Lenders will not have the right to enforce the Security until after the expiry of the 10 day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Toronto, Ontario, this 28th day of April, 2023.

C & K MORTGAGE SERVICES INC. AND
CANADIAN WESTERN TRUST COMPANY, by
its solicitors, DICKINSON WRIGHT LLP, as
authorized.

Per:


Paul A. Muchnik

Schedule A

PIN: 24954-0168 (LT)

Legal Description: LT 9, BLK 17, PL 9 , (AKA TEETZEL'S SURVEY), W OF ONTARIO ST,
EXCEPT PT 3, 20R3309 ;; TOWN OF MILTON

PIN: 24954-0169 (LT)

Legal Description: LT 8, BLK 17, PL 9 , (AKA TEETZEL'S SURVEY), W OF ONTARIO ST,
EXCEPT 254152 ; MILTON



199 BAY STREET, SUITE 2200
P.O. BOX 447, COMMERCE COURT POSTAL STATION
TORONTO, ON CANADA M5L 1G4
TELEPHONE: (416) 777-0101
FACSIMILE: (416) 865-1398
<http://www.dickinsonwright.com>

PAUL A. MUCHNIK
PMUCHNIK@dickinsonwright.com
(416) 777 4004

April 28, 2023

PRIVILEGED AND CONFIDENTIAL

2865595 Ontario Inc.
7686 Appleby Line,
Milton, Ontario, Canada, L9E 0N1

Paul DeBattista
7686 Appleby Line,
Milton, Ontario, Canada, L9E 0N1

Village Developments Inc.
7686 Appleby Line,
Milton, Ontario, Canada, L9E 0N1

Dear Sirs:

Re: C & K Mortgage Services Inc. and Canadian Western Trust Company (collectively, the "Lender") mortgage loan (the "Loan") to 2865595 Ontario Inc. (the "Borrower"), and guaranteed by Paul DeBattista and Village Developments Inc. (the "Guarantors"), on the security of property municipally known as 248 Martin Street, Milton, Ontario and 250 Martin Street, Milton, Ontario (the "Property")

We are solicitors for the Lender, and confirm that the Loan has been in default by the Borrower since April 1, 2023.

Pursuant to the Loan, the Borrower is indebted to the Lender for the principal balance of the Loan in the sum of \$2,750,000.00, plus interest and costs as detailed below.

Accordingly, we hereby make formal demand for payment of the indebtedness owing by the Borrower to the Lender pursuant to the Loan, together with all interest accrued thereon, plus costs, legal fees and expenses which may be incurred by the Lender in connection with the recovery of the indebtedness owing by the Borrower to it, along with evidence of insurance coverage for the Property with the Lender noted thereon. Interest will continue to accrue until payment is received and evidence of insurance is provided to the Lender. The following is a breakdown of the outstanding indebtedness:

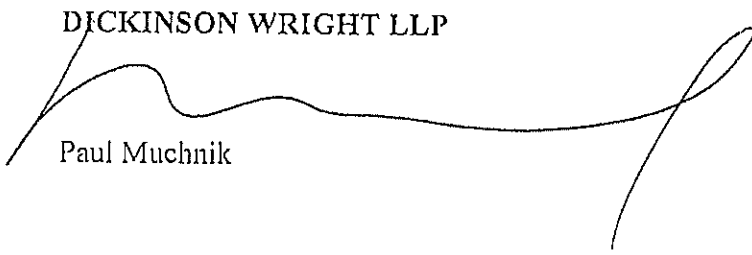
Principal as at March 1, 2023	\$	2,750,000.00
Interest on Late Payments to April 1, 2023	\$	778.38
Interest to April 1, 2023	\$	24,635.42
Late Interest to April 27, 2023	\$	194.48
Interest to April 27, 2023	\$	21,058.18
Three Months Interest	\$	73,906.26
Late Payment Fee	\$	1,750.00
HST on Late Payment Fee	\$	227.50
Statement Fee	\$	250.00
HST on Statement Fee	\$	32.50
Fees for Enforcement Proceedings	\$	2,520.00
HST on Fees for Enforcement Proceedings	\$	327.60
Mortgage Extension/Renewal Fees	\$	32,083.33
Protective Disbursements/Payables	\$	608.36
Legal costs to Dickinson Wright LLP	\$	2,500.00
TOTAL	\$	2,910,872.01
Per Diem = \$817.41		

We enclose the Notice of Intention to Enforce Security which is delivered pursuant to s. 244 of the *Bankruptcy and Insolvency Act* and the applicable rules and regulations.

In the event that payment, in full, is not made as required on or before May 8, 2023, the Lender reserves the right to take whatever measures it hereafter may consider necessary or appropriate to preserve and protect its interests and to pursue its remedies under its security, without further notice to the Borrower. Please govern yourself accordingly.

Yours truly,

DICKINSON WRIGHT LLP



Paul Muchnik

PAM/vj
Enclosures

ARIZONA

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FLORIDA

TENNESSEE

KENTUCKY

TEXAS

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TORONTO

NEVADA

WASHINGTON DC

Schedule A

PIN: 24951-0085 (LT)

Legal Description: PT LT 15, CON 2 TRAFALGAR NEW SURVEY, PART 1, 20R4787;
MILTON/TRAFALGAR

PIN: 24951-0086 (LT)

Legal Description: PT LT 15, CON 2 TRAFALGAR NEW SURVEY, PART 1, 2, 20R4095;
EXCEPT PT 1, 20R4787; S/T M20911 ; MILTON

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TEXAS

TORONTO

WASHINGTON DC

NOTICE OF INTENTION TO ENFORCE A SECURITY

Subsection 244(1) of the
Bankruptcy and Insolvency Act (Canada)

TO: 2865595 Ontario Inc. (the “Debtor”)

TAKE NOTICE THAT:

1. C & K Mortgage Services Inc. and Canadian Western Trust Company (collectively, the “Lender”), as secured creditor, intends to enforce its security on the insolvent person’s property described below:

Real property municipally known as 248 Martin Street, Milton, Ontario and 250 Martin Street, Milton, Ontario legally described in Schedule A as attached (collectively, the “Property”); and

All present and future property, assets and undertaking of the Debtor including without limitation, accounts, books and records, chattel paper, documents of title, equipment, goods, instruments, intangibles (including intellectual property rights, contracts and permits), inventory, money, investment property, securities, contracts, licenses, agreements and real property located at the Property and as more fully described in the security agreements set out below.

2. The security that is to be enforced is the following (hereinafter referred to collectively as the “Security”):
 - a) Charge/Mortgage registered as Instrument No. HR1840792 in the Land Registration District of Halton on October 29, 2021, granted by the Debtor in favour of the Lender;
 - b) All ancillary security documents granted by the Debtor in favour of the Lender.
3. The total amount of indebtedness secured by the security is as follows:

Principal as at March 1, 2023	\$ 2,750,000.00
Interest on Late Payments to April 1, 2023	\$ 778.38
Interest to April 1, 2023	\$ 24,635.42
Late Interest to April 27, 2023	\$ 194.48
Interest to April 27, 2023	\$ 21,058.18

Three Months Interest	\$	73,906.26
Late Payment Fee	\$	1,750.00
HST on Late Payment Fee	\$	227.50
Statement Fee	\$	250.00
HST on Statement Fee	\$	32.50
Fees for Enforcement Proceedings	\$	2,520.00
HST on Fees for Enforcement Proceedings	\$	327.60
Mortgage Extension/Renewal Fees	\$	32,083.33
Protective Disbursements/Payables	\$	608.36
Legal costs to Dickinson Wright LLP	\$	2,500.00
TOTAL	\$	2,910,872.01

The Lenders will not have the right to enforce the Security until after the expiry of the 10 day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Toronto, Ontario, this 28th day of April, 2023.

C & K MORTGAGE SERVICES INC. AND
CANADIAN WESTERN TRUST COMPANY, by
its solicitors, DICKINSON WRIGHT LLP, as
authorized.

Per:



Paul A. Muchnik

Schedule A

PIN: 24951-0085 (LT)

Legal Description: PT LT 15, CON 2 TRAFALGAR NEW SURVEY, PART 1, 20R4787;
MILTON/TRAFALGAR

PIN: 24951-0086 (LT)

Legal Description: PT LT 15, CON 2 TRAFALGAR NEW SURVEY, PART 1, 2, 20R4095;
EXCEPT PT 1, 20R4787; S/T M20911 ; MILTON



199 BAY STREET, SUITE 2200
 P O BOX 447, COMMERCE COURT POSTAL STATION
 TORONTO, ON CANADA M5L 1G4
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<http://www.dickinsonwright.com>

PAUL A. MUCHNIK
 PMUCHNIK@dickinsonwright.com
 (416) 777 4004

April 28, 2023

PRIVILEGED AND CONFIDENTIAL

Village Developments Inc.
 7686 Appleby Line,
 Milton, Ontario, Canada, L9E 0N1

Paul DeBattista and Tony Raposo
 7686 Appleby Line,
 Milton, Ontario, Canada, L9E 0N1

Dear Sirs:

Re: E. Manson Investments Ltd. et al. (the "Lender") mortgage loan (the "Loan") to Village Developments Inc. (the "Borrower"), and guaranteed by Paul DeBattista and Tony Raposo (the "Guarantors"), on the security of property municipally known as 194 Bronte Street South, Milton, Ontario (the "Property")

We are solicitors for the Lender, and confirm that the Loan has been in default by the Borrower since April 1, 2023.

Pursuant to the Loan, the Borrower is indebted to the Lender for the principal balance of the Loan in the sum of \$1,450,000.00, plus interest and costs as detailed below.

Accordingly, we hereby make formal demand for payment of the indebtedness owing by the Borrower to the Lender pursuant to the Loan, together with all interest accrued thereon, plus costs, legal fees and expenses which may be incurred by the Lender in connection with the recovery of the indebtedness owing by the Borrower to it, along with evidence of insurance coverage for the Property with the Lender noted thereon. Interest will continue to accrue until payment is received and evidence of insurance is provided to the Lender. The following is a breakdown of the outstanding indebtedness:

Principal as at March 1, 2023	\$	1,450,000.00
Interest on Late Payments to April 1, 2023	\$	1,814.55
Interest to April 1, 2023	\$	13,291.67

ARIZONA

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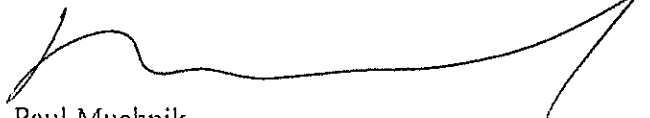
Late Interest to April 27, 2023	\$	109.50
Interest to April 27, 2023	\$	11,361.74
Three Months Interest	\$	39,875.01
Charges	\$	1,872.95
Late Payment	\$	6,250.00
HST on Late Payment	\$	812.50
Statement Fee	\$	250.00
HST on Statement Fee	\$	32.50
Fees for Enforcement Proceedings	\$	6,000.00
HST on Fees for Enforcement Proceedings	\$	780.00
Mortgage Extension/Renewal Fees	\$	41,083.33
Legal costs to Dickinson Wright LLP	\$	2,500.00
TOTAL	\$	1,576,033.75
Per Diem = \$441.20		

We enclose the Notice of Intention to Enforce Security which is delivered pursuant to s. 244 of the *Bankruptcy and Insolvency Act* and the applicable rules and regulations.

In the event that payment, in full, is not made as required on or before May 8, 2023, the Lender reserves the right to take whatever measures it hereafter may consider necessary or appropriate to preserve and protect its interests and to pursue its remedies under its security, without further notice to the Borrower. Please govern yourself accordingly.

Yours truly,

DICKINSON WRIGHT LLP



Paul Muchnik

PAM/vj
Enclosures

Schedule A

PIN: 24962-4100 (LT)

Legal Description: PT LT 13, CON 1 TRAFALGAR NEW SURVEY, PART 1, 20R3661 EXCEPT
PT 14 20R18868; TOWN OF MILTON

ARIZONA

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KENTUCKY

TEXAS

MICHIGAN

TORONTO

NEVADA

WASHINGTON DC

NOTICE OF INTENTION TO ENFORCE A SECURITY

Subsection 244(1) of the *Bankruptcy and Insolvency Act (Canada)*

TO: Village Developments Inc. (the “Debtor”)

TAKE NOTICE THAT:

1. E. Manson Investments Ltd. et al. (collectively, the “Lender”), as secured creditor, intends to enforce its security on the insolvent person’s property described below:

Real property municipally known as 194 Bronte Street South, Milton, Ontario and legally described in Schedule A as attached (the “Property”); and

All present and future property, assets and undertaking of the Debtor including without limitation, accounts, books and records, chattel paper, documents of title, equipment, goods, instruments, intangibles (including intellectual property rights, contracts and permits), inventory, money, investment property, securities, contracts, licenses, agreements and real property located at the Property and as more fully described in the security agreements set out below.

2. The security that is to be enforced is the following (hereinafter referred to collectively as the “Security”):
 - a) Charge/Mortgage registered as Instrument No. HR1680982 in the Land Registration District of Halton on January 29, 2020, granted by the Debtor in favour of the Lender;
 - b) All ancillary security documents granted by the Debtor in favour of the Lender.
3. The total amount of indebtedness secured by the security is as follows:

Principal as at March 1, 2023	\$	1,450,000.00
Interest on Late Payments to April 1, 2023	\$	1,814.55
Interest to April 1, 2023	\$	13,291.67
Late Interest to April 27, 2023	\$	109.50
Interest to April 27, 2023	\$	11,361.74
Three Months Interest	\$	39,875.01
Charges	\$	1,872.95

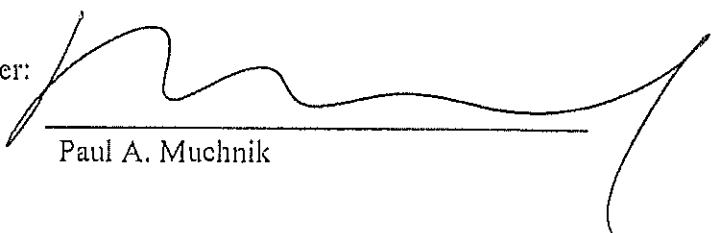
Late Payment	\$	6,250.00
HST on Late Payment	\$	812.50
Statement Fee	\$	250.00
HST on Statement Fee	\$	32.50
Fees for Enforcement Proceedings	\$	6,000.00
HST on Fees for Enforcement Proceedings	\$	780.00
Mortgage Extension/Renewal Fees	\$	41,083.33
Legal costs to Dickinson Wright LLP	\$	2,500.00
TOTAL	\$	1,576,033.75

The Lenders will not have the right to enforce the Security until after the expiry of the 10 day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Toronto, Ontario, this 28th day of April, 2023.

E. MANSON INVESTMENTS LTD. ET AL., by
its solicitors, DICKINSON WRIGHT LLP, as
authorized.

Per:



Paul A. Muchnik

Schedule A

PIN: 24962-4100 (LT)

Legal Description: PT LT 13, CON 1 TRAFALGAR NEW SURVEY, PART 1, 20R3661 EXCEPT
PT 14 20R18868; TOWN OF MILTON



199 BAY STREET, SUITE 2200
P.O. BOX 447, COMMERCE COURT POSTAL STATION
TORONTO, ON CANADA M5L 1G4
TELEPHONE: (416) 777-0101
FACSIMILE: (416) 865-1398
<http://www.dickinsonwright.com>

PAUL A. MUCHNIK
PMUCHNIK@dickinsonwright.com
(416) 777-4004

April 28, 2023

PRIVILEGED AND CONFIDENTIAL

Paul DeBattista
7686 Appleby Line,
Milton, Ontario, Canada, L9E 0N1

Rose and Daniel DeBattista
7686 Appleby Line,
Milton, Ontario, Canada, L9E 0N1

Dear Sirs:

Re: C & K Mortgage Services Inc. (the "Lender") mortgage loan (the "Loan") to Paul DeBattista (the "Borrower"), and guaranteed by Rose and Daniel DeBattista (the "Guarantors"), on the security of property municipally known as 7686 Appleby Line, Milton, Ontario (the "Property")

We are solicitors for the Lender, and confirm that the Loan has been in default by the Borrower since April 1, 2023.

Pursuant to the Loan, the Borrower is indebted to the Lender for the principal balance of the Loan in the sum of \$2,200,000.00, plus interest and costs as detailed below.

Accordingly, we hereby make formal demand for payment of the indebtedness owing by the Borrower to the Lender pursuant to the Loan, together with all interest accrued thereon, plus costs, legal fees and expenses which may be incurred by the Lender in connection with the recovery of the indebtedness owing by the Borrower to it, along with evidence of insurance coverage for the Property with the Lender noted thereon. Interest will continue to accrue until payment is received and evidence of insurance is provided to the Lender. The following is a breakdown of the outstanding indebtedness:

Principal as at March 1, 2023	\$	2,200,000.00
Interest on Late Payments to April 1, 2023	\$	2,227.95
Interest to April 1, 2023	\$	20,166.67

Tax Payment due to April 1, 2023	\$	850.00
Late Interest to April 27, 2023	\$	175.50
Interest to April 27, 2023	\$	17,238.26
Three Months Interest	\$	60,500.01
Statement Fee	\$	250.00
HST on Statement Fee	\$	32.50
Charges	\$	16,915.02
Late/Non Payment Fee	\$	3,400.00
HST on Late/Non Payment Fee	\$	442.00
Fees for Enforcement Proceedings	\$	6,990.00
HST on Fees for Enforcement Proceedings	\$	908.70
Mortgage Extension/Renewal Fees	\$	56,833.33
Legal costs to Dickinson Wright LLP	\$	2,500.00
TOTAL	\$	2,389,429.94
Per Diem = \$669.76		

We enclose the Notice of Intention to Enforce Security which is delivered pursuant to s. 244 of the *Bankruptcy and Insolvency Act* and the applicable rules and regulations.

In the event that payment, in full, is not made as required on or before May 8, 2023, the Lender reserves the right to take whatever measures it hereafter may consider necessary or appropriate to preserve and protect its interests and to pursue its remedies under its security, without further notice to the Borrower. Please govern yourself accordingly.

Yours truly,

DICKINSON WRIGHT LLP



Paul Muchnik

PAM/vj
Enclosures

Schedule A

PIN: 24965-0118 (LT)

Legal Description: PT LT 15, CON 5 NNS, AS IN 546162, MILTON/NELSON

ARIZONA

FLORIDA

KENTUCKY

MICHIGAN

NEVADA

OHIO

TENNESSEE

TEXAS

TORONTO

WASHINGTON DC

NOTICE OF INTENTION TO ENFORCE A SECURITY

Subsection 244(1) of the *Bankruptcy and Insolvency Act (Canada)*

TO: Paul DeBattista (the "Debtor")

TAKE NOTICE THAT:

1. C & K Mortgage Services Inc. (the "Lender"), as secured creditor, intends to enforce its security on the insolvent person's property described below:

Real property municipally known as 7686 Appleby Line, Milton, Ontario and legally described in Schedule A as attached (the "Property"); and

All present and future property, assets and undertaking of the Debtor including without limitation, accounts, books and records, chattel paper, documents of title, equipment, goods, instruments, intangibles (including intellectual property rights, contracts and permits), inventory, money, investment property, securities, contracts, licenses, agreements and real property located at the Property and as more fully described in the security agreements set out below.

2. The security that is to be enforced is the following (hereinafter referred to collectively as the "Security"):
 - a) Charge/Mortgage registered as Instrument No. HR1357040 in the Land Registration District of Halton on May 13, 2018, granted by the Debtor in favour of Valour Mortgage Services Inc.;
 - b) Transfer of Charge registered as Instrument No. HR1689440 in the Land Registration District of Halton on March 11, 2020, granted by Valour Mortgage Services Inc. to transfer its interest in Instrument No. HR1057040 to the Lender;
 - c) All ancillary security documents granted by the Debtor in favour of the Lender.

3. The total amount of indebtedness secured by the security is as follows:

Principal as at March 1, 2023	\$	2,200,000.00
Interest on Late Payments to April 1, 2023	\$	2,227.95
Interest to April 1, 2023	\$	20,166.67
Tax Payment due to April 1, 2023	\$	850.00

Late Interest to April 27, 2023	\$	175.50
Interest to April 27, 2023	\$	17,238.26
Three Months Interest	\$	60,500.01
Statement Fee	\$	250.00
HST on Statement Fee	\$	32.50
Charges	\$	16,915.02
Late/Non Payment Fee	\$	3,400.00
HST on Late/Non Payment Fee	\$	442.00
Fees for Enforcement Proceedings	\$	6,990.00
HST on Fees for Enforcement Proceedings	\$	908.70
Mortgage Extension/Renewal Fees	\$	56,833.33
Legal costs to Dickinson Wright LLP	\$	2,500.00
TOTAL	\$	2,389,429.94

The Lenders will not have the right to enforce the Security until after the expiry of the 10 day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Toronto, Ontario, this 28th day of April, 2023.

C & K MORTGAGE SERVICES INC., by its
solicitors, DICKINSON WRIGHT LLP, as
authorized.

Per:


Paul A. Muchnik

Schedule A

PIN: 24965-0118 (LT)

Legal Description: PT LT 15, CON 5 NNS, AS IN 546162, MILTON/NELSON



100 BAY STREET, SUITE 2200
P O BOX 447, COMMERCE COURT POSTAL STATION
TORONTO, ON CANADA M5L 1G4
TELEPHONE: (416) 777-0101
FACSIMILE: (416) 865-1398
<http://www.dickinsonwright.com>

PAUL A. MUCHNIK
PMUCHNIK@dickinsonwright.com
(416) 777 4004

April 28, 2023

PRIVILEGED AND CONFIDENTIAL

Village Developments Inc.
7686 Appleby Line,
Milton, Ontario, Canada, L9E 0N1

Paul DeBattista
7686 Appleby Line,
Milton, Ontario, Canada, L9E 0N1

Dear Sirs:

Re: Canadian Western Trust Company (the "Lender") mortgage loan (the "Loan") to Village Developments Inc. (the "Borrower"), and guaranteed by Paul DeBattista (the "Guarantor"), on the security of property municipally known as 17 Bronte Street South, Milton, Ontario (the "Property")

We are solicitors for the Lender, and confirm that the Loan has been in default by the Borrower since April 1, 2023.

Pursuant to the Loan, the Borrower is indebted to the Lender for the principal balance of the Loan in the sum of \$300,000.00, plus interest and costs as detailed below.

Accordingly, we hereby make formal demand for payment of the indebtedness owing by the Borrower to the Lender pursuant to the Loan, together with all interest accrued thereon, plus costs, legal fees and expenses which may be incurred by the Lender in connection with the recovery of the indebtedness owing by the Borrower to it, along with evidence of insurance coverage for the Property with the Lender noted thereon. Interest will continue to accrue until payment is received and evidence of insurance is provided to the Lender. The following is a breakdown of the outstanding indebtedness:

Principal as at March 1, 2023	\$	300,000.00
Interest on Late Payments to April 1, 2023	\$	670.12
Interest to April 1, 2023	\$	3,500.00

Late Interest to April 27, 2023	\$	41.60
Interest to April 27, 2023	\$	2,991.82
Three Months Interest	\$	10,500.00
Late Payment	\$	6,250.00
HST on Late Payment	\$	812.50
Statement Fee	\$	250.00
HST on Statement Fee	\$	32.50
Fees for Enforcement Proceedings	\$	6,000.00
HST on Fees for Enforcement Proceedings	\$	780.00
Mortgage Extension/Renewal Fees	\$	4,000.00
Protective Disbursements/Payables	\$	1,537.52
Legal costs to Dickinson Wright LLP	\$	2,500.00
TOTAL	\$	339,866.06
Per Diem = \$116.67		

We enclose the Notice of Intention to Enforce Security which is delivered pursuant to s. 244 of the *Bankruptcy and Insolvency Act* and the applicable rules and regulations.

In the event that payment, in full, is not made as required on or before May 8, 2023, the Lender reserves the right to take whatever measures it hereafter may consider necessary or appropriate to preserve and protect its interests and to pursue its remedies under its security, without further notice to the Borrower. Please govern yourself accordingly.

Yours truly,

DICKINSON WRIGHT LLP

Paul Muchnik

PAM/vj
Enclosures

Schedule A

PIN: 24952-0157 (LT)

Legal Description: PT LT 2 BLK 1 ON PL 7 BEING PT 2 ON PL 20R-19786; S/T EASE IN
GROSS OVER PT 1 ON PL 20R-21184 AS IN HR1594215; TOWN OF MILTON

ARIZONA

FLORIDA

KENTUCKY

MICHIGAN

NEVADA

OHIO

TENNESSEE

TEXAS

TORONTO

WASHINGTON DC

NOTICE OF INTENTION TO ENFORCE A SECURITY

Subsection 244(1) of the *Bankruptcy and Insolvency Act (Canada)*

TO: Village Developments Inc. (the “Debtor”)

TAKE NOTICE THAT:

1. Canadian Western Trust Company (the “Lender”), as secured creditor, intends to enforce its security on the insolvent person’s property described below:

Real property municipally known as 17 Bronte Street South, Milton, Ontario and legally described in Schedule A as attached (the “Property”); and

All present and future property, assets and undertaking of the Debtor including without limitation, accounts, books and records, chattel paper, documents of title, equipment, goods, instruments, intangibles (including intellectual property rights, contracts and permits), inventory, money, investment property, securities, contracts, licenses, agreements and real property located at the Property and as more fully described in the security agreements set out below.

2. The security that is to be enforced is the following (hereinafter referred to collectively as the “Security”):
 - a) Charge/Mortgage registered as Instrument No. HR1810513 in the Land Registration District of Halton on July 19, 2021, granted by the Debtor in favour of the Lender;
 - b) All ancillary security documents granted by the Debtor in favour of the Lender.
3. The total amount of indebtedness secured by the security is as follows:

Principal as at March 1, 2023	\$ 300,000.00
Interest on Late Payments to April 1, 2023	\$ 670.12
Interest to April 1, 2023	\$ 3,500.00
Late Interest to April 27, 2023	\$ 41.60
Interest to April 27, 2023	\$ 2,991.82
Three Months Interest	\$ 10,500.00
Late Payment	\$ 6,250.00

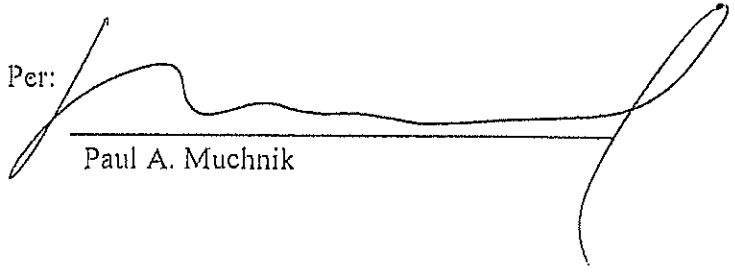
HST on Late Payment	\$	812.50
Statement Fee	\$	250.00
HST on Statement Fee	\$	32.50
Fees for Enforcement Proceedings	\$	6,000.00
HST on Fees for Enforcement Proceedings	\$	780.00
Mortgage Extension/Renewal Fees	\$	4,000.00
Protective Disbursements/Payables	\$	1,537.52
Legal costs to Dickinson Wright LLP	\$	2,500.00
TOTAL	\$	339,866.06

The Lenders will not have the right to enforce the Security until after the expiry of the 10 day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Toronto, Ontario, this 28th day of April, 2023.

CANADIAN WESTERN TRUST COMPANY, by
its solicitors, DICKINSON WRIGHT LLP, as
authorized.

Per:



Paul A. Muchnik

Schedule A

PIN: 24952-0157 (LT)

Legal Description: PT LT 2 BLK 1 ON PL 7 BEING PT 2 ON PL 20R-19786; S/T EASE IN
GROSS OVER PT 1 ON PL 20R-21184 AS IN HR1594215; TOWN OF MILTON



199 BAY STREET, SUITE 3200
P.O. BOX 447, COMMERCE COURT POSTAL STATION
TORONTO, ON CANADA M5L 1G4
TELEPHONE: (416) 777-0101
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<http://www.dickinsonwright.com>

PAUL A. MUCHNIK
PMUCHNIK@dickinsonwright.com
(416) 777 4004

April 28, 2023

PRIVILEGED AND CONFIDENTIAL

Village Developments Inc.
7686 Appleby Line,
Milton, Ontario, Canada, L9E 0N1

Paul DeBattista
7686 Appleby Line,
Milton, Ontario, Canada, L9E 0N1

Dear Sirs:

Re: Bamburgh Holdings Inc., Yerusha Investments Inc., and 1008118 Ontario Limited (collectively, the "Lender") mortgage loan (the "Loan") to Village Developments Inc. (the "Borrower"), and guaranteed by Paul DeBattista (the "Guarantor"), on the security of property municipally known as 17 Bronte Street South, Milton, Ontario (the "Property")

We are solicitors for the Lender, and confirm that the Loan has been in default by the Borrower since April 1, 2023.

Pursuant to the Loan, the Borrower is indebted to the Lender for the principal balance of the Loan in the sum of \$400,000.00, plus interest and costs as detailed below.

Accordingly, we hereby make formal demand for payment of the indebtedness owing by the Borrower to the Lender pursuant to the Loan, together with all interest accrued thereon, plus costs, legal fees and expenses which may be incurred by the Lender in connection with the recovery of the indebtedness owing by the Borrower to it, along with evidence of insurance coverage for the Property with the Lender noted thereon. Interest will continue to accrue until payment is received and evidence of insurance is provided to the Lender. The following is a breakdown of the outstanding indebtedness:

Principal as at March 1, 2023	\$	400,000.00
Interest on Late Payments to April 27, 2023	\$	692.30
Interest to April 1, 2023	\$	4,000.00

Late Interest to April 27, 2023	\$	40.04
Interest to April 27, 2023	\$	3,419.26
Three Months Interest	\$	12,000.00
Charges	\$	3,366.47
Late Payment Fee	\$	6,750.00
HST on Late Payment Fee	\$	877.50
Statement Fee	\$	250.00
HST on Statement Fee	\$	32.50
Fees for Enforcement Proceedings	\$	6,000.00
HST on Fees for Enforcement Proceedings	\$	780.00
Mortgage Extension/Renewal Fees	\$	10,333.33
Legal costs to Dickinson Wright LLP	\$	2,500.00
TOTAL	\$	451,041.40
Per Diem = \$133.05		

We enclose the Notice of Intention to Enforce Security which is delivered pursuant to s. 244 of the *Bankruptcy and Insolvency Act* and the applicable rules and regulations.

In the event that payment, in full, is not made as required on or before May 8, 2023, the Lender reserves the right to take whatever measures it hereafter may consider necessary or appropriate to preserve and protect its interests and to pursue its remedies under its security, without further notice to the Borrower. Please govern yourself accordingly.

Yours truly,

DICKINSON WRIGHT LLP

Paul Muchnik

PAM/vj
Enclosures

Schedule A

PIN: 24952-0157 (LT)

Legal Description: PT LT 2 BLK 1 ON PL 7 BEING PT 2 ON PL 20R-19786; S/T EASE IN GROSS OVER PT 1 ON PL 20R-21184 AS IN HR1594215; TOWN OF MILTON

ARIZONA

FLORIDA

KENTUCKY

MICHIGAN

NEVADA

OHIO

TENNESSEE

TEXAS

TORONTO

WASHINGTON DC

NOTICE OF INTENTION TO ENFORCE A SECURITY

Subsection 244(1) of the
Bankruptcy and Insolvency Act (Canada)

TO: Village Developments Inc. (the "Debtor")

TAKE NOTICE THAT:

1. Bamburgh Holdings Inc., Yerusha Investments Inc., and 1008118 Ontario Limited (collectively, the "Lender"), as secured creditor, intends to enforce its security on the insolvent person's property described below:

Real property municipally known as 17 Bronte Street South, Milton, Ontario and legally described in Schedule A as attached (the "Property"); and

All present and future property, assets and undertaking of the Debtor including without limitation, accounts, books and records, chattel paper, documents of title, equipment, goods, instruments, intangibles (including intellectual property rights, contracts and permits), inventory, money, investment property, securities, contracts, licenses, agreements and real property located at the Property and as more fully described in the security agreements set out below.

2. The security that is to be enforced is the following (hereinafter referred to collectively as the "Security"):
 - a) Charge/Mortgage registered as Instrument No. HR1689124 in the Land Registration District of Halton on March 10, 2020, granted by the Debtor in favour of the Lender;
 - b) All ancillary security documents granted by the Debtor in favour of the Lender.

3. The total amount of indebtedness secured by the security is as follows:

Principal as at March 1, 2023	\$	400,000.00
Interest on Late Payments to April 27, 2023	\$	692.30
Interest to April 1, 2023	\$	4,000.00
Late Interest to April 27, 2023	\$	40.04
Interest to April 27, 2023	\$	3,419.26
Three Months Interest	\$	12,000.00

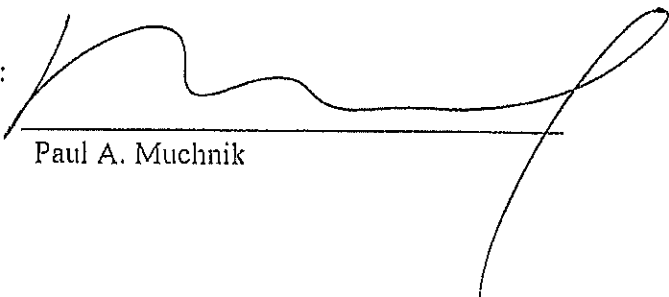
Charges	\$	3,366.47
Late Payment Fee	\$	6,750.00
HST on Late Payment Fee	\$	877.50
Statement Fee	\$	250.00
HST on Statement Fee	\$	32.50
Fees for Enforcement Proceedings	\$	6,000.00
HST on Fees for Enforcement Proceedings	\$	780.00
Mortgage Extension/Renewal Fees	\$	10,333.33
Legal costs to Dickinson Wright LLP	\$	2,500.00
TOTAL	\$	451,041.40

The Lenders will not have the right to enforce the Security until after the expiry of the 10 day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Toronto, Ontario, this 28th day of April, 2023.

BAMBURGH HOLDINGS INC. ET AL., by its
solicitors, DICKINSON WRIGHT LLP, as
authorized.

Per:



Paul A. Muchnik

Schedule A

PIN: 24952-0157 (LT)

Legal Description: PT LT 2 BLK 1 ON PL 7 BEING PT 2 ON PL 20R-19786; S/T EASE IN
GROSS OVER PT 1 ON PL 20R-21184 AS IN HR1594215; TOWN OF MILTON

This is Exhibit “JJ” referred to in the Affidavit of GARY GRUNEIR sworn by GARY GRUNEIR of the City of Markham, before me at the City of Toronto, in the Province of Ontario, on May 31, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

DAVID P. PREGER

Tuesday, May 16, 2023

Schedule of outstanding amounts as at May 16, 2023.

Borrower	Property	Rank	Principal	Interest to April 27, 2023	Late Payment	Charges	Enforcement	Extend /Renewal	Total	Rate
Village Developments Inc.	17 Bronte Street South, Milton ON	1st	400,000.00	8,151.30	7,627.50	3,648.37	6,780.00	10,333.00	436,540.77	12%
Village Developments Inc.	17 Bronte Street South, Milton ON	2nd	300,000.00	7,203.54	7,062.50	1,820.02	6,780.00	4,000.00	326,866.06	14%
Village Developments Inc.	194 Bronte Street South, Milton, ON	1st	1,450,000.00	26,557.46	7,062.54	2,155.45	6,780.00	41,083.33	1,533,638.78	11%
2865594 Ontario Inc.	72 Ontario St S. & 446 Pine St, Milton, ON	1st	2,500,000.00	42,423.54	1,977.50	890.86	2,825.00	29,166.67	2,577,283.57	10.75%
Paul Debattista	7686 Appleby Line, Milton, ON	1st	2,200,000.00	36,639.82	3,842.00	16,915.02	7,910.00	56,833.33	2,322,140.17	11%
2865595 Ontario Inc.	248 & 250 Martin St, Milton, ON	1st	2,750,000.00	46,666.46	1,977.50	890.86	2,825.00	32,083.33	2,834,443.15	10.75%
Grand Total									10,030,912.50	

We, Village Developments Inc, 2865594 Ontario Inc, Paul Debattista and 2865595 Ontario Inc. acknowledge that the above amounts are due as at April 27, 2023. Notwithstanding that the renewal fees have not been paid in full, all the mortgages have been renewed to December 1, 2023. The interest rates on all of the mortgages have been increased effective December 1, 2022 by 1%

Date

MAY 15 23

Signed

Village Developments Inc.

2865594 Ontario Inc.

Paul Debattista

2865595 Ontario Inc.

S:\excel data\Mortgages\APPLEBY 7686 \$2,200,000\[Schedule 2023-04-21.xlsx]Sheet1
5/16/2023 13:50

C & K MORTGAGE SERVICES INC. et al.
Applicants

-and- **VILLAGE DEVELOPMENTS INC. et al.**
Respondents

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT
TORONTO

AFFIDAVIT OF GARY GRUNEIR

DICKINSON WRIGHT LLP
Barristers & Solicitors
199 Bay Street
Suite 2200, Box 447
Commerce Court Postal Station
Toronto, ON M5L 1G4

DAVID P. PREGER (36870L)
Email: dpreg@rickinsonwright.com

LISA S. CORNE (27974M)
Email: lc@rickinsonwright.com
Tel: 416-646-4608

Lawyers for the Applicants

C & K MORTGAGE SERVICES INC., et al.
Applicants

-and-
Respondents

VILLAGE DEVELOPMENTS INC., et al.

Court File No. CV-23-00700497-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT
TORONTO

APPLICATION RECORD

DICKINSON WRIGHT LLP

Barristers & Solicitors
199 Bay Street
Suite 2200, Box 447
Commerce Court Postal Station
Toronto, ON M5L 1G4

DAVID P. PREGER (36870L)

Email: dpreger@dickinsonwright.com
Tel: 416-646-4606

LISA S. CORNE (27974M)

Email: lcorne@dickinsonwright.com
Tel: 416-646-4608

Lawyers for the Applicants