

**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, SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O 1990 C. C.43, AS AMENDED, AND SECTION 68 OF THE *CONSTRUCTION ACT*, R.S.O. 1990, c. C.30, AS AMENDED

B E T W E E N:

DUCA FINANCIAL SERVICES CREDIT UNION LTD.

Applicant

- and -

9630 ISLINGTON INC.

Respondent

APPLICATION RECORD

April 26, 2024

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

JOHN D. LESLIE (29956P)
Email: JLeslie@dickinsonwright.com
Tel: 416-646-3801

LISA CORNE (27974M)
Email: LCorne@dickinsonwright.com
Tel: 416-646-4608

Lawyers for the Applicant

TO: **SERVICE LIST**

SERVICE LIST

TO: **9630 ISLINGTON INC.**
8740 Jane Street, Units 1 and 2
Concord ON L4K 0E7

AND
TO: **INTACT INSURANCE COMPANY**
700 University Avenue
Toronto ON M5G 0A1

AND
TO: **SRN ARCHITECTS INC.**
c/o Parente Borean LLP
3883 Highway 7, Suite #207
Woodbridge ON L4L 6C1

GERARD C. BOREAN
Email: gborean@parenteborean.com
Tel: (905) 850-6068

AND
TO: **THE CORPORATION OF THE CITY OF VAUGHAN**
Vaughan City Hall
2141 Major Mackenzie Dr.
Vaughan, ON L6A 1T1

Legal Department - Office of the City Clerk
Email: clerks@vaughan.ca
Tel: 905-832-2281

AND
TO: **INSOLVENCY UNIT ONTARIO MINISTRY OF FINANCE**
6th Floor, 22 King Street West
Oshawa, ON L1H 8H5
Email: Insolvency.Unit@ontario.ca

Leslie Crawford
Tel: 905-433-5657
Email: leslie.crawford@ontario.ca

AND **CANADA REVENUE AGENCY**
TO: 1 Front Street West
 Toronto, ON M5J 2X6

Pat Confalone
Tel: 416-954-6514
Email: pat.confalone@cra-arc.gc.ca

Sandra Palma
Email: sandra.palma@cra-arc.gc.ca

AND **STEVEN SACCOCCIA JR.**
TO: 200 Fenyrose Crescent
 Vaughan, ON L4L 7B1

AND **FULVIA SACCOCCIA**
TO: 200 Fenyrose Crescent
 Vaughan, ON L4L 7B1

Email Addresses:

insolvency.unit@ontario.ca; leslie.crawford@ontario.ca; pat.confalone@cra-arc.gc.ca;
sandra.palma@cra-arc.gc.ca; clerks@vaughan.ca; gborean@parenteborean.com

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B E T W E E N:

DUCA FINANCIAL SERVICES CREDIT UNION LTD.

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Respondent

I N D E X

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Tab 1



Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
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IN THE MATTER OF SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, C. B-3, AS AMENDED, SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990 C. C.43, AS AMENDED, AND SECTION 68 OF THE *CONSTRUCTION ACT*, R.S.O. 1990, c. C.30, AS AMENDED

B E T W E E N:

DUCA FINANCIAL SERVICES CREDIT UNION LTD.

Applicant

- and -

9630 ISLINGTON INC.

Respondent

NOTICE OF APPLICATION

TO THE RESPONDENT

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

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

- In writing
- In person
- By telephone conference
- By video conference

on a date to be set, following a 9:30 a.m. scheduling hearing, before a judge presiding over the Commercial List at 330 University Avenue, 9th Floor, Toronto ON, M5G 1R7.

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

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for you must forthwith prepare a notice of appearance in Form 38A prescribed by the *Rules of Civil Procedure*, serve it on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least four days before the hearing.

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

Date _____ Issued by _____
Local Registrar

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

TO: **9630 ISLINGTON INC.**
8740 Jane Street, Units 1 and 2
Concord ON L4K 0E7

AND **INTACT INSURANCE COMPANY**
TO: 700 University Avenue
Toronto ON M5G 0A1

AND **SRN ARCHITECTS INC.**
TO: c/o Parente Borean LLP
3883 Highway 7, Suite #207
Woodbridge ON L4L 6C1

GERARD C. BOREAN
Email: gborean@parenteborean.com
Tel: (905) 850-6068

-3-

AND **THE CORPORATION OF THE CITY OF VAUGHAN**
TO: Vaughan City Hall
2141 Major Mackenzie Dr.
Vaughan, ON L6A 1T1

Legal Department - Office of the City Clerk
Email: clerks@vaughan.ca
Tel: 905-832-2281

AND **INSOLVENCY UNIT ONTARIO MINISTRY OF FINANCE**
TO: 6th Floor, 22 King Street West
Oshawa, ON L1H 8H5
Email: Insolvency.Unit@ontario.ca

Leslie Crawford
Tel: 905-433-5657
Email: leslie.crawford@ontario.ca

AND **CANADA REVENUE AGENCY**
TO: 1 Front Street West
Toronto, ON M5J 2X6

Pat Confalone
Tel: 416-954-6514
Email: pat.confalone@cra-arc.gc.ca

Sandra Palma
Email: sandra.palma@cra-arc.gc.ca

AND **STEVEN SACCOCCIA JR.**
TO: 200 Fenyrose Crescent
Vaughan, ON L4L 7B1

AND **FULVIA SACCOCCIA**
TO: 200 Fenyrose Crescent
Vaughan, ON L4L 7B1

APPLICATION

1. The Applicant Duca Financial Services Credit Union Ltd. (“**DUCA**”) makes 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**”), section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C-43 (the “**CJA**”), and section 68 of the *Construction Act R.S.O. 1990, c. C30* appointing MNP Ltd. as receiver, manager and construction lien trustee (in such capacities, the “**Receiver**”) of all of the assets, undertakings and properties of the Respondent, 9630 Islington Inc. (the “**Debtor**”) acquired for, or used in relation to a business carried on by the Debtor, including and without in any way limiting the generality of the foregoing, the property known municipally as 9630 Islington Avenue, Woodbridge, Ontario (the “**Property**”);
- (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.

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2. The grounds for the application are:

- (a) the Debtor is an Ontario corporation, and the registered owner of the Property;
- (b) DUCA is a Canadian credit union which advanced a secured demand loan to the Debtor (the “**Loan**”) to finance the development of a residential condominium project on the Property;
- (c) DUCA’s security for the Loan consists of, among other things, a first-ranking mortgage over the Property (the “**Mortgage**”) and security interest over all of the personal property of the Debtor pursuant to a general security agreement given by the Debtor (the “**GSA**”);
- (d) on October 19, 2023 SRN Architects Inc. registered a lien on title to the Property in the amount of \$297,824.90 (the “**Lien**”);
- (e) the Loan has been in default since October 19, 2023, as a result of the registration of the Lien on title to the Property;
- (f) on January 12, 2024, made formal demand for payment of the Loan and issued a Notice of Intention to Enforce Security under section 244(1) of the BIA;
- (g) at the request of the Debtor, DUCA agreed for forbear from exercising its remedies under the Mortgage and GSA, on the terms set out in a Forbearance Agreement dated March 27, 2024 (the “**Forbearance Agreement**”);
- (h) an “Event of Default” under the Forbearance Agreement has occurred;

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- (i) pursuant to the Forbearance Agreement, upon the occurrence of an Event of Default, the Debtor consented to the appointment of a receiver of the Debtor and the Property;
- (j) as at April 9, 2024, the amount owing under the Loan was \$6,532,057.54, excluding legal and forbearance costs;
- (k) the Mortgage, GSA, and Forbearance Agreement contain contractual entitlements to appoint a receiver upon default;
- (l) in addition to the Lien and Mortgage, Intact Insurance Corporation has registered a mortgage in the principal amount of \$24 million on title to the Property, ranking subordinate to the Mortgage;
- (m) it is just and convenient that a receiver and trustee be appointed;
- (n) a Court-appointed receiver will ensure that the interests of all of the Debtor's stakeholders are considered and facilitate a fair and transparent marketing and sale process for achieving a definitive disposition of the Property, and distribution of proceeds in accordance with legal priorities;
- (o) section 243(1) of the BIA, section 101 of the CJA, section 68 of the *Construction Act*, R.S.O. 1990, c.C30, as amended, 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 DUCA's lawyers may advise

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3. The following documentary evidence will be used at the hearing of the application:
- (a) Affidavit of Ivan Bogdanovich, to be sworn and the Exhibits thereto;
 - (b) The Consent of MNP Ltd. to act as the Receiver; and
 - (c) Such further and other evidence as the Applicant's lawyers may advise and this Honourable Court may permit.

April 12, 2024

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

JOHN D. LESLIE (29956P)
Email: jleslie@dickinsonwright.com
Tel: 416-646-3801

LISA S. CORNE (27974M)
Email: lcorne@dickinsonwright.com
Tel: 416.646.4608

Lawyers for the Applicant

Electronically issued / Délivré par voie électronique : 25-Apr-2024
Toronto Superior Court of Justice / Cour supérieure de justice

DCA FINANCIAL SERVICES CREDIT UNION LTD.

Applicant

-and-

Court File No./N° du dossier du greffe : CV-24-00719135-00CL

9630 ISLINGTON INC.

Respondent

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

JOHN D. LESLIE (29956P)

Email: jleslie@dickinsonwright.com

Tel: 416-646-3801

LISA S. CORNE (27974M)

Email: lcorne@dickinsonwright.com

Tel: 416.646.4608

Lawyers for the Applicant

Tab 2

**ONTARIO
SUPERIOR COURT OF JUSTICE
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IN THE MATTER OF SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, C. B-3, AS AMENDED, SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990 C. C.43, AS AMENDED, AND SECTION 68 *CONSTRUCTION ACT*, R.S.O. 1990, c. C.30, AS AMENDED

B E T W E E N:

DUCA FINANCIAL SERVICES CREDIT UNION LTD.

Applicant

- and -

9630 ISLINGTON INC.

Respondent

AFFIDAVIT OF IVAN BOGDANOVICH

(Sworn April 12, 2024)

I, IVAN BOGDANOVICH, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY:**

I. INTRODUCTION

1. I am a Director, Special Assets of the Applicant Duca Financial Services Credit Union Ltd. (“**DUCA**”) and have knowledge of the matters to which I hereinafter depose.

2. I am swearing this affidavit in support of an application to appoint MNP Ltd. as receiver and manager of all of the assets, undertakings and properties of the Respondent 9630 Islington Inc. (the “**Debtor**”).

3. DUCA is a Canadian credit union which advanced credit facilities to the Debtor to assist in the development of a five-story condominium project with 89 residential units (the “**Project**”) at the property municipally known as 9630 Islington Avenue, Woodbridge, Ontario (the “**Property**”).

4. On October 19, 2023, SRN Architects Inc. registered a construction lien in the amount of \$297,824.90 (the “**Lien**”) on title to the Property, resulting in a breach by the Debtor of its obligations to DUCA under the terms of the Commitment (as defined below).

5. On January 12, 2024, DUCA made formal written demand for payment by the Debtor of its indebtedness and issued a Notice of Intention to Enforce its security pursuant to s. 244 of the *Bankruptcy and Insolvency Act* (the “**BIA**”).

6. Following the Debtor’s request for additional time to attempt to sell or refinance the Property, DUCA agreed to forbear from enforcing its security against the Debtor and the Property on the terms set out in a Forbearance Agreement dated March 27, 2024.

7. An “Event of Default” within the meaning of the Forbearance Agreement has occurred. Pursuant to the Forbearance Agreement, upon the occurrence of an Event of Default, the Debtor has consented to the appointment of a receiver by the Court.

II. BACKGROUND

8. The Debtor is a corporation incorporated pursuant to the laws of the Province of Ontario with its registered head office located at 8740 Jane Street, Units 1 and 2, Concord. A copy of the Ontario corporate profile report in respect of the Debtor is attached as **Exhibit A**.

9. The Debtor is the registered owner of the Property.

III. LOAN AND SECURITY

10. DUCA advanced a secured demand loan (the “**Loan**”) in the aggregate principal amount of \$6,328,517.00 to the Debtor to finance the construction of the Project on the terms and conditions set out in a commitment letter dated June 30, 2022, as amended by an Amendment to Mortgage Loan Commitment dated February 9, 2023 and an Amendment to Mortgage

Commitment dated October 26, 2023 (collectively the “**Commitment**”). A copy of the Commitment is attached as **Exhibit B**.

11. As security for the Loan, DUCA obtained, *inter alia*, the following (collectively, the “**Security**”):

- (a) A Charge/mortgage of Land in the principal amount of \$7 million registered on July 28, 2022 on title to the Property as instrument number YR3458270 (the “**Mortgage**”);
- (b) An Assignment of Rents registered on July 28, 2022 on title to the Property as instrument number AT4608656 (the “**Assignment of Rents**”); and
- (c) A General Security Agreement dated July 15, 2022 granted by 9630 Islington Inc. (the “**GSA**”).

Copies of the Mortgage, Assignment of Rents, and GSA are attached as **Exhibits C, D, and E**, respectively.

12. The GSA and Mortgage each provide that in the event of a default by the Debtor, DUCA is entitled to appoint a receiver.

13. A copy of the parcel register for the Property is attached as **Exhibit F**. The existing financial encumbrances registered on title to the Property are summarized in the table below, and copies thereof are attached as **Exhibits G through J** as set out in the far left column of the table below:

Financial Encumbrances Registered against the Property					
Exhibit	Registered Instrument Number	Date	Instrument Type	Amount	Parties
G	YR3499741	2022/11/21	Charge/Mortgage	\$24 million	Intact Insurance Company
H	YR3458270	2022/2/8	Charge/Mortgage	\$7 million	DUCA
I	YR3610052	2023/10/19	Construction Lien	\$297,824.00	SRN Architects Inc.

Financial Encumbrances Registered against the Property					
Exhibit	Registered Instrument Number	Date	Instrument Type	Amount	Parties
J	YR3620974	2023/11/12	Certificate of Action	\$297,824.00	SRN Architects Inc.

14. A copy of the Enquiry Response received from Service Ontario in respect of registrations filed against the Debtor under the *Personal Property Security Act* (Ontario) (“*PPSA*”) is attached as **Exhibit K**. The *PPSA* search reveals that there are no registrations against the Debtor’s personal property other than the registration in favour of DUCA.

IV. DEFAULT AND DEMAND

15. As noted above, default occurred under the Loan when the Lien was registered on title to the Property on October 19, 2023.

16. By letter dated January 12, 2024, DUCA, by its counsel, delivered written demand for payment by the Debtor and issued a Notice of Intention to Enforce Security pursuant to section 244 of the BIA. Copies of the demand for payment and Notice of Intention to Enforce Security dated January 12, 2024 are attached collectively as **Exhibit L**.

17. Following the demand for payment and expiry of the ten-day notice period, the Debtor entered into a conditional agreement to sell the Property to Briardown Estates Inc. dated February 15, 2024. DUCA indulged the Debtor’s request for additional time to complete a sale of the Property and agreed to forbear from enforcing its Security, subject to the terms of a Forbearance Agreement dated March 27, 2024 (the “**Forbearance Agreement**”). A copy of Forbearance Agreement is attached as **Exhibit M**.

18. An “Event of Default” within the meaning of the Forbearance Agreement occurred when the Debtor failed to provide confirmation as required by section 6.1 of the Forbearance Agreement, that Briardown Estates Inc. had waived due diligence conditions and paid the deposit pursuant to an the Agreement to Purchase the Property dated February 15, 2024.

19. Pursuant to Articles 7 and 8 of the Forbearance Agreement, upon the occurrence of an “Event of Default”, the Debtor consented to the appointment by the Court of a receiver in respect of the Debtor and the Property.

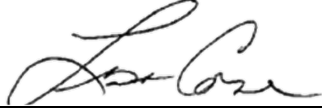
20. As at April 9, 2024, \$6,532,057.54 remains due and owing by the Debtor to DUCA, not including legal fees or forbearance fees.

V. JUST AND CONVENIENT TO APPOINT RECEIVER

21. The appointment of the proposed receiver and construction lien trustee over the assets, undertakings and property of the Debtor is just and convenient in the circumstances of this case for the following reasons:

- (a) The Debtor is in default under the Commitment, Security and Forbearance Agreement;
- (b) Notwithstanding the issuance of demand for payment, and the expiry of the statutory notice period under s. 244 *BIA*, the Debtor has failed to repay the Loan;
- (c) DUCA has accommodated the Debtor’s request for additional time to refinance or sell the Property, and notwithstanding DUCA’s indulgence, all of the Debtor’s efforts to sell or refinance the Property appear to have failed;
- (d) The Mortgage, GSA, and Forbearance Agreement each contain contractual entitlements to appoint a receiver upon default;
- (e) The Property is subject to a subordinate mortgage in favour of Intact Insurance Company;
- (f) there is a construction lien registered on title to the Property;
- (g) MNP Ltd. has the necessary skill and experience to market and sell assets such as the Property; and
- (h) A court-appointed receiver will ensure that the interests of all of the Debtor’s stakeholders are considered and facilitate a fair and transparent marketing and sale process for achieving a disposition of the Property, and distribution of the proceeds in accordance with legal priorities.

SWORN BEFORE ME by videoconference,
at the City of Toronto, in the Province of
Ontario, on this 12th day of April, 2024 in
accordance with O. Reg. 431/20,
Administering Oath or Declaration Remotely.



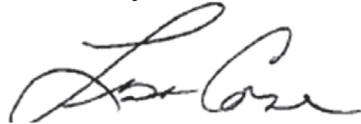
Commissioner for Taking Affidavits
(or as may be)

LISA CORNE



IVAN BOGDANOVICH

This is Exhibit “A” referred to in the Affidavit of **Ivan Bogdanovich** SWORN Remotely at the City of Toronto, in the Province of Ontario on April 12, 2024, in accordance with O. Regs. 431/20 Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

LISA S. CORNE (27974M)

Ministry of Public and
Business Service Delivery

Profile Report

9630 ISLINGTON INC. as of February 28, 2024

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	9630 ISLINGTON INC.
Ontario Corporation Number (OCN)	2634535
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	May 09, 2018
Registered or Head Office Address	8740 Jane Street, 1 & 2, Concord, Ontario, Canada, L4K 0E7

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

A handwritten signature in black ink, appearing to read "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 STEVEN SACCOCCIA JR.
Address for Service 200 Fenytrose Crescent, Vaughan, Ontario, Canada, L4L 7B1
Resident Canadian Yes
Date Began March 29, 2019

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 Officer(s)

Name

STEVEN SACCOCCIA JR.

Position

President

Address for Service

200 Fenrose Crescent, Vaughan, Ontario, Canada, L4L 7B1

Date Began

June 02, 2020

Name

STEVEN SACCOCCIA JR.

Position

Secretary

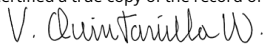
Address for Service

200 Fenrose Crescent, Vaughan, Ontario, Canada, L4L 7B1

Date Began

March 29, 2020

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



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.

Corporate Name History

Name

9630 ISLINGTON INC.

Effective Date

May 09, 2018

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 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

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.

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

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.

Document List

Filing Name	Effective Date
CIA - Notice of Change PAF: Domenic PRESTA	July 15, 2022
BCA - Articles of Incorporation	May 09, 2018

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

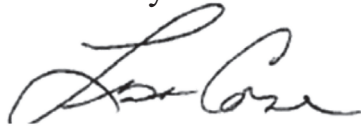
Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

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.

This is Exhibit “B” referred to in the Affidavit of **Ivan Bogdanovich** SWORN Remotely at the City of Toronto, in the Province of Ontario on April 12, 2024, in accordance with O. Regs. 431/20 Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

LISA S. CORNE (27974M)



June 30, 2022

9630 Islington Inc.
8740 Jane St. Unit 1 & Unit 2
Concord, Ontario L4K 0E7

Attention: Mr. Steven Saccoccia and Ms. Fulvia Saccoccia

Dear Sir and Madam:

We are pleased to advise that DUCA Financial Services Credit Union Ltd. has approved a **first** mortgage loan upon the terms and conditions described in this commitment letter (the "**Commitment**") which upon execution by the Lender, Borrower and Guarantors will constitute an agreement which shall bind the Borrower, Guarantors and Lender:

LENDER	DUCA Financial Services Credit Union Ltd.
BORROWER	9630 Islington Inc.
GUARANTORS	(i) Steven Saccoccia (ii) Fulvia Saccoccia
LOAN	<p>Facility 1: FIVE MILLION FOUR HUNDRED THOUSAND DOLLARS (\$5,400,000.00) (non-revolving, single advance term Loan) <i>(subject to amendment – See "Conditions Precedent to Advance" below): and</i></p> <p>Facility 2: EIGHT HUNDRED AND FIFTY THOUSAND DOLLARS (\$850,000.00) (non-revolving, single advance term Loan) <i>(subject to amendment – See "Conditions Precedent to Advance" below).</i></p>
PROPERTY	9630 Islington Avenue, Vaughan, Ontario (being a parcel of land of approximately 1.16 acres containing a single family dwelling, to be developed in the future into a 5 - storey condominium project with 89 residential units with a net sellable residential area of 62,955 SF (the " Project ")

PURPOSE**Facility 1:**

This Facility shall be used to refinance the existing first mortgage (approx. \$5,000,000.00) and working capital purposes, and shall at all times be used for these purposes and for no other purpose without the prior written consent of the Lender.

Facility 2:

This Facility shall be used for working capital purposes, and shall at all times be used for these purposes and for no other purpose without the prior written consent of the Lender.

CLOSING DATE

The date of the Loan advance

TERM**Facility 1:**

SIX (6) months from the Closing Date.

Facility 2:

SIX (6) months from the Closing Date.

INTEREST ADJUSTMENT DATE

The Closing Date.

INTEREST RATE**Facility 1:**

The higher of: (i) Prime Rate per annum in effect from time to time PLUS TWO HUNDRED AND THIRTY BASIS POINTS (230 b.p. or 2.30%); and (ii) FIVE HUNDRED AND FIFTY BASIS POINTS (550 b.p. or 5.50%), calculated daily, on the basis of the actual number of days elapsed and a year of 365 days, and payable monthly, both before and after maturity, default and judgment.

Facility 2:

The higher of: (i) Prime Rate per annum in effect from time to time PLUS SIX HUNDRED AND THIRTY BASIS POINTS (630 b.p. or 6.30%); and (ii) NINE HUNDRED AND FIFTY BASIS POINTS (950 b.p. or 9.50%), calculated daily, on the basis of the actual number of days elapsed and a year of 365 days, and payable monthly, both before and after maturity, default and judgment.

“Prime Rate” means the annual rate of interest announced from time to time by the Lender as a reference rate then in effect for determining interest rates on Canadian dollar commercial loans in Canada and designated by the Lender as its prime rate.

On the date of this Commitment the Prime Rate is THREE HUNDRED AND SEVENTY BASIS POINTS (370 b.p. or 3.70%) % per annum.

AMORTIZATION

Facility 1:

Not applicable – interest only

Facility 2:

Not applicable – interest only

REPAYMENT

Facility 1:

Payments of interest only shall be paid by the Borrower by consecutive monthly instalments, commencing one month from the Interest Adjustment Date and ending on the maturity date of the Facility.

Facility 2:

Payments of interest only shall be paid by the Borrower by consecutive monthly instalments, commencing one month from the Interest Adjustment Date and ending on the maturity date of the Facility.

Facility 1 and Facility 2:

The above monthly payments shall be to be drawn from the Interest Reserve Account (see below). By priority Facility 1, will be repaid first followed by Facility 2. In event of any shortfall, the Borrower authorizes the Lender to automatically debit the Borrower’s account with the Lender for all such payments, it being understood the Lender shall have the right, but not the obligation, to do so.

PREPAYMENT

Facility 1 and Facility 2:

So long as the Borrower and all Guarantors are not and have never been in default hereunder, following FOURTH (4th) mensiversary (i.e. the fourth monthly recurring date following) of the Interest Adjustment Date, the Borrower, when not in default may prepay up to the amount outstanding under the respective Facility at any time upon providing the Lender with no less than THIRTY (30) days prior written notice of its intention. No other prepayment of the Facility is permitted unless otherwise agreed upon in writing by the Lender.

Should the Lender commit to provide subsequent construction financing to the Borrower within the closed Term, the Lender agrees to allow full repayment of each Facility without notice or bonus at time such construction financing is completed.

Notwithstanding any of the foregoing: (a) if prepayment of any part of the Loan is made by reason of payment after acceleration upon the occurrence of a default, the Borrower agrees to pay to the Lender the Prepayment Charge (as defined in Schedule "A" hereof); and (b) if the Loan is not repaid on or before the maturity date, then the Borrower agrees to pay to the Lender in addition to all amounts owing to the Lender, three months interest at the rate of interest chargeable hereunder on the principal amount outstanding on the maturity date.

INTEREST RESERVE ACCOUNT

Prior to any advance of funds under the Loan, the Borrower shall establish an interest reserve account (the "**Interest Reserve Account**") with the Lender and shall deposit in such account the amount of TWO HUNDRED AND FOUR THOUSAND FIVE HUNDRED DOLLARS (\$204,500) (*subject to change at the sole and unfettered discretion of the Lender prior to the Closing Date*) (the "**Interest Reserve Funds**") from its own resources, representing the anticipated amount of interest payments to be made on the Loan to the end of the Term. The Borrower covenants and agrees that, if at any time and from time to time during the Term (including all extensions thereof), should the Lender's Prime Rate increase, the Borrower shall forthwith deposit additional funds from its own resources to the Interest Reserve Account in such amount(s) so as to maintain coverage of the anticipated increased interest payments to be made to the maturity date of the Term. Should an extension of Term be granted at its maturity date, the Borrower will be required to replenish the Interest Reserve Account from their own resources for the entire extension period.

All Interest Reserve Funds and all other funds held in the Interest Reserve Account shall be pledged and charged to the Lender as security for the Loan.

Should both Facility 1 and Facility 2 be converted into a construction loan, at the sole and unfettered discretion of the Lender, the Interest Reserve Funds may be released, subject to terms and conditions of the future proposed financing.

OPTION TO EXTEND

So long as the Borrower is not and has never been in default hereunder, and subject to the Lender being satisfied, in its sole and unfettered discretion, with its review of the quality of the Borrower, Guarantors, the Property, the Project metrics and sales, etc. (as applicable) and upon the Lender obtaining all requisite internal approvals in connection with the requested extension at the time each are made, the Borrower shall have the option to request: (i) prior to the maturity date of the Term, a SIX (6) month extension of the original Term (the "First Extension to Term"); and, (ii)

at any time during the First Extension to Term, but prior to the maturity date thereof, a further additional SIX (6) month extension (being the "Second Extension to Term") (for clarity, the First Extension to Term and Second Extension to Term will, if both are requested and granted, extend the original Term hereof by ONE (1) year in the aggregate). Upon the Borrower making each request, the Lender may, subject to the qualifications, terms and conditions as hereinbefore expressed, agree to grant the requested extension upon the Borrower: (i) paying an Extension Fee of SIXTY-FIVE (65) BASIS POINTS of the Loan amount outstanding as of the day immediately preceding the beginning of the granted extension period; and (ii) depositing, from its own resources, additional Interest Reserve Funds into the Interest Reserve Account, in such an amount so as to be able to fund all anticipated interest payments to be made by the Borrower during such applicable extension period to the maturity date thereof.

SECURITY

The Loan shall be secured by the following security (the "**Security**"):

- (a) A first mortgage and charge on the Property (the "**Charge**") securing the principal amount of SEVEN MILLION DOLLARS (\$7,000,000.00) and bearing an interest rate of TWENTY-FOUR PERCENT (24.00%), per annum, calculated half-yearly, not in advance *which is intended to secure the obligations under this Commitment, as same may be amended from time to time, and all present and future amounts that may be owing by the Borrower to the Lender under the Loan facilities contemplated hereunder;*
- (b) A first ranking general assignment of leases and rents and revenues from the Property;
- (c) Title insurance;
- (d) A general security agreement providing a first ranking security interest against all the Borrower's present and future assets, property and undertaking;
- (e) An indemnity, assignment and cash collateral pledge agreement with respect to the Interest Reserve Account;
- (f) An environmental indemnity to be provided by the Borrower and Guarantors;
- (g) An unconditional guarantee and postponement of claim by the Guarantors of 100% of all debts, liabilities and obligations owing by the Borrower to the Lender under this Commitment and the Security; this guarantee and postponement of claim is in addition to the Guarantors' obligations under the environmental indemnity; independent legal advice may be required for any/all of the Guarantors, at the Lender's sole discretion;

- (h) Postponement of Shareholder Loan(s) and/or related party loan(s) of Borrower, if applicable;
- (i) An Assignment of Insurance Policies;
- (j) Tenant acknowledgements/estoppel certificates from all of the existing tenants of the Property (or any portion thereof);
- (k) All Leases and/or Notice of Leases registered on title are:
 - (i) To be postponed to the Lender's real property security by the tenant and registered on title to the property; and
 - (ii) to be specifically assigned by the Borrower to the Lender;
- (l) A trustee and beneficial owner agreement if the Borrower holds the Property as nominee and bare trustee for the sole use, benefit and advantage of another person or persons;
- (m) An Undertaking of the Borrower not to further encumber the Property without prior written consent from the Lender, which consent may be provided or withheld at its sole and unfettered discretion;
- (n) An Undertaking of the Borrower not to lease the Property, or allow any occupation thereof, without prior written consent from the Lender, which consent may be provided or withheld at its sole and unfettered discretion; and
- (o) Such other pledges, assignments, security agreements and documents as the Lender or its solicitors may deem necessary.

All documentation shall be in form and substance as required by the Lender or its solicitors.

TITLE

The Borrower shall have a good and marketable fee simple title to the Property. The Lender shall be first in priority in respect of the Property over all other encumbrances whatsoever, to the full extent of the Loan. Title insurance is mandatory. The Borrower shall promptly provide any authorization that the Lender may request in order to permit it to obtain information on file with any government authority having jurisdiction over the Property.

LEASES

The Borrower shall provide copies of all leases and renewals of the Property for the Lender's review, which leases must be acceptable to the Lender. On the Closing Date, each tenant shall be in possession of its premises, be carrying on business therefrom and be paying rent pursuant its lease. The Borrower and each tenant shall otherwise have performed all their respective obligations in the lease. The Lender reserves the right to require that any or all present and future leases of the Property be postponed in favour of the Lender's interest therein. The Lender reserves the right to require tenant acknowledgements/estoppel certificates from all tenants.

TAXES

With respect to municipal taxes, school taxes and local improvement rates ("Taxes") levied against the Property (a) the Lender may deduct from any Loan advance an amount sufficient to pay the Taxes which have become or will become due and payable and are unpaid at the date of such advance; (b) subject to subparagraph (c) below, the Borrower will pay all Taxes as they fall due and will provide the Lender with receipts confirming payment of same as it may require; (c) unless otherwise waived by the Lender, the Borrower shall pay to the Lender in monthly instalments on the dates on which monthly instalments on the Loan are payable hereunder, sums which in the sole opinion of the Lender will be sufficient to enable it to pay the whole amount of Taxes on or before the due date for payment thereof or, if such amount is payable in instalments, on or before the due date for payment of the first instalment thereof; (d) the Lender agrees to apply such deduction and payments to the Taxes levied against the Property so long as the Borrower is not in default under this Commitment or the Security, but nothing herein contained shall obligate the Lender to apply such payments on account of Taxes more often than yearly; provided, however, that if before any sum so paid to the Lender shall have been so applied, there shall be default by the Borrower in respect of any monthly payments on the Loan, the Lender may apply such sum in or towards payment of the principal and/or interest in default; the Borrower shall transmit to the Lender the assessment notices, tax bills and other notices affecting the imposition of Taxes forthwith upon receipt; and (e) the Lender shall allow the Borrower interest on the average monthly balance standing in the account from time to time to the credit of the Borrower for payment of Taxes, at a rate per annum and at such times as the Lender may determine in its sole discretion, and the Borrower shall be charged interest at the Interest Rate on the debit balance, if any, of Taxes in the account outstanding after payment of Taxes by the Lender until such debit balance is fully repaid.

INSURANCE

The Borrower shall insure the Property and keep it insured against the following in each case to the extent applicable:

- (a) Loss or damage by fire and other insurable hazards defined in an “all risks” insurance policy for the full replacement cost;
- (b) Public liability insurance on a comprehensive basis to an amount not less than FIVE MILLION DOLLARS (\$5,000,000.00) on an occurrence basis, or such other amount as the Lender may reasonably request, adding the Lender as an additional insured;
- (c) Business interruption or rental loss insurance acceptable to the Lender for an indemnity period of not less than 12 months and with coverage of not less than 100% of the resulting loss of rent or other revenue received from the operation of the Property; and
- (d) Any other risk or coverage deemed reasonable or necessary by the Lender or its insurance consultant from time to time.

The policy to be maintained shall not contain any co-insurance clauses, shall be in form and with an insurer satisfactory to the Lender and shall include the agreement of the insurer that the policy will not be cancelled without at least 30 days’ prior written notice of intended cancellation to the Lender. The Lender shall be named in all policies of insurance as first or second mortgagee, as the case may be, upon the terms of the standard Insurance Bureau of Canada mortgage clause or as loss payee as its interest may appear, and as additional insured with respect to public liability insurance.

The Lender may in its sole discretion, at the Borrower’s expense, retain an insurance consultant to review the insurance coverage to ensure that it meets the Lender’s requirements.

ENVIRONMENTAL AND OTHER PROVISIONS

The Borrower represents to the Lender as follows: (a) no environmental hazard exists on the Property or on adjacent land; (b) no claim, complaint or notice of any action has been made or issued relating to an environmental hazard on the Property; (c) the Property is being used in compliance with applicable laws; and (d) the Borrower does not own any real property abutting the Property. The Borrower shall give the Lender immediate notice of any change in circumstances which would render any of the above representations untrue; and shall ensure that the Property and all improvements thereon comply in all respects with all applicable laws, including those in respect of zoning, use, occupancy, construction liens, subdivision, parking, historical designation, fire, access, loading facilities, landscaping, pollution of the environment, toxic materials or other environmental hazards, building construction and public health and safety; and shall ensure that there will be no outstanding work orders against the Property or any part thereof.

In the event that the Property does not comply with all applicable environmental and other laws on the Closing Date or at any other time during the term of the Loan, the Borrower will forthwith

remediate and cure any non-compliance, including removal of any hazardous substances, to the entire satisfaction of the Lender, failing which the Borrower shall be in default under this Commitment and the Security.

COSTS AND FEES

Whether or not the Loan transaction contemplated hereby is completed, the Borrower shall pay the legal fees and disbursements of the Lender's solicitors, and the costs incurred by the Lender or its consultants in connection with this Commitment, the Loan and the Security including those related to fire and title insurance, appraisal and environmental reports, survey, inspection, monitoring and reserve advances. Such fees, disbursements and costs may be deducted from any Loan advance.

APPLICATION FEE

A fee of THIRTY-FIVE THOUSAND DOLLARS (\$35,000) is acknowledged as received. This fee is non-refundable and is earned by the Lender as compensation for costs incurred, including time expended in processing, approving and providing this Commitment, but excluding the Costs and Fees referred to above.

COMMITMENT FEE

A fee of FORTY THOUSAND DOLLARS (\$40,000) is payable on the date of acceptance of this Commitment and shall be deducted from closing proceeds if not paid.

ANNUAL REVIEW FEE

The Lender shall conduct a review of the Loan and Property each year during the term of the Loan. A minimum annual review fee of THREE THOUSAND DOLLARS (\$3,000) will be charged by the Lender to the Borrower.

LATE REPORTING FEE

In the event that any of the Statements (as defined below) are not provided to the Lender within the time limited therefor, a minimum late reporting fee of ONE THOUSAND DOLLARS (\$1,000) per month will be charged by the Lender to the Borrower each month (or part thereof) such Statements remain undelivered. The Lender may also deem such failure to be a default under this Commitment entitling the Lender to exercise its rights and remedies consequent upon default. The Lender may request the Borrower or the any of the Guarantors to provide the Lender with updated Statements at any time during a fiscal year of the Borrower or any corporate Guarantor. The failure to provide the updated Statements may be deemed by the Lender to be a default under this Commitment.

COVENANT BREACH FEE

In the event the Lender's annual review of the Loan and Property (see above) reveals any breach of the Borrower's and/or Guarantors' covenants as stipulated under this Commitment or in any of the Security documentation pledged in connection herewith, in addition to any and all other rights and remedies afforded to the Lender due to such breach (including, but not limited to, deeming the Loan in default and commencing enforcement proceedings, all at the Lender's sole and unfettered discretion), a minimum fee of ONE THOUSAND DOLLARS (\$1,000) will be charged by the Lender to the Borrower.

APPRAISALS AND ASSESSMENT

All appraisals, inspections, assessments and information with respect to the Property provided to the Lender are provided only for the purpose of assisting it in determining whether to grant the Loan, and no acceptance, use of or adoption of such appraisals, inspections, assessments or information by the Lender shall be construed as any agreement by it as to the value or condition of the Property. The Borrower is responsible for all appraisal and assessment fees.

CONDITIONS PRECEDENT TO ADVANCE:

The Lender's obligation to make any advances under the Loan is conditional upon receipt by it of the following, all in form and substance satisfactory to the Lender or its solicitors:

- (a) a duly executed copy of this Commitment, together with the Commitment Fee;
- (b) duly executed copies of the Security registered where required;
- (c) a certificate or binder of insurance satisfactory to the Lender;
- (d) an appraisal of the Property for not less than NINE MILLION DOLLARS (\$9,000,000) on an "as is" basis reflecting current zoning status of Property, prepared for the Lender by Antec Appraisal Group, dated no older than 6 months from the date of this Commitment, with a reliance letter addressed to the Lender, the assumptions, findings and conclusions of which are satisfactory to the Lender in its absolute discretion. The loan amount of Facility 1 will be determined by the Lender at its sole discretion and maximum LTV will be 60% lesser of appraisal value or DUCA adjusted value. The Facility 2 loan amount will be determined based by the Lender at its sole discretion and maximum LTV will be 70% lesser of appraisal value or DUCA adjusted value considering combined loan amount from Facility 1 & Facility 2;

- (e) satisfactory evidence of zoning, site plan agreement or NOAC, and other necessary permits, approvals and agreements for the eventual construction of the Project, satisfactory to the Lender;
- (f) a planning letter from the Borrower's planning consultant to include current status of site plan approval; critical dates (including past submissions); outstanding items to be addressed and timeline of completion; any material concerns that may obstruct approvals in the provided timelines;
- (g) receipt and satisfactory review of the Agreement of Purchase and Sale with respect to the acquisition of the Project lands (and any subsequent amendments or side letters related thereto);
- (h) a Property survey;
- (i) satisfactory Environmental and Soils Report(s) (environmental site assessment(s)), it being understood the Lender may require both a Phase 1 and Phase 2 environmental site assessment for the Property prepared for the Lender by an approved consultant, the assumptions, findings and conclusions of which are satisfactory to the Lender in its absolute discretion, which must be addressed to the Lender or accompanied by a letter from the consultant permitting the Lender to rely thereon;
- (j) a site inspection of the Property to be conducted by a representative of the Lender, the findings of which must be determined as satisfactory to the Lender;
- (k) copies of leases satisfactory to Lender;
- (l) current rent roll and expense statement, list of rents payable monthly and expiry dates for all leases;
- (m) review of all Tenant acknowledgements/estoppel certificates from all existing tenants of the Property (or any portion thereof), the contents of which must be satisfactory to the Lender in its absolute discretion;
- (n) written confirmation that all Tenant have vacated the Property, which may be subject to verification by the Lender by subsequent site inspection or otherwise;
- (o) confirmation that all Taxes are current;

- (p) receipt of a Title insurance policy from a Lender approved title insurer, satisfactory to the Lender and its solicitors;
- (q) a certified true copy of the articles of incorporation (and other constating documents) of the Borrower, together with the most recent Form 1 filings with the provincial/federal authorities;
- (r) a certified true copy of an organizational chart outlining the beneficial ownership of the Borrower, the Guarantors and the Property and/or any other reasonably requested corporate documentation, as applicable;
- (s) Lender's solicitor to receive satisfactory evidence the corporate structure, beneficial ownership and relationship of the Borrower and Guarantors as were disclosed to the Lender prior to the issuance of this Commitment;
- (t) corporate documentation (e.g. Status Certificates, Officer's Certificates, Authorizing Resolutions, etc.) in respect of the Borrower, satisfactory to the Lender and its solicitors;
- (u) a solicitor's corporate opinion confirming all corporate documents have been examined, authorized and executed by the Borrower, satisfactory to the Lender and its solicitors;
- (v) a legal opinion from the Lender's solicitors satisfactory to the Lender confirming that, based on title insurance: (i) the Borrower has good and marketable title to the Property; and (ii) the Charge constitutes a good and valid first charge on the Property;
- (w) if the Borrower is a bare trustee, a notarial copy of the applicable declaration of trust, nominee, or other applicable trust agreement;
- (x) satisfactory credit bureaus to be obtained and reviewed for the Borrower and Guarantors;
- (y) Notice to Reader prepared by independent chartered accountants acceptable to the Lender for the Borrower, together with copies of all tax filings and notices of assessment for the past TWO (2) years) confirming all taxes are paid up-to-date;
- (z) current net worth statement and notices of assessment for the past TWO (2) years for the Guarantors, and such supporting and other documents as may be required by the Lender, in its absolute discretion, in respect of same;
- (aa) the Borrower to open the Interest Reserve Account and deposit the Interest Reserve Funds as contemplated herein;

- (bb) the Borrower shall open an account with the Lender and deposit the sum of \$1.00 into a membership share account and a one-time commercial account opening fee of \$30.00 will be required. The Lender's pre-authorized debit form is required for all new accounts together with a void cheque;
- (cc) an authorization by the Borrower authorizing the Lender to contact at any time its external accountant/auditor and any government agency with respect to financial statements, income taxes, payroll deductions, worker's compensation, PST and HST; and
- (dd) such other information, documentation, opinions and registrations as the Lender or its solicitors may request.

ONGOING CONDITIONS

The Borrower and Guarantors acknowledge, covenant and agree the following conditions shall apply during the Term of the Loan and all extensions thereof:

- (a) a review of the Loan facility will be performed no less than once annually by June 30th of each year (commencing June 30, 2023), which will require notices of assessment and updated financial statements prepared by independent chartered accountants for the Borrower, an updated net worth statement and notices of assessment of the Guarantors, evidence of realty taxes being current, evidence of updated insurance & updated status of the Project (e.g. status of construction, costs, sales, deposits, etc.);
- (b) semi-annual Project updates to be provided to the Lender, which will include progress and status on site plan approval, Project budget, sales and timelines;
- (c) any deficiency in the Interest Reserve account by way of Prime Rate increase, extension of Term or other, will require an immediate deposit from the Borrower's own resources to remedy the deficiency;
- (d) the Lender shall have a right of first opportunity to finance or arrange construction financing for the Project or any further development to be developed on the Property, and shall be given the first opportunity and a reasonable period of time, after delivery to the Lender of all reasonably requested information, to provide a commitment to fund such development/construction;
- (e) the Lender shall have the right to syndicate, securitize or grant participation interests in the Mortgage Loan and Security without the consent of the Borrower and Guarantors or notice to them; and

- (f) the Borrower shall not further encumber the Project without the prior written consent of the Lender, which consent may be provided or withheld at its sole and unfettered discretion.

RIGHT OF TERMINATION

The Lender shall have the right to terminate its agreement to provide the Loan to the Borrower and be relieved of all obligations in connection with this Commitment or the Security in the event any of the following events should occur:

- (a) the Borrower fails or is unable or unwilling for any reason whatsoever to comply with any of the terms and conditions set out in this Commitment within the time indicated for such compliance;
- (b) the Borrower fails or refuses to execute any documentation requested by the Lender's solicitors or to deliver such documentation to them;
- (c) the Loan has not been fully advanced on or before **July 28, 2022**;
- (d) the Borrower refuses to accept the Loan proceeds when advanced;
- (e) the Borrower or any of the Guarantors become bankrupt, or subject to proceedings under the *Companies' Creditors Arrangement Act* (Canada), or subject to bankruptcy, receivership or insolvency proceedings;
- (f) there has been, in the Lender's sole opinion, a material adverse change in the condition of the Property, the Borrower or any of the Guarantors or in the actual or anticipated revenues from the Property;
- (g) any construction material containing asbestos has been used or will be used in the Property or there are PCBs or other contaminants or hazardous materials on the Property;
- (h) the Borrower has not complied with all the provisions of the *Construction Act* (Ontario) to the satisfaction of the Lender's solicitors;
- (i) any representation made by the Borrower or any of the Guarantors in this Commitment or the Security is not accurate as of the date of any Loan advance or during the term of the Loan; or

- (j) the Lender's solicitors, acting reasonably, are not satisfied with the title to the Property.

If in accordance with the foregoing, the Lender elects to terminate its agreement to provide the Loan to the Borrower prior to the advance of the entire Loan, the amount advanced, if any, together with interest thereon at the rate set out herein shall become immediately due and payable.

REPORTING REQUIREMENTS

For the purposes of the Lender's annual review of the Loan and Property, the Borrower and Guarantors shall provide the following statements and information (collectively the "**Statements**") to the Lender:

- (a) Notice to Reader financial statements prepared by independent chartered accountants acceptable to the Lender for the Borrower within 5 months of its fiscal year end, together with copies of notices of assessment to confirm all taxes are paid up-to-date;
- (b) copies of notices of assessment to confirm all taxes are paid up-to-date for each individual Guarantor;
- (c) updated net worth statements for each individual Guarantor together with information to support asset values and income as requested by the Lender;
- (d) current Taxes bill with confirmation that all required Taxes have been paid;
- (e) current insurance policy indicating the Lender as first mortgagee and as loss payee as its interest may appear, as the case may be, and as additional insured with respect to public liability insurance;
- (f) current rent roll listing, *inter alia*, the material terms of all leases, including, but not limited to, all monthly rental rates, and copies of any leases and renewals entered into since the last annual review;
- (g) semi-annual updates respecting the status of construction of the Project, including costs, sales, and deposits; and
- (h) such other information pertinent to the Property as the Lender may request.

ASSIGNMENT

Neither the Borrower nor any of the Guarantors shall have the right to assign any of their respective rights or obligations under this Commitment or in respect of the Loan to any person. The Borrower and all Guarantors agree that the Lender may transfer and assign, without their

consent and without notice to them, the Lender's rights and obligations under this Commitment, the Loan, the Security and any related documentation (the "**Mortgage Loan and Security**") to any person. The Lender may also syndicate, securitize or grant participation interests in the Mortgage Loan and Security without the consent of the Borrower or any of the Guarantors or notice to them. The Borrower and all Guarantors agree that the Lender may disclose confidential information relating to the Mortgage Loan and Security, including any financial information provided by them at any time or otherwise relating to the Property and any plans, drawings or other documentation or information regarding the Property, to any person in connection with any of the transactions contemplated in this paragraph.

AUTOMATIC RENEWAL ON MATURITY:

Upon the expiry date of the Term at a time (1) when an amount remains owing under the Loan for principal, (2) the Borrower is not in default under this Commitment, and (3) the Borrower has not agreed to a renewal or extension on terms satisfactory to the Lender, the Loan shall automatically renew for a period of 30 days from the expiry date of the Term at an interest rate equal to the existing Interest Rate on the expiry date of the Term plus 3.0% per annum, and the monthly payment for principal and interest shall be adjusted accordingly. The Loan shall automatically renew for additional thirty day periods unless the Lender provides at least 15 days' notice to the Borrower of the Lender's intent not to renew prior to the end of any renewal period.

TIME

Time is of the essence hereof.

AMENDMENT

This Commitment shall only be amended by agreement in writing executed by all the parties hereto.

WAIVER

Any failure by the Lender to exercise any rights or remedies under this Commitment or any Security shall not constitute a waiver thereof.

GOVERNING LAW

This Commitment shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein.

SURVIVAL

The terms and conditions of this Commitment shall survive the execution and registration of the Security and there shall be no merger of these provisions or conditions in the Security; provided that in the event of any conflict between the provisions of this Commitment and the Security, the provisions of this Commitment shall prevail to the extent necessary to remove such conflict. Notwithstanding the foregoing, in the event that the Security contains remedies which are in addition to the remedies set forth in this Commitment, the existence of such additional remedies in the Security shall not constitute a conflict or inconsistency with the provisions of the Commitment.

NOTICES

Any notice or demand or other written communication hereunder shall be given by facsimile, letter or by electronic means of communication. A facsimile communication shall be deemed received on the Business Day following its transmission. A letter shall be deemed received when delivered to the receiving party at the address shown on page 1 hereof. An electronic communication shall be deemed received on the day of transmittal if a Business Day and before 5:00 p.m. or, if not, on the next Business Day. Each party shall be bound by any notice given as provided hereunder and entitled to act in accordance therewith. **"Business Day"** means any day other than a Saturday, Sunday or any statutory or civic holiday observed in the Province of Ontario.

INTERPRETATION

In this Commitment (a) words denoting the singular include the plural and vice versa and words denoting any gender include all genders; (b) the word "including" shall mean "including, without limitation,"; (c) any reference to a statute shall mean the statute in force as at the date hereof, together with all regulations promulgated thereunder, as the same may be amended, re-enacted, consolidated and/or replaced from time to time, and any successor statute thereto; (d) any reference to this Commitment, the Security or other concomitant agreement or instrument shall include all amendments, addenda, modifications, extensions, renewals, restatements, supplements or replacements thereto from time to time; (e) any reference to the Lender, Borrower, Guarantor and any other person shall include their respective heirs, estate trustees, legal representatives, successors and assigns; and reference to a "person" shall include an individual, general or limited partnership, joint venture, sole proprietorship, corporation, unincorporated association, trust, trustee, estate trustee, legal representative or any federal,

provincial, municipal or other form of government; and reference to a “corporation” shall include a company or other form of body corporate; (f) all dollar amounts are expressed in Canadian dollars; (g) the division of this Commitment into separate sections and the insertion of headings is for convenience of reference only and shall not affect the construction or interpretation of this Commitment; and (h) if more than one person is named as, or otherwise becomes liable for or assumes the obligations and liabilities of the Borrower or the Guarantors, then the obligations and liabilities of all such persons shall be joint and several. This Commitment is intended to supplement and not derogate from the Security or any other concomitant document.

ANNOUNCEMENTS

The Borrower and the Guarantors irrevocably acknowledge and agree that, at any time following the Closing Date, the Lender may announce the closing of the transaction and include details of the transaction in its external public communications, which communications may (a) disclose the Borrower’s name, the amount and purpose of the Loan, the Closing Date and any other non-confidential facts related to the relationship between the parties; and (b) be made in any and all media or formats now or hereafter known or developed.

ADDITIONAL LOAN TERMS

The additional loan terms attached as Schedule “A” to this commitment letter shall form a part thereof as if incorporated herein.

LENDER APPROVED SOLICITORS

L. Mitchell Kazdan, J.D., C.S.

Garfinkle Biderman LLP

1 Adelaide Street East

Suite 801

Toronto, Ontario

M5C 2V9

p: (416) 869-7601

f: (416) 869-0547

email: mkazdan@garfinkle.com

ACCEPTANCE

The terms of this Commitment are open for acceptance by the Borrower and Guarantors by executing the original hereof where indicated below and delivering it to the Lender's head office at 5255 Yonge Street, 4th Floor, Toronto, Ontario M2N 6P4, on or before **5:00 p.m. on July 4, 2022**, after which date and time this Commitment shall lapse and become null and void.

Yours truly,

DUCA FINANCIAL SERVICES CREDIT UNION LTD.

RT

Per: 

Name: **Imran H Khan**
Title: **VP Commercial Credit**

I have authority to bind the Corporation.

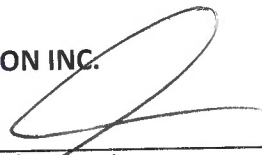
Per: 

Name: **Fahim Rizwan**
Title: **Director, Commercial Banking & Construction**

ACCEPTED on: July, 4, 2022

Borrower:

9630 ISLINGTON INC.

Per: 

Name: **STEVEN SACCOC CIA**
Title:

Per: 

Name: **Fulvia Saccoccia**
Title:

I/We have authority to bind the Corporation.


[GUARANTORS' ACCEPTANCE PAGE FOLLOWS]

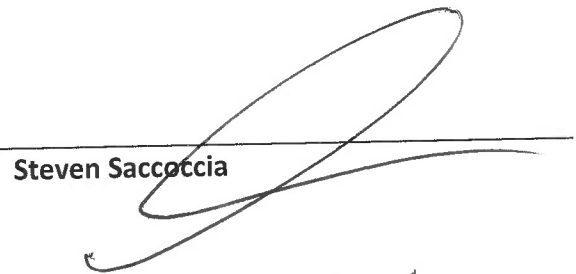
Guarantors:

The undersigned Guarantors have read, understand, and accept the terms and conditions of this Commitment.

SIGNED, SEALED & DELIVERED


In the presence of:

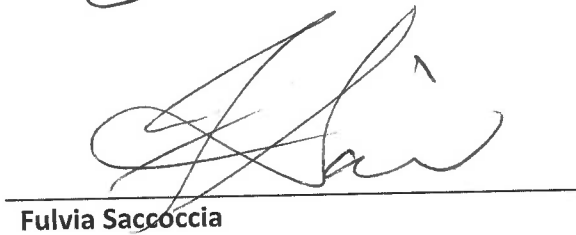

Witness: JOHN DICECCO
Print Name


Steven Saccoccia

SIGNED, SEALED & DELIVERED

In the presence of:


Witness: JOHN DICECCO
Print Name


Fulvia Saccoccia

SCHEDULE "A"**ADDITIONAL LOAN TERMS**

Attached to and forming part of a commitment letter dated June 30, 2022, between DUCA Financial Services Credit Union Ltd., as Lender, and 9630 Islington Inc., as Borrower.

DEFAULT

In the event that the Borrower or any of the Guarantors do not perform or comply with any of the provisions of this Commitment or the Security or any other agreement between the Borrower or any of the Guarantors and the Lender relating to the Loan, such non-performance or failure to comply shall constitute a default under the terms of this Commitment and the Security and the Lender shall have the right to immediately demand payment of any amounts advanced, together with interest at the rate set out in this Commitment, as well as any other amounts due under this Commitment or the Security.

SALE OR OWNERSHIP CHANGE

The Borrower shall not sell, assign or otherwise dispose of the Property without the prior written consent of the Lender. If the Borrower is a corporation, it shall not make any changes to its authorized capital or its allocation or ownership which would result in a change of voting control or beneficial ownership of the corporation, without the prior written consent of the Lender.

SUBSEQUENT FINANCING

The Borrower shall not enter into any further financing of the Property and shall not further encumber the Property without the prior written consent of the Lender, which consent may be withheld in the Lender's sole discretion.

APPOINTMENT OF RECEIVER

In the event that the Borrower or any of the Guarantors shall be in default in the observance or performance of any of the terms, conditions, covenants or payments contained in this Commitment or the Security, the Lender may, by notice in writing, appoint any person to be a receiver, a manager or a receiver and manager of the Property upon and subject to terms more particularly set out in the Security.

INSPECTION

The Lender shall have the right at any reasonable time or times to fully inspect the Property, so long as any monies remain outstanding under the Loan.

CONSENT TO DISCLOSURE

The Borrower hereby consents (such consent to remain in force as long as the Loan is outstanding) to any government body or authority or other person having information relating to HST or any other amount required to be paid by the Borrower, where the failure to pay such other amount could give rise to a claim ranking or capable of ranking in priority to the Security, to release such information to the Lender at any time upon its request. The Borrower shall provide signed third party authorizations in support of the foregoing at any time upon the Lender's request, whether prior to or after disbursement of the Loan.

LENDER'S EXPENSES AND ADMINISTRATION FEES

The Borrower shall pay all costs, charges and expenses incurred by the Lender in connection with the operation or enforcement of the Commitment or the Security, including costs of registration of financing statements or financing change statements and searches in connection therewith, periodic property inspections and Taxes verifications and other similar costs, and any fees or charges of agents or other persons retained by the Lender for the purpose of conducting such activities on its behalf. In addition, the Borrower shall pay the administration fees in connection with the administration of the Loan by the Lender, including the provision of mortgage statements and discharges, processing late payments, and cheques or automatic debits which are dishonoured or not accepted, the amount of each such administration fee being a liquidated amount to cover administrative costs and not a penalty. If the Borrower fails to pay any such costs, charges or expenses upon demand, they will be added to the outstanding Loan and shall be secured by the Security.

DEMOLITION

The Borrower shall not demolish all or any portion of the Property without the Lender's prior written consent.

MULTI-RESIDENTIAL PROPERTIES

If the Property is a multi-residential property, the Borrower represents and warrants with respect to the Property as follows:

- (a) except as permitted under laws applicable to residential housing,
 - (i) no demolition, conversion, renovation, repair or severance has taken place with respect to the Property; and
 - (ii) there have been no increases in the rental rate charged for any residential rental unit or units on the Property.

- (b) as provided in laws applicable to residential housing,
 - (i) all rents charged with respect to the Property are lawful rents and all required rebates have been paid; and
 - (ii) all required filings have been made and were timely, accurate and complete.
- (c) pursuant to laws applicable to residential housing,
 - (i) no applications, investigations or proceedings have been commenced or made; and
 - (ii) there are no outstanding orders or decisions made by any ministry, board or commission with respect to the Property or any residential rental unit.

On or before the date of the first Loan advance the Borrower shall provide a statutory declaration by an officer or director of the Borrower that the above representations and warranties are true and correct. The Borrower shall deliver to the Lender on or before the date of the first Loan advance all documents required to establish the legality of rents.

The Borrower hereby authorizes all government ministries, boards or commissions having jurisdiction over residential housing to release to the Lender or its solicitors any and all information contained in their files.

The Borrower shall comply with the provisions of all laws applicable to residential housing during the term of the Loan. In the event of a breach of this covenant or in the event that any of the representations and warranties hereinabove contained are false, the outstanding Loan and any accrued interest shall, at the Lender's option, become immediately due and payable.

CONDOMINIUM PROVISIONS

If any part of the Property is a condominium unit, the Borrower shall promptly observe and perform all of its covenants, duties and obligations under or pursuant to the *Condominium Act* (Ontario) and the declaration, by-laws and rules of the condominium corporation, and in accordance with terms more particularly set out in the Security.

INTEREST ON INTEREST

Interest shall be payable on all past due interest from the due date of such interest at the Interest Rate, both before and after default, demand, maturity and judgment until paid. Any overdue interest shall be payable on demand. If such overdue interest and compound interest are not paid within one month from the time of default, a rest will be made and compound interest at the Interest Rate will be payable on the aggregate amount then due, both before and after maturity, default and judgment, and so on from time to time until paid.

LENDER'S RECORDS

The Lender shall keep accounts showing the status of the Loan and records of the sums borrowed, principal and interest repayments and all other sums due under this Commitment. In the absence of manifest error, the Lender's records shall constitute conclusive evidence of the Borrower's indebtedness to the Lender hereunder.

PAYMENTS TO GOVERNMENT AUTHORITIES

During the term of the Loan the Borrower shall pay, when due, all amounts owing to any government authority which, if unpaid, would give such authority recourse for such amounts ranking in priority to the Security; the failure to pay any such amount, when due, shall constitute a default under this Commitment and the Security.

ACCELERATION OF LOAN

If any acceleration or prepayment of all or any portion of the Loan should occur prior to the Loan's maturity date for any reason whatsoever (whether as a result of default under this Commitment or the Security, by operation of law or otherwise) then an amount equal to the greater of (A) three months' interest at the Interest Rate on the Loan then outstanding; and (B) the positive difference, if any, between (i) the present value on the date of such acceleration or prepayment of all future monthly payments which the Borrower would otherwise be required to pay under the Loan during the remainder of the term of the Loan absent such prepayment or acceleration, including the unpaid principal of the Loan which would otherwise be due upon the Loan's maturity date absent such acceleration or prepayment, with such present value being determined by the use of a discount rate equal to the yield to maturity, less ½ %, on the date of such acceleration or prepayment of Government of Canada bonds having the term to maturity closest to what otherwise would have been the remainder of the term of the Loan absent such acceleration or prepayment; and (ii) the Loan principal on the date of such prepayment (the "**Prepayment Charge**") shall immediately become due and payable and shall be secured by the Security. If there is more than one Government of Canada bond with a maturity equally close to what otherwise would have been the remaining term of the Loan absent the repayment by reason of such acceleration or prepayment, as the case may be, the selection of the applicable bond shall be made by the Lender, acting reasonably. The Borrower acknowledges that the Prepayment Charge represents reasonable and fair compensation for the loss that the Lender may sustain from any acceleration or prepayment of the Loan or any part thereof prior to the Loan's maturity date. Provided that nothing herein contained shall create any right to prepay all or any portion of the Loan at any time or under any circumstances prior to the Loan's maturity date.

CAPITALIZED WORDS

Unless otherwise defined herein, all capitalized words and expressions shall have the same meanings as defined in the commitment letter to which these additional loan terms are attached.



5255 Yonge Street, 4th Floor, Toronto, ON M2N 6P4 • 416-223-8838 • www.duca.com

February 9th, 2023

9630 Islington Inc.
8740 Jane Street, Unit 1 & Unit 2
Concord, Ontario
L4K 0E7

Attention: Mr. Steven Saccoccia and Ms. Fulvia Saccoccia

SECOND AMENDMENT TO MORTGAGE LOAN COMMITMENT

We are pleased to advise that DUCA Financial Services Credit Union Ltd. (the “Lender”) has approved certain amendments to the commitment letter, dated June 30, 2022, as amended by an amendment to mortgage loan commitment dated October 26, 2022, (collectively the “Commitment Letter” or “Commitment”), to 9630 Islington Inc. (the “Borrower”) respecting the property municipally known as 9630 Islington Avenue, Toronto, Ontario (the “Property”), upon the terms and conditions described herein (the “Amendment to Commitment”), which upon execution by the Lender, Borrower and Guarantors (as defined in the Commitment Letter), will bind each of them and thereafter this Second Amendment to Commitment shall also form part of the Commitment Letter:

1. **OPTION TO EXTEND**

DELETE:

So long as the Borrower is not and has never been in default hereunder, and subject to the Lender being satisfied, in its sole and unfettered discretion, with its review of the quality of the Borrower, Guarantors, the Property, the Project metrics and sales, etc. (as applicable) and upon the Lender obtaining all requisite internal approvals in connection with the requested extension at the time each are made, the Borrower shall have the option to request: (i) prior to the maturity date of the Term, a SIX (6) month extension of the original Term (the “First Extension to Term”); and, (ii) at any time during the First Extension to Term, but prior to the maturity date thereof, a further additional SIX (6) month extension (being the “Second Extension to Term”) (for clarity, the First Extension to Term and Second Extension to Term will, if both are requested and granted, extend the original Term hereof by ONE (1) year in the aggregate). Upon the Borrower making each request, the Lender may, subject to the qualifications, terms and conditions as hereinbefore expressed, agree to grant the requested extension upon the Borrower: (i) paying an Extension Fee of SIXTY-FIVE (65) BASIS POINTS of the Loan amount outstanding as of the day immediately preceding the beginning of the granted extension period; and (ii) depositing, from its own resources, additional Interest Reserve Funds into the Interest Reserve Account, in such an amount so as to be able to fund all anticipated interest payments to be made by the Borrower during such applicable extension period to the maturity date thereof.

INSERT:

So long as the Borrower is not and has never been in default hereunder, and subject to the Lender being satisfied, in its sole and unfettered discretion, with its review of the quality of the Borrower, Guarantors, the Property, the Project metrics and sales, etc., as applicable (all to be reviewed and determined by the Lender at such time as each request is made) and upon the Lender obtaining all requisite internal approvals in connection with the requested extension at the time each are made, the Borrower shall have the option to request:

- (i) prior to the maturity date of the Term, a THREE (3) month extension of the original Term (the "First Extension to Term");
- (ii) at any time during the First Extension to Term, but prior to the maturity date thereof, a further additional THREE (3) month extension (being the "Second Extension to Term");
- (iii) at any time during the Second Extension to Term, but prior to the maturity date thereof, a further additional THREE (3) month extension (being the "Third Extension to Term"); and
- (iv) at any time during the Third Extension to Term, but prior to the maturity date thereof, a final additional THREE (3) month extension (being the "Fourth Extension to Term"),

(for clarity, the aggregate of the First Extension to Term, Second Extension to Term, Third Extension to Term and Fourth Extension Term, if all are requested and granted, shall extend the original Term hereof by ONE (1) year in total).

Upon the Borrower making each request, the Lender may, subject to the qualifications, terms and conditions as hereinbefore expressed, agree to grant the requested extension upon the Borrower: (i) paying an Extension Fee of THIRTY-TWO AND ONE-HALF (32.5) BASIS POINTS of the Loan amount outstanding as of the day immediately preceding the beginning of the granted extension period; and (ii) depositing, from its own resources, additional Interest Reserve Funds into the Interest Reserve Account, in such an amount so as to be able to fund all anticipated interest payments to be made by the Borrower during such applicable extension period to the maturity date thereof.

2. FEES

The Borrower shall pay the legal fees and disbursements of the Lender's solicitors, as well as an Administration Fee of \$500.00 to the Lender, in connection with this Second Amendment to Commitment. Such fees, disbursements and costs may be deducted from any Loan advance.

3. GENERAL

- (a) All other terms and conditions of the Commitment Letter shall remain unamended and in full force and effect.
- (b) Unless explicitly stated otherwise herein, all capitalized terms used throughout shall have the definitions and meaning as stated in the Commitment Letter.
- (c) This Second Amendment to Commitment may be executed by the parties in separate counterparts each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

- (d) The execution, acceptance and delivery of this Second Amendment to Commitment by electronic (email) or facsimile transmission shall be as effective and binding on the parties hereto as if this Second Amendment to Commitment were executed, accepted and delivered in the original.

ACCEPTANCE

The terms of this Second Amendment to Commitment are open for acceptance by the Borrower and Guarantors by executing the original hereof where indicated below and delivering it to the Lender's head office at 5290 Yonge Street, Toronto, Ontario, M2N 5P9, on or before 5:00 p.m. on **February** ____, **2023**, after which date and time this Commitment, if not accepted, shall lapse and become null and void.

Yours truly,

DUCA FINANCIAL SERVICES CREDIT UNION LTD.

Rg SB

Per: *RAHmad*
 Name: Riz Ahmad
 Title: Chief Risk Officer
 I have authority to bind the Corporation.

Per: *Fahim*
 Name: Fahim Rizwan
 Title: Director, Commercial Banking & Construction

ACCEPTED on: *March 10*, 2023

Borrower:

9630 ISLINGTON INC.

Per: *[Signature]*
 Name: *STEVE SACCOCCIA*
 Title: *president*

Per: _____
 Name:
 Title:
 I/We have authority to bind the Corporation.

[GUARANTORS' ACCEPTANCE PAGE FOLLOWS]

Guarantors:

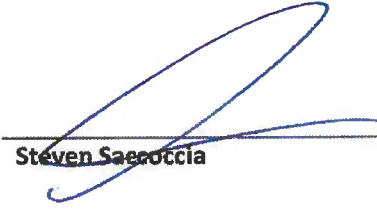
The undersigned Guarantors have read, understand, and accept the terms and conditions of this Commitment.

SIGNED, SEALED & DELIVERED

In the presence of:



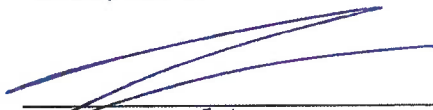
Witness: JOHN NICCETTO
Print Name



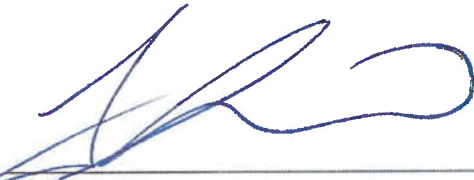
Steven Saccoccia

SIGNED, SEALED & DELIVERED

In the presence of:



Witness: JOHN NICCETTO
Print Name



Fulvia Saccoccia

October 26, 2022

9630 Islington Inc.
8740 Jane Street, Unit 1 & Unit 2
Concord, Ontario
L4K 0E7

Attention: Mr. Steven Saccoccia and Ms. Fulvia Saccoccia

AMENDMENT TO MORTGAGE LOAN COMMITMENT

We are pleased to advise that DUCA Financial Services Credit Union Ltd. (the “**Lender**”) has approved certain amendments to the commitment letter, dated June 30, 2022 (the “**Commitment Letter**” or “**Commitment**”), to 9630 Islington Inc. (the “**Borrower**”) respecting the property municipally known as 9630 Islington Avenue, Toronto, Ontario (the “**Property**”), upon the terms and conditions described herein (the “**Amendment to Commitment**”), which upon execution by the Lender, Borrower and Guarantors (as defined in the Commitment Letter), will bind each of them and thereafter this Amendment to Commitment shall also form part of the Commitment Letter:

1. **LOAN**

INSERT: **Facility 3:**
SEVENTY-EIGHT THOUSAND FIVE HUNDRED AND SEVENTEEN (\$78,517.00)
DOLLAR demand non-revolving facility non-revolving letter of credit facility (the
“LC Facility”).

2. **PURPOSE**

INSERT: **Facility 3:**
This Facility shall be used to issue certain letter(s) of credit in favour of the Region of York to assist in satisfying the Borrower’s conditions for construction/development of the Project and shall at all times be used for these purposes and for no other purpose without the prior written consent of the Lender.

3. **TERM**

INSERT: **Facility 3 (LC Facility):**
ON DEMAND by the Lender.

4. **REPAYMENT**

INSERT: **Facility 3 (LC Facility):**
If the Borrower, by reason of any repayment hereunder wishes to discharge its obligation to the Lender in respect of outstanding Letters of Credit (defined below), the Borrower will deposit cash with the Lender equal to 120% of the face

amount of such Letters of Credit, and the Borrower shall have entered into such documentation as the Lender may reasonably require in respect thereof (which documentation shall constitute part of the Loan Documents).

5. **LC FACILITY TERMS AND CONDITIONS**

INSERT:

LC Facility

For the purposes of this Commitment, “**Letter of Credit**” means a standby letter of credit, commercial or letter of guarantee, as applicable, issued by the Lender under the LC Facility at the request and for the account of the Borrower under this Commitment.

The Borrower shall pay a fee of 4.00% (provided that such fee shall in no event be less than \$500) of each the Letter of Credit issued and subsequently upon each anniversary of the issuance thereof. The Letter of Credit rates are subject to change based on the Lender’s pricing schedule in effect from time to time. If the Borrower wishes to request a Letter of Credit, the following provisions shall apply thereto:

- (a) the Borrower will execute and deliver to the Lender such usual documentation relating to the issuance and administration of Letters of Credit as may be required by the Lender including, without limitation, an indemnity agreement. In the event of any inconsistency between the terms of such documentation and this Commitment, the terms of this Commitment will prevail;
- (b) each Letter of Credit issued by the Lender will be in a form and on such terms as is satisfactory to the Lender in its sole and unfettered discretion;
- (c) unless otherwise agreed by the Lender, no Letter of Credit may be issued for a period in excess of one year and, provided the Borrower is not in default, will automatically renew for a further one year period;
- (d) if, at any time, a demand for payment (the amount so demanded being herein referred to as a “relevant amount”) is made under any Letter of Credit:
 - (i) the Lender will promptly notify the Borrower of such demand;
 - (ii) at or before 11:00 a.m. (Eastern Daylight Time) on the date the relevant amount becomes payable, the Borrower shall pay to the Lender an amount in same day funds equal to the amount to be paid, together with all charges and expenses incurred by the Lender in connection with payment under the Letter of Credit; and
 - (iii) the Lender will pay the relevant amount to the Person entitled thereto on the date upon which the relevant amount becomes payable under the Letter of Credit or as soon as possible thereafter;

- (e) if the Borrower fails to make payment pursuant to Subsection (d)(ii), the Borrower will pay interest to the Lender on such amount commencing on such date until paid at the Interest Rate ascribed to Facility 1;
- (f) the Borrower hereby undertakes to indemnify and hold harmless the Lender from time to time on demand by the Lender from and against all liabilities and costs (including any costs incurred in funding any amount that falls due from the Lender under any Letter of Credit hereunder) to the extent that such liabilities or costs are not satisfied or compensated by the payment of interest on sums due pursuant to this Commitment in connection with any Letter of Credit;
- (g) the Lender will at all times be entitled, and is irrevocably authorized by the Borrower, to make any payment under a Letter of Credit for which a request or demand has been made in the required form without any further reference to the Borrower and any investigation or enquiry, need not concern itself with the propriety or validity of any claim made or purported to be made under the terms of such Letter of Credit (except as to compliance with the payment conditions of such Letter of Credit) and will be entitled to assume that any person expressed in such Letter of Credit as being entitled to make demand or receive payments thereunder is so entitled. Accordingly, so long as a request or demand has been made as aforementioned, it will not be a defence to any demand made of the Borrower hereunder, nor will the obligations of the Borrower hereunder be impaired by the fact (if it be the case) that the Lender was or might have been justified in refusing payment, in whole or in part, of the amounts so claimed;
- (h) a certificate of the Lender as to the amounts paid by it pursuant hereto or the amount paid under any Letter of Credit will, in the absence of manifest error, be prima facie evidence of the existence and amount of such payment in any legal action or proceeding arising out of or in connection herewith;
- (i) if any Letter of Credit is outstanding on the date of the Lender's demand for repayment of Facility 3 (the "**Facility 3 Maturity Date**"), the Borrower will forthwith pay to the Lender an amount (the "**Deposit Amount**") equal to 120% of the undrawn face amount of the outstanding Letter of Credit, which deposit amount will be held by the Lender in an interest bearing deposit instrument for application against the indebtedness owing by the Borrower to the Lender in respect of any draw on the outstanding Letter of Credit. In the event that the Lender is not called upon to make full payment on the outstanding Letter of Credit prior to its expiry date, the Deposit Amount (together with interest thereon, if any), or any part thereof that has not been paid out, will, so long as no default then exists, be returned to the Borrower on the expiry date of the Letter of Credit; and
- (j) the obligations of the Borrower with respect to Letters of Credit will be unconditional and irrevocable, and must be paid or performed strictly in accordance with the terms of this Commitment under any and all circumstances whatsoever.

At the option of the Lender, either the Uniform Customs and Practice for documentary credits or *International Standby Practices*, each published by the International Chamber of Commerce, current on the issue of each Letter of Credit will be binding on the Borrower and the Lender with respect to each such Letter of Credit. The Borrower assumes all risks of the acts or omissions of the beneficiary of each Letter of Credit with respect thereto. The determination as to whether the required documents are presented prior to the expiration of a Letter of Credit and whether such other documents are in proper and sufficient form for compliance with a Letter of Credit will be

made by the Lender in its sole discretion, which determination will be conclusive and binding upon the Borrower absent manifest error. It is agreed that the Lender may honour, as complying with the terms of a Letter of Credit and this Commitment, any documents otherwise in order and signed or issued by the beneficiary thereof. Any action, inaction or omission on the part of the Lender under or in connection with any Letter of Credit or any related instrument or document, if in good faith and in conformity with such laws, regulations or commercial or banking customs as the Lender may reasonably deem to be applicable, will be binding upon the Borrower, and will not affect, impair or prevent the vesting of any of the Lender's rights or powers hereunder or the Borrower's obligation to make full reimbursement of amounts drawn under the Letter of Credit.

5. FEES

The Borrower shall pay the legal fees and disbursements of the Lender's solicitors, and the costs incurred by the Lender in connection with this Amendment to Commitment. Such fees, disbursements and costs may be deducted from any Loan advance.

6. CONDITIONS PRECEDENT TO AVAILABILITY OF FACILITY 3

The Lender's obligation to issue any Letter of Credit under Facility 3 is conditional upon receipt by it of the following, all in form and substance satisfactory to the Lender or its solicitors:

- (a) a duly executed copy of this Amendment to Commitment
- (b) payment of the applicable fee respecting the requested Letter of Credit, as above;
- (c) the Borrower shall deposit an additional THIRTY THOUSAND (\$30,000) DOLLARS into the Interest Reserve Account from their own resources; and
- (d) such other information, documentation, opinions and registrations as the Lender or its solicitors may request.

7. GENERAL


- (a) All other terms and conditions of the Commitment Letter shall remain unamended and in full force and effect.
- (b) Unless explicitly stated otherwise herein, all capitalized terms used throughout shall have the definitions and meaning as stated in Schedule "A" annexed or else as otherwise stated in the original Commitment Letter.
- (c) This Amendment to Commitment may be executed by the parties in separate counterparts each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.
- (d) The execution, acceptance and delivery of this Amendment to Commitment by electronic (email) or facsimile transmission shall be as effective and binding on the parties hereto as if this Amendment to Commitment were executed, accepted and delivered in the original.

ACCEPTANCE

The terms of this Amendment to Commitment are open for acceptance by the Borrower and Guarantors by executing the original hereof where indicated below and delivering it to the Lender's head office at 5290 Yonge Street, Toronto, Ontario, M2N 5P9, on or before 5:00 p.m. on **November 4, 2022**, after which date and time this Commitment, if not accepted, shall lapse and become null and void.

Yours truly,
DUCA FINANCIAL SERVICES CREDIT UNION LTD.

Per: RAhmad
Name: Riz Ahmad
Title: CRO
I have authority to bind the Corporation.

 Per: Fahim
Name: Fahim Rizwan
Title: Director, Commercial Banking & Construction

ACCEPTED on: NOV, 01, 2022

Borrower:

9630 ISLINGTON INC.

Per: [Signature]
Name: STEVE SACCOCCIA
Title:

Per: [Signature]
Name: FULVIA SACCOCCIA
Title:
I/We have authority to bind the Corporation.

Guarantors:

The undersigned Guarantors have read, understand, and accept the terms and conditions of this Commitment.

SIGNED, SEALED & DELIVERED
In the presence of:

[Signature]
Witness: JOHN DI CECILIO
Print Name

SIGNED, SEALED & DELIVERED
In the presence of:

[Signature]
Witness: JOHN DI CECILIO
Print Name

[Signature]
Steven Saccoccia

[Signature]
Fulvia Saccoccia

SCHEDULE "A"**DEFINITIONS**

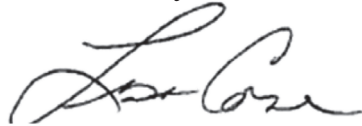
Attached to and forming part of the Amendment to Commitment Letter dated October 26, 2022, between DUCA Financial Services Credit Union Ltd., as Lender, and 9630 Islington Inc., as Borrower.

DEFINITIONS

For the purpose of the Commitment as amended by this Amendment to Commitment, the following terms and phrases shall have the following meanings:

- (1) **"Advance"** means any advance hereunder by way of a Loan or the issuance of a Letter of Credit.
- (2) **"Governmental Authority"** means any federal, provincial, municipal or other form of government or any political subdivision or agency thereof, any body or authority exercising any functions of government, and any court.
- (3) **"Letter of Credit"** means a standby letter of credit, commercial or letter of guarantee, as applicable, issued by the Lender under the LC Facility at the request and for the account of the Borrower under this Commitment.
- (4) **"Loan Documents"** means (1) the Commitment, as amended herein; (2) the Security; and (3) all present and future agreements, documents, certificates and instruments delivered by the Borrower or Guarantors to the Lender pursuant to or in respect of the Commitment, as amended from time to time, or the Security, in each case as the same may from time to time be amended, and **"Loan Document"** means any one of the Loan Documents.
- (5) **"Person"** means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

This is Exhibit “C” referred to in the Affidavit of **Ivan Bogdanovich** SWORN Remotely at the City of Toronto, in the Province of Ontario on April 12, 2024, in accordance with O. Regs. 431/20 Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

LISA S. CORNE (27974M)

Properties

PIN 03324 - 4510 LT *Interest/Estate* Fee Simple
Description BLOCK 6, PLAN 65M3467, VAUGHAN.; SUBJECT TO AN EASEMENT AS IN YR2927821
Address 9630 ISLINGTON AVENUE
 WOODBRIDGE

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 9630 ISLINGTON INC.
Address for Service 8740 Jane Street, Units 1 & 2, Concord,
 Ontario, L4K 0E7

A person or persons with authority to bind the corporation has/have consented to the registration of this document.

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

Chargee(s)*Capacity**Share*

Name DUCA FINANCIAL SERVICES CREDIT UNION LTD.
Address for Service 5255 Yonge Street, 4th Floor, Toronto, Ontario M2N 6P4

Statements

Schedule: See Schedules

The Corporation of the City of Vaughan, has consented to the registration of this document, subject to the continuance of registration number LT1360802 registered on 1999/05/20

The registration of this document is not prohibited by registration LT1565993 registered on 2000/12/21.

In accordance with registration LT1360802 registered on 1999/05/20, The Corporation of the City of Vaughan has consented to the registration of this document. See Schedules

Provisions

Principal \$7,000,000.00 *Currency* CDN
Calculation Period Half-Yearly, not in advance
Balance Due Date On Demand
Interest Rate 24.00 % per annum
Payments
Interest Adjustment Date
Payment Date
First Payment Date
Last Payment Date
Standard Charge Terms
Insurance Amount Full insurable value
Guarantor Steven Saccoccia and Fulvia Saccoccia

Additional Provisions

Steven Saccoccia is a Guarantor under this Charge. His address for service is: 139 Coldspring Road, Kleinburg, Ontario L0J 1C0.

Fulvia Saccoccia is a Guarantor under this Charge. Her address for service is: 200 Fenyrose Crescent, Woodbridge, Ontario L4L 7B1.

Signed By

Lindsay Mitchell Kazdan 1 Adelaide Street E., Suite 801 acting for Signed 2022 07 25
 Toronto Chargor(s)
 M5C 2V9

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

2022 07 28

Tel 416-869-1234

Fax 416-869-0547

Fees/Taxes/Payment

Statutory Registration Fee	\$66.30
Total Paid	\$66.30

File Number

Chargor Client File Number : 10473-115

Chargee Client File Number : 551961073261/551961073303



SCHEDULE TO COLLATERAL MORTGAGES

Any reference to the "Computer Field" in this Charge means a computer data entry field in a charge registered pursuant to Part 111 of the *Land Registration Reform Act* (Ontario) into which the terms and conditions of this Charge may be inserted.

1. **Definitions.** In this Schedule, the following terms shall have the following meanings:
 - (a) **"Applicable Laws"** means all applicable federal, provincial or municipal laws, statutes, regulations, rules, by-laws, policies and guidelines, orders, permits, licences, authorizations and approvals.
 - (b) **"Bankruptcy Legislation"** means any present or future bankruptcy or insolvency legislation, including where applicable the *Bankruptcy and Insolvency Act* (Canada) and the *Companies' Creditors Arrangement Act* (Canada).
 - (c) **"Business Day"** means any day other than a Saturday, Sunday or any statutory or civic holiday observed in the Province of Ontario.
 - (d) **"Charge"** means the charge prepared in the electronic format and registered electronically pursuant to Part 111 of the LRRRA, including this Schedule and any other schedules thereto.
 - (e) **"Chargee"** means DUCA Financial Services Credit Union Ltd.
 - (f) **"Chargor"** means the person or persons indicated in the Computer Field of the Charge entitled **"Chargor(s)"**.
 - (g) **"Costs"** means all fees, costs, charges and expenses of the Chargee of and incidental to (a) the negotiation, preparation, execution and registration of the Charge and any other instruments connected therewith and every renewal or discharge thereof; (b) the collection of any amounts payable hereunder, enforcement of any covenants contained herein and the realization of the security herein contained; (c) procuring or attempting to procure payment of any Indebtedness or any other amounts due and payable hereunder including foreclosure, power of sale or execution proceedings commenced by the Chargee or any other party; (d) any inspection required to be made of the Mortgaged Premises, or review of plans, specifications and other documentation which may require the approval or consent of the Chargee; (e) all repairs and replacements required to be made to the Mortgaged Premises; (f) the Chargee having to go into possession of the Mortgaged Premises and secure, complete and equip the Fixtures or Improvements in any way in connection herewith; and (g) solicitors' costs, charges and expenses relating to any of the foregoing and any necessary examination of title to the Mortgaged Premises. For greater certainty, Costs shall (i) extend to and include legal costs incurred by the Chargee; (ii) be payable forthwith by the Chargor; and (iii) be a charge on the Mortgaged Premises. Costs include interest at the highest interest rate applicable to the Indebtedness on all such fees, costs, charges and expenses.
 - (h) **"Event of Default"** has the meaning ascribed thereto in Section 12.
 - (i) **"Fixtures"** includes all fixtures, buildings, erections, appurtenances, plants and improvements, fixed or otherwise, now or hereafter put on the Lands, including all fences, furnaces, oil burners, water heaters, electric light fixtures, window blinds, screen and storm doors and windows, and all air-conditioning, plumbing, cooling, ventilating, cooking, refrigeration and heating equipment and all other apparatus and equipment appurtenant to the Mortgaged Premises.
 - (j) **"Improvement"** includes any construction, installation, alteration, addition, repair or demolition to any part of the Mortgaged Premises.
 - (k) **"Indebtedness"** means all obligations, debts and liabilities, whether present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed now or at any time hereafter owing by the Chargor to the Chargee, whether as principal or surety, whether alone or jointly with any other person and in whatever name, style or form, whether otherwise secured or not and whether arising from dealings between the Chargee and the Chargor or from other dealings or proceedings by which the Chargee may become a creditor of the Chargor and whether the same are from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again, and all interest, compound interest, damages and Costs, and all premiums of insurance upon the Improvements and Fixtures, Taxes and other amounts paid by the Chargee in accordance with the provisions of this Charge.
 - (l) **"LRRRA"** means the *Land Registration Reform Act* (Ontario)
 - (m) **"Lands"** means the lands and premises described in the Computer Field of the Charge entitled **"Properties"**.
 - (n) **"Lien"** means any mortgage, charge, pledge, hypothec, assignment, lien, lease, sublease, easement, preference, priority, trust or other security interest or encumbrance of any kind or nature whatsoever with respect to any property or asset, including any title reservations, limitations, provisos or conditions.
 - (o) **"Mortgaged Premises"** means the Lands, Fixtures and Improvements.
 - (p) **"Permitted Encumbrances"** means (a) Liens for Taxes not at the time due; and (b) any other Liens disclosed by the registered title to the Lands provided the same (i) do not, in the Chargee's opinion, in the aggregate, materially impair the development, management, ownership, operation, value or marketability of the Mortgaged Premises or any part thereof; (ii) are materially complied with by the Chargor and the Mortgaged Premises; and (iii) do not, in the Chargee's opinion, pose any threat to the Mortgaged Premises.



- (q) "person" means any individual, general or limited partnership, joint venture, sole proprietorship, corporation, unincorporated association, trust, trustee, estate trustee, legal representative or governmental authority.
 - (r) "Prime" and "Prime Rate" when referred to in the Computer Field of the Charge entitled "Interest Rate" means the annual rate of interest announced from time to time by DUCA Financial Services Credit Union Ltd. as a reference rate then in effect for determining interest rates on Canadian dollar commercial loans in Canada and designated by the Chargee as its prime rate.
 - (s) "Principal Amount" means the amount indicated in the Computer Field of the Charge entitled "Principal".
 - (t) "Receiver" shall include one or more of a receiver and a receiver and manager of all or any portion of the Mortgaged Premises appointed by the Chargee pursuant to this Charge.
 - (u) "Taxes" means all taxes, rates and other impositions whatsoever which are now or may hereafter be imposed, charged or levied by any authority creating a lien or charge on the Mortgaged Premises or any part thereof.
 - (v) "Transfer" means (a) any conveyance, assignment, transfer, sale, granting or creation of an option or trust with respect to, or other disposition of (directly or indirectly, voluntarily or involuntarily, by operation of law or otherwise, and whether or not for consideration or of record) any legal or beneficial interest in the Mortgaged Premises or any part thereof; or (b) any change in the effective voting control of any person comprising the Chargor or any beneficial or unregistered owner of any part of the Mortgaged Premises from that existing as of the date of this Charge (including any change of ownership of 50% or more of the voting securities representing an interest in any such person) and shall include any agreement to do or complete any of the matters referred to in (a) or (b) above.
2. **Implied Covenants.** The implied covenants deemed to be included in the Charge by sections 7(1) 1. iii., and 7(1) 2. of the LRRRA are hereby varied by deleting therefrom the words "except as the records of the land registry office disclose" and substituting therefor "except Permitted Encumbrances". The implied covenant deemed to be included in the Charge by section 7(1) l. vii. of the LRRRA is hereby varied to provide that "the Chargor or the Chargor's successors will, before and after default, execute and deliver such further assurances of the Mortgaged Premises and do such other acts, at the Chargor's expense, as may be required by the Chargee". The implied covenants deemed to be included in a charge under section 7(1) of the LRRRA are in addition to and shall not be interpreted to supersede or replace any of the covenants contained in this Charge which are covenants by the Chargor, for the Chargor and the Chargor's successors and assigns with the Chargee and the Chargee's successors and assigns. In the event of any conflict between any of the covenants implied by the LRRRA, and any other covenant or provision contained herein, the covenant or provision contained herein shall prevail.
 3. **Successors.** Notwithstanding the definition of the word "successor" in the LRRRA, the word "successor" as used in this Charge shall include an heir, executor, administrator, estate trustee, personal representative or successor.
 4. **Charge.** In consideration of the sum of \$10.00 and other good and valuable consideration (the receipt and sufficiency whereof are hereby acknowledged by the Chargor) and as a continuing security for the payment to the Chargee of the Indebtedness and to secure the performance of all the obligations of the Chargor hereunder, the Chargor hereby charges the Mortgaged Premises with payment to the Chargee of any ultimate outstanding balance of the Indebtedness due and remaining unpaid and the performance of the Chargor's obligations hereunder, provided that such security shall be limited to the aggregate of the Principal Amount, Costs and any other amounts payable hereunder, and with the powers of sale hereinafter expressed.
 5. **Defeasance.** Provided this Charge to be void upon payment in full on demand of all the Indebtedness and the performance in full of all the obligations of the Chargor hereunder up to a maximum amount of the aggregate of the Principal Amount, Costs and any other amounts payable hereunder, together with Taxes and performance of statute labour, and observance and performance of all covenants, provisos and conditions herein contained.
 6. **Demand.** In the event that the Chargor is called upon to pay any Indebtedness in accordance with its terms or if any Event of the Default has occurred which has not been remedied, the Chargor shall be obligated to pay and the Chargee shall be entitled to forthwith make demand for payment of all such Indebtedness and any other monies secured hereby.
 7. **Covenants of Chargor.** The Chargor hereby covenants, agrees and declares as follows:
 - (a) The Chargor has good title in fee simple to the Mortgaged Premises free of all encumbrances other than the Permitted Encumbrances.
 - (b) The Chargor has the right to convey the Mortgaged Premises to the Chargee.
 - (c) On default, the Chargee shall have quiet possession of the Mortgaged Premises, free from all encumbrances other than the Permitted Encumbrances.
 - (d) The Chargor will execute at the Chargor's expense such further assurances of the Mortgaged Premises as may be requisite.



- (e) The Chargor has done no act to encumber the Mortgaged Premises, except the Permitted Encumbrances.
 - (f) The Chargor shall pay as they fall due all Permitted Encumbrances and Taxes and shall not suffer any construction, statutory or other liens or rights of retention, other than Permitted Encumbrances, to remain outstanding upon any of the Mortgaged Premises. The Chargor shall, within one month from the date fixed for payment of the last instalment of Taxes in each year, furnish the Chargee, if requested by it, with receipted tax bills showing all such Taxes for the year have been paid in full.
 - (g) The Chargor will insure, with insurance companies satisfactory to the Chargee, the Mortgaged Premises to the amount of not less than their full replacement cost in dollars of lawful money of Canada. Such insurance shall have "Extended Coverage" and "Replacement Cost" endorsements and include not only insurance against loss or damage by fire, but also insurance against loss or damage by war, the enemy, explosion, tempest, tornado, cyclone, lightning and such other risks or hazards as the Chargee may reasonably require at any time and from time to time and, if requested by the Chargee, against loss or damage from any other cause with insurers approved by the Chargee, and the Chargor will pay all premiums necessary for such purposes as the same shall become due. The Chargee may require any such insurance to be cancelled and new insurance to be effected with insurance companies satisfactory to the Chargee. The loss under all policies or contracts of insurance shall be payable to the Chargee as mortgagee or as its interest may appear and such policies or contracts shall contain the Insurance Bureau of Canada standard mortgage clause and shall be in terms satisfactory to the Chargee. Evidence of continuation of all such insurance having been effected shall be produced to the Chargee, if requested by it, at least three Business Days before the expiration thereof, otherwise the Chargee may provide therefor and charge the premium paid to the Chargor and the same shall be payable forthwith and shall also be a charge upon the Mortgaged Premises.
 - (h) All Fixtures are and shall, immediately on being placed upon the Mortgaged Premises, become fixtures and a part of the Mortgaged Premises, and form a part of this security; and the Chargor hereby grants and releases to the Chargee all its claims upon the Mortgaged Premises subject to the aforesaid proviso for defeasance.
 - (i) The Chargee may distrain for arrears of interest, if any, and for overdue principal and any other sum payable hereunder. The Chargor waives the right to claim exceptions and agrees that the Chargee shall not be limited in the amount for which it may distrain.
 - (j) The Chargee may make any payment or cure any default under any Permitted Encumbrance and may pay and satisfy the whole or any part of any liens, Taxes, charges or encumbrances now or hereafter existing in respect of the Mortgaged Premises. In the event of the Chargee making any such payment or curing a default or satisfying any such liens, Taxes, charges or encumbrances it shall be entitled to all the equities and securities of the person or persons so paid and is hereby authorized to retain any discharge thereof without registration for so long as it may think fit so to do.
 - (k) The Chargor will keep the Mortgaged Premises in good condition and repair and shall not permit any act of waste to be committed upon the Mortgaged Premises; the Chargee may, whenever it deems it necessary or desirable, by its agent enter upon and inspect the same and in the event of a default hereunder the reasonable cost of such inspection shall be payable by the Chargor to the Chargee. If the Chargor neglects to keep the Mortgaged Premises in good condition and repair or commits or permits any act of waste on the Mortgaged Premises (as to which the Chargee shall be sole judge), the Chargee may make such repairs and replacements as it deems necessary.
 - (l) The Chargor shall diligently and continuously construct in a good and workmanlike manner any unfinished Fixtures and, in the event that any material amount of work is not done on such Fixtures for a period of ten consecutive days, the Chargee or its representatives may enter into the Mortgaged Premises and do any or all work which they may consider necessary or desirable to complete such Fixtures or to protect the same from deterioration.
 - (m) The Chargor shall not make any material Improvement, whether financed by the Chargee or otherwise, without the prior written consent of the Chargee and except in accordance with contracts, plans and specifications approved by the Chargee in writing prior to the commencement of work on the Improvement.
 - (n) The Chargor shall at all times comply with all Applicable Laws relating to it and the Mortgaged Premises, including all applicable zoning by-laws, rent control legislation and construction lien legislation.
8. **Quiet Possession.** Until default of payment, the Chargor shall have quiet possession of the Mortgaged Premises.
9. **Waivers.** The Chargee may waive any breach by the Chargor of any of the provisions contained in this Charge or any default by the Chargor in the observance or performance of any covenant or condition required to be observed or performed by the Chargor hereunder, provided that no such waiver by the Chargee shall extend to or be taken in any manner to affect any subsequent breach or default or the rights resulting therefrom.
10. **Performance of Covenants.** If the Chargor shall fail to perform any covenant on its part herein contained, the Chargee may in its absolute discretion perform any such covenant capable of being



performed by it. If any such covenant requires the payment of money or if the Mortgaged Premises shall become subject to any encumbrance ranking in priority to the lien hereof other than a Permitted Encumbrance, the Chargee may make such payment or pay or discharge such encumbrance, but shall be under no obligation to do so. All sums so paid by the Chargee shall immediately be payable by the Chargor to the Chargee and shall constitute a charge upon the Mortgaged Premises. No such performance or payment shall relieve the Chargor from any default hereunder or any consequences of such default.

11. **Continuing and Additional Security.** The security hereby constituted is a continuing security for the payment of all Indebtedness and the fulfillment of all the obligations of the Chargor hereunder and such security is in addition to any other security now or hereafter held by the Chargee. The taking of any action or proceedings or refraining from so doing, or any other dealings with any other security for the monies secured hereby, shall not release or affect the obligations of the Chargor hereunder or the charges created hereby.
12. **Default.** The security hereby created shall become enforceable in each of the following events (each event being herein called an "Event of Default"):
- (a) if the Chargee shall make an authorized and proper demand for payment of any Indebtedness or any other monies hereby secured and payment in full has not been received by the Chargee within the time limited therefor;
 - (b) if the Chargor defaults in the performance or observance of any other covenant or condition herein contained and such default shall continue for 15 days after written notice thereof to the Chargor by the Chargee;
 - (c) if there is any material misrepresentation or misstatement contained in any certificate or document delivered by the Chargor or any representative of the Chargor to the Chargee in connection with this Charge or the Indebtedness;
 - (d) if a petition is filed under any Bankruptcy Legislation against the Chargor or an authorized assignment made or a Receiver appointed under any Bankruptcy Legislation or by or on behalf of a secured creditor of the Chargor or a proposal made to the creditors of the Chargor under any Bankruptcy Legislation;
 - (e) if any execution, distress, sequestration or any other process of any court becomes enforceable against any of the property of the Chargor, or if a distress or like process is levied upon any of such property;
 - (f) if the Chargor commits any act of bankruptcy;
 - (g) if any portion of the Mortgaged Premises is expropriated by any governmental body or authority which the Chargee (in its sole discretion) considers material;
 - (h) if a Transfer is made or permitted without the prior written consent of the Chargee in its sole discretion; or
 - (i) if a Lien shall be created, issued, incurred or permitted to exist (by operation of law or otherwise and whether prior or subordinate to the security of this Charge) on any part of the Mortgaged Premises or any interest therein (except in favour of the Chargee as security for the Indebtedness) without the prior written consent of the Chargee in its sole discretion.
13. **Remedies.** Upon the happening of any Event of Default, in addition to any other rights or remedies available to it hereunder or at common law or in equity or pursuant to any statute, the Chargee shall have the following rights and powers:
- (a) To enter upon and possess all or any part of the Mortgaged Premises;
 - (b) To preserve and maintain the Mortgaged Premises and make such replacements thereof and additions thereto as it shall deem advisable;
 - (c) On default of payment for at least 15 days the Chargee or its agents or representatives may on giving the notice, if any, required hereby enter on and/or lease the Mortgaged Premises or on default of payment for at least 35 days' notice sell the Mortgaged Premises. In the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable, it is agreed that notice may be effectually given by giving it in accordance herewith; and such notice shall be sufficient although not addressed to any person or persons by name or designation and notwithstanding that any person to be affected thereby may be unknown, unascertained or under disability. The Chargee may sell the Mortgaged Premises or any part thereof by public auction or private sale, for such price as can reasonably be obtained therefor, and on such terms as to credit and otherwise, and with such conditions of sale and stipulations as to title or evidence or commencement of title or otherwise, as it shall in its discretion deem proper, and in the event of any sale on credit or for part cash and part credit, the Chargee shall not be accountable for or charged with any monies until actually received. The Chargee may rescind or vary any contract of sale and may buy in and resell the Mortgaged Premises or any part thereof without being answerable for loss occasioned thereby. No purchaser or lessee shall be bound to inquire into the legality, regularity or propriety of any sale or lease or be affected by notice of any irregularity or impropriety of any kind; and no lack of default or want of notice or other requirement or any irregularity or impropriety of any kind shall invalidate any sale or lease hereunder. The Chargee may sell or lease without entering into actual possession of the Mortgaged Premises and when it desires to take possession it may break locks and bolts and while in possession or upon any



- sale or lease the Chargee shall be accountable only for monies which are actually received by it. Sales may be made from time to time of parts of the Mortgaged Premises to satisfy any portion of the Indebtedness or other sums owing hereunder and leaving the Indebtedness or the residue thereof secured hereunder on the remaining Mortgaged Premises. The Chargor hereby appoints the Chargee its true and lawful attorney and agent to make application under the *Planning Act* (Ontario) and to do all things and execute all documents to effectually complete such sale. The Chargee may lease or take sale proceedings hereunder notwithstanding that other mortgage proceedings have been taken or are then pending; and
- (d) To appoint by instrument any person or persons to be a Receiver of all or any portion of the undertaking, property and assets of the Chargor forming the Mortgaged Premises and all rents, issues, incomes and profits to be derived therefrom, to fix the Receiver's remuneration and from time to time to remove any Receiver so appointed and appoint another or others in its stead.

14. **Receiver.** Any Receiver shall have all of the powers of the Chargee set forth in this Charge and, in addition, shall have the following powers:
- (a) To lease all or any portion of the Mortgaged Premises and for this purpose execute contracts in the name of the Chargor, which contracts shall be binding upon the Chargor and the Chargor hereby irrevocably constitutes such Receiver as its attorney for such purposes;
- (b) To take possession of the Mortgaged Premises, collect all rents, issues, incomes and profits derived therefrom and realize upon any additional or collateral security granted by the Chargor to the Chargee and for that purpose may take any proceedings in the name of the Chargor or otherwise; and
- (c) To carry on or concur in carrying on the business which the Chargor is conducting on and from the Mortgaged Premises and for that purpose the Receiver may borrow money on the security of the Mortgaged Premises in priority to this Charge.

Any Receiver appointed pursuant to the provisions hereof shall be deemed to be the agent of the Chargor for the purposes of (i) carrying on and managing the business and affairs of the Chargor; and (ii) establishing liability for all the acts or omissions of the Receiver while acting in any capacity hereunder and the Chargee shall not be liable for such acts or omissions; provided that, without restricting the generality of the foregoing, the Chargor irrevocably authorizes the Chargee to give instructions to the Receiver relating to the performance of its duties as set out herein.

15. **Application of Monies.** All monies actually received by the Chargee or the Receiver pursuant hereto shall be applied, subject to any claims of creditors of the Chargor ranking in priority to the charges created by this Charge, in the following manner: (a) First, in or towards payment of all applicable Costs; (b) Second, in or towards payment or satisfaction of any remaining Indebtedness in such order as the Chargee in its sole discretion may determine; and (c) Third, any surplus shall be paid to the Chargor or as required by Applicable Law.
16. **Release, Extensions.** The Chargee may in its sole discretion at all times release any part or parts of the Mortgaged Premises either with or without any consideration therefor, without responsibility therefor and without thereby releasing any other part of the Mortgaged Premises or any person from its obligations under this Charge, the Indebtedness or from any of the covenants herein contained and without being accountable to the Chargor for the value thereof or for any money except that actually received by the Chargee, it being expressly agreed that every part of the Mortgaged Premises into which it is or may hereafter be divided does and shall stand charged with the whole of the amount hereby secured. The Chargee may grant time, renewals, extensions, indulgences, releases and discharges to, may take additional securities, may give any securities up, may abstain from taking securities or from perfecting securities, may accept compositions, and may otherwise deal with the Chargor and all other persons and securities as the Chargee may see fit without prejudicing the rights of the Chargee under this Charge.
17. **No Change in Rights.** No sale or other dealing by the Chargor with the Mortgaged Premises or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or the Mortgaged Premises or the amount or terms of any Indebtedness or any guarantee thereof.
18. **No Merger.** The taking of a judgment or judgments on any of the covenants herein contained shall not operate as a merger of the said covenants.
19. **Assignment of Rents.** Subject to the proviso for defeasance, and as additional and separate continuing collateral security for the Chargor's obligations hereunder, the Chargor hereby assigns to the Chargee all present and future leases of the Mortgaged Premises or any part thereof, and all rents, issues, incomes and profits now or hereafter derived from the leases or the Mortgaged Premises or any part thereof, together with the benefit of all covenants, agreements and provisos contained in such leases. The Chargor will execute and deliver to the Chargee, from time to time, upon the request of the Chargee and at the expense of the Chargor, assignments in registrable form of all leases and rents relating to the Mortgaged Premises and such other notices or documents as may be required by the Chargee. Nothing in this Charge shall make the Chargee responsible for the



- collection of rents payable under any lease of the Mortgaged Premises or any part thereof or for the performance of any covenants, terms or conditions contained in any such lease. The Chargee shall be liable to account only for such rents as actually come into its hands after the deduction of collection charges in respect thereof and may apply such rents to the repayment of the Indebtedness.
20. **Disclosure of Information.** The Chargor acknowledges that the Chargee may be obliged to release information relating to this Charge and the Indebtedness and any amounts advanced thereunder or secured hereby. The Chargor hereby authorizes the Chargee to release all such information and any other information it may, from time to time, be required to release by Applicable Law to those entitled to such information.
 21. **Discharge.** After payment in full of all Indebtedness and Costs, the Chargee shall within a reasonable period of time after receipt of a written request therefor from the Chargor, provide the Chargor with a discharge of the Charge or an assignment or transfer of the Charge if so required and directed by the Chargor; any such discharge, assignment or transfer shall be prepared by the Chargee at the expense of the Chargor.
 22. **Governing Law.** 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.
 23. **Notice.** Any notice required or desired to be given hereunder or under any instrument supplemental or collateral hereto shall be in writing and may be given either by personally delivering the same or by sending the same by registered mail, postage prepaid, to the Chargor or the Chargee at its address for service indicated in the Computer Field of this Charge entitled "Chargor(s)" and "Chargee(s)" respectively. Any notice so delivered shall be conclusively deemed given when personally delivered and any notice so mailed shall be conclusively deemed given on the third Business Day following the day of mailing, provided that in the event of a known disruption of postal service, notice shall be given by personal delivery only. Any address for notice or payments may be changed by notice given pursuant hereto.
 24. **Condominium Provision.** If any part the Mortgaged Premises is a condominium unit (a) the Chargor shall promptly observe and perform all of its covenants, duties and obligations under or pursuant to the *Condominium Act* (Ontario) (the "CA") and the declaration, by-laws and rules of the condominium corporation created by registration of the declaration and the description relating thereto of which the condominium unit forms part (the "Condominium Corporation"); (b) the Chargor will pay promptly when due any and all contributions to common expenses and all other levies, charges and assessments made, assessed or levied by or on behalf of the Condominium Corporation payable in respect of, or charged to the owner of, the Mortgaged Premises (all such common expenses, levies, charges, assessments are called "unit charges"); (c) upon request by the Chargee from time to time, the Chargor shall provide satisfactory proof to the Chargee that all unit charges have been paid in full; (d) if the Chargor does not pay any unit charges when due, then, without limiting any of other rights and remedies of the Chargee hereunder or otherwise at law or in equity, the Chargee may (but shall not be obligated to do so) pay the same and the amount so paid shall be added to the Indebtedness and secured by this Charge and shall be payable forthwith to the Chargee upon demand; (e) promptly following receipt thereof, the Chargor shall deliver to the Chargee copies of every notice, assessment, request, claim or demand, notice of meeting and all other documentation or information of any kind relating to the condominium unit or the Condominium Corporation received by the Chargor so that the Chargee receives them at least ten days prior to the date that any response, payment or other action is required; (f) any default by the Chargor under this section (regardless of any action or proceedings taken or proposed by the Condominium Corporation) shall be an Event of Default under this Charge; (g) the Chargor hereby irrevocably assigns to the Chargee, and irrevocably authorizes and empowers the Chargee to exercise, all rights of the Chargor as the owner of the Mortgaged Premises to vote or to consent to all matters relating to the affairs of the Condominium Corporation, provided however that (i) the Chargee may at any time and from time to time give notice in writing to the Chargor and to the Condominium Corporation that the Chargee does not intend to exercise the said right to vote or consent and in that event until the Chargee revokes such notice the Chargor may exercise the right to vote or consent in respect of all matters not requiring a unanimous resolution (any such notice may be for an indeterminate period of time or for a specific meeting or matter); (ii) the Chargee's right to vote and consent do not impose any obligation on the Chargee to consult with the Chargor as to the manner in which such right to vote or consent will be exercised or not exercised or to protect the Chargor's interests and the Chargee shall not be responsible for any exercise or failure to exercise the right to vote or consent; and (iii) neither this assignment and authorization in favour of the Chargee nor the exercise by the Chargee of the right to vote or consent shall constitute the Chargee a mortgagee in possession nor give rise to any liability on the part of the Chargee; (h) this Charge includes a mortgage, charge, assignment and sublease in favour of the Chargee of any lease or rights to occupy any parking space or spaces in the Mortgaged Premises demised to or reserved or designated for exclusive use by the Chargor or its condominium unit and of any lease or right to exclusive use of any common Mortgaged Premises or special privileges in respect thereof granted to the Chargor or its condominium unit; (i) without limiting the obligations of the Chargor hereunder, the Chargor shall cause the Condominium Corporation to maintain the insurance required by this Charge with respect to all the Mortgaged Premises which are governed by



the CA for the benefit of the Chargee and shall cause the Condominium Corporation to comply fully with the terms of the required policies of insurance and the insurance provisions of the CA and the declaration, by-laws and rules of the Condominium Corporation; (j) in addition to the Events of Default set out herein, it shall be an Event of Default if (i) the government of the Mortgaged Premises by the Condominium Corporation or any part thereof by the CA is terminated; or (ii) a vote of the Condominium Corporation authorizes the sale of all or substantially of its property or assets or all or any part of its common elements which are all or any part of the Mortgaged Premises, or if any part of such common elements of the Condominium Corporation is expropriated; or (iii) the Condominium Corporation fails to comply with any provision of the CA or the declaration, by-laws or any of the rules of the Condominium Corporation; or (iv) the Condominium Corporation fails to insure the condominium units and the common elements governed by it in accordance with the CA and declaration and by-laws of the Condominium Corporation; or (v) in the Chargee's opinion, the Condominium Corporation fails to manage its property and assets in a prudent and businesslike manner and in keeping with the highest standards for similar properties in the locality in which the Mortgaged Premises are located.

25. **Multi-Residential Properties.** If the Mortgaged Premises are a multi-residential property, the Chargor represents and warrants with respect to the Mortgaged Premises as follows: (a) except as permitted by Applicable Laws in respect of residential housing (i) no demolition, conversion, renovation, repair or severance has taken place with respect to the Mortgaged Premises; and (ii) there have been no increases in the rental rate charged for any residential rental unit or units on the Mortgaged Premises; (b) in accordance with Applicable Laws in respect of residential housing (i) all rents charged with respect to the Mortgaged Premises are lawful rents and all required rebates have been paid; and (ii) all required filings have been made and were timely, accurate and complete; and (c) under Applicable Laws in respect of residential housing (i) no applications, investigations or proceedings have been commenced or made; and (ii) there are no outstanding orders or decisions made by any governmental authority with respect to the Mortgaged Premises or any residential rental unit. On request by the Chargee, the Chargor shall provide a statutory declaration by an officer or director of the Chargor that the above representations and warranties are true and correct. The Chargor shall deliver to the Chargee on request all documents required to establish the legality of rents.

The Chargor hereby authorizes all governmental authorities having jurisdiction over residential housing to release to the Chargee or its solicitors any and all information contained in their files. The Chargor shall comply with the provisions of all Applicable Laws while this Charge is continuing. Any breach of this covenant or any material incorrectness of any of the representations and warranties hereinabove contained shall be an Event of Default under this Charge.

26. **Construction.** In this Charge (a) words denoting the singular include the plural and vice versa and words denoting any gender include all genders; (b) the words "including", "includes" and "include" shall mean "including without limitation," "includes without limitation" and "include without limitation" respectively; (c) any reference to a statute shall mean the statute in force as at the date hereof, together with all regulations promulgated thereunder, as the same may be amended, re-enacted, consolidated and/or replaced from time to time, and any successor statute thereto; (d) any reference to any agreement or instrument shall include all amendments, addenda, modifications, extensions, renewals, restatements, supplements or replacements thereto from time to time; (e) reference to the Chargee, Chargor, any beneficial owner of the Mortgaged Premises, and any other person shall include their respective heirs, estate trustees, legal representatives, successors and assigns, and reference to a "corporation" shall include a company or other form of body corporate; (f) all dollar amounts are expressed in Canadian dollars; (g) the division of this Charge into separate sections and subsections, and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Charge; (h) the Chargee's right to give or withhold any consent or approval, make any determination or exercise any discretion shall be exercised by the Chargee acting reasonably unless otherwise expressly provided, except that following an Event of Default, the Chargee shall be entitled to exercise the same in its sole discretion; (i) if more than one person is named as Chargor, or otherwise becomes liable for or assumes the obligations and liabilities of the Chargor, then the obligations and liabilities of all such persons shall be joint and several; (j) time shall be of the essence; (k) all obligations of the Chargor in this Charge will be deemed to be covenants by the Chargor in favour of the Chargee; and (l) in the event of any conflict or inconsistency between any provision of this Charge and the provisions of the commitment letter governing the loan between the Chargor and the Chargee, the commitment letter will prevail to the extent of any such conflict or inconsistency. The delivery of this Charge for registration by direct electronic transmission shall have the same effect for all purposes as if this Charge was in written form, signed by the Chargor and delivered to the Chargee.

SCHEDULE "A"
REQUEST FOR CITY OF VAUGHAN CONSENT TO TRANSFER
(Developer to Builder, Vacant Land & PIN Creation Transfers, Mortgage)
 fee is now \$78.00 effective January 1, 2022



BIANCHI PRESTA LLP
 BARRISTERS & SOLICITORS

RENZO BELLUZ
 RUDY A. BIANCHI
 SANTO A. VELTRI
 MICHAEL J. PRESTA
 NICOLE M. MARAGNA

DOMENIC C.S. PRESTA*
 JOHN V. SESTITO
 DANIEL MUSSO
 MATTHEW D. PRESTA
 ELIZABETH IELLIMO

9100 JANE STREET
 BUILDING A, 3rd FLOOR
 VAUGHAN, ONTARIO L4K 0A4

TELEPHONE: (905) 738-1078
 FACSIMILE: (905) 738-0528

* Certified by the Law Society as a Specialist in Construction Law

REPLY TO: DOMENIC PRESTA, Ext. 2223
 E-MAIL: dpresta@bianchipresta.com
 ASSISTANT: Claudia Tomini, Ext. 2227
 E-MAIL: crtomini@bianchipresta.com

July 20, 2022

TO: The Corporation of the City of Vaughan
 2141 Major Mackenzie Drive
 Vaughan, Ontario
 L6A 1T1

Fax # (905) 832-8524

ATTENTION: Grace Cabral / Sue Rossi

RE: 9630 ISLINGTON INC. Mortgage Loan DUCA FINANCIAL SERVICES CREDIT UNION LTD.

Legal Description: Block 6, Plan 65M-3467, City of Vaughan

Municipal Address: 9630 Islington Avenue, Woodbridge (City of Vaughan)

PIN: 03324-4510

LAND-RESTRICTION: LT1360802


Closing Date: July 28, 2022

File No.: 22DP8096

We are the solicitors for 9630 ISLINGTON INC., in connection with the above noted matter, and are hereby requesting that the Corporation of the City of Vaughan consent to the Charge, subject to the continuance of Instrument No.LT1360802.

In consideration of the City providing the above noted consent, we hereby confirm that to the best of our knowledge and belief the above noted property consists of a vacant dwelling unit, lands being developed for residential purposes and we personally undertake to insert Law Statement 3726 into the subject Charge thereby ensuring the continuance of Instrument No. LT1360802.

Yours very truly,

BIANCHI PRESTA LLP
 Per: 

DOMENIC PRESTA
 DP/ct

(USER NAME FOR MESSAGING PURPOSES) - Claudia Tomini

The Corporation of the City of Vaughan hereby consents to the registration of the above noted Charge subject to the continuance of any registered Restrictions.

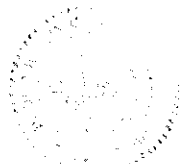
The Corporation of the City of Vaughan

Per:

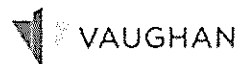


at: Sue Rossi
 Zoning Restrictions Coordinator 905-832-8510, ext. 814

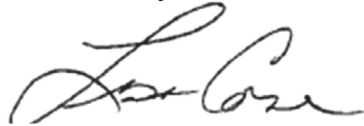
July 25, 2022



City of Vaughan | Building Standards Department
 2141 Major Mackenzie Dr., Vaughan, ON L6A 1T1
 vaughan.ca



This is Exhibit “D” referred to in the Affidavit of **Ivan Bogdanovich** SWORN Remotely at the City of Toronto, in the Province of Ontario on April 12, 2024, in accordance with O. Regs. 431/20 Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

LISA S. CORNE (27974M)

Properties

PIN 03324 - 4510 LT
Description BLOCK 6, PLAN 65M3467, VAUGHAN.; SUBJECT TO AN EASEMENT AS IN YR2927821
Address 9630 ISLINGTON AVENUE
 WOODBRIDGE

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 9630 ISLINGTON INC.
Address for Service 8740 Jane Street, Units 1 & 2, Concord,
 Ontario L4K 0E7

A person or persons with authority to bind the corporation has/have consented to the registration of this document.

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

Party To(s)*Capacity**Share*

Name DUCA FINANCIAL SERVICES CREDIT UNION LTD.
Address for Service 5255 Yonge Street, 4th Floor, Toronto, Ontario M2N 6P4

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, YR3458270 registered on 2022/07/28 to which this notice relates is deleted

Schedule: See Schedules

The registration of this document is not prohibited by registration LT1360802 registered on 1999/05/20.

Signed By

Lindsay Mitchell Kazdan	1 Adelaide Street E., Suite 801 Toronto M5C 2V9	acting for Applicant(s)	Signed	2022 07 28
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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.

Lindsay Mitchell Kazdan	1 Adelaide Street E., Suite 801 Toronto M5C 2V9	acting for Party To(s)	Signed	2022 07 28
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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.

Submitted By

GARFINKLE, BIDERMAN LLP	1 Adelaide Street E., Suite 801 Toronto M5C 2V9			2022 07 28
-------------------------	---	--	--	------------

Tel 416-869-1234

Fax 416-869-0547

Fees/Taxes/Payment

<i>Statutory Registration Fee</i>	\$66.30
<i>Total Paid</i>	\$66.30

File Number

Applicant Client File Number : 10473-115
Party To Client File Number : 551961073261/551961073303



ASSIGNMENT OF RENTS

THIS ASSIGNMENT made this 15th day of July, 2022 (the "Assignment").

BETWEEN:

9630 ISLINGTON INC.
(the "Assignor")

- and -

DUCA FINANCIAL SERVICES CREDIT UNION LTD.
(the "Assignee")

WHEREAS, by a mortgage registered in the Land Registry Office for the Land Titles Division of the York Land Registry (NO. 65) on the 28th day of July, 2022 as Instrument No. YR3458270 the Assignor herein did grant and mortgage unto the Assignee herein the lands and premises more particularly described in Schedule "A" hereto annexed (the "Property") which mortgage secures payment of the sum of SEVEN MILLION DOLLARS (\$7,000,000.00) and interest as therein mentioned and is hereinafter referred to as the "Mortgage". Whenever in this assignment reference is made to the Mortgage, it shall be deemed to include any renewals or extensions thereof and any mortgage taken in substitution, replacement or reinstatement thereof or 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 or intended to be reserved and payable under, and all advantages and benefits to be derived from leases of premises located on the Property now or hereafter entered into by the Assignor as landlord including, without limitation, any specific leases referred to in Schedule "B" hereto annexed (which rents, advantages and benefits are hereinafter collectively called the "Rents" and which leases and specific leases are hereinafter collectively called the "Leases") as additional security for the payment of the monies secured by the Mortgage, and for the performance of the covenants contained therein;

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

NOW THEREFORE THIS ASSIGNMENT WITNESSES that the Assignor, in consideration of the premises, the making of the Mortgage, and the sum of \$ 10.00 now paid by the Assignee to the Assignor (the receipt whereof is hereby acknowledged), covenants and agrees 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 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 (a) permit any prepayment of Rents that will result in more than two months of Rents being prepaid under the Leases; (b) permit any material variation of the terms, covenants, provisos or conditions of any of the Leases; or (c) permit any cancellation or surrender of any of the Leases.
3. The Assignor covenants with the Assignee to perform and observe all its covenants, conditions and obligations under the Leases.

4. The Assignor covenants and agrees irrevocably with the Assignee that the Assignee shall have the right to sue for payment or enforcing anything in this Assignment herein contained (a) in its own name; (b) in the name of the Assignor; or (c) in the names of both the Assignor and Assignee jointly.
5. The Assignor agrees to assign any of the 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 tenants under the Leases ("Tenants") shall pay the Rents reserved under the Leases (but only to the extent that the same may be due and payable thereunder) to the Assignor and any notice to the contrary required by this proviso may be effectively given by sending the same by registered mail to any Tenant at its premises on the Property or by delivering the same personally to any Tenant or an officer thereof.
7. The Assignor hereby declares that any direction or request from the Assignee to pay the Rents reserved to the Assignee shall be sufficient warrant and authority to the Tenant to make such payments, and the payments of such Rents to the Assignee shall be and operate as a discharge of the said Rents to the Tenant.
8. The Assignor covenants and agrees with the Assignee not to renew or extend any of the Leases at rents of lesser amounts than are now payable under the 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 upon payment in full of the Mortgage in accordance with the terms thereof. The delivery to the Assignor of a discharge of the Mortgage shall operate as a release and reassignment of 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 Assignment contained shall be deemed to have the effect of making the Assignee responsible for the collection of Rents or any part thereof or for the performance of any covenants, terms or conditions either by the Assignor or by the Tenants contained in any of the Leases, and that the Assignee shall not by virtue of this Assignment be deemed a mortgagee in possession of the Property, and the Assignee shall not be liable to account for any monies other than those actually received by it by virtue of this Assignment.
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 Assignment 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.

IT IS HEREBY DECLARED AND AGREED that this Assignment and everything herein contained shall enure to the benefit of and be binding upon the parties hereto and each of their respective heirs, estate trustees, personal legal representatives, successors and assigns.

IN WITNESS WHEREOF the Assignor has executed this Agreement as of the date and year first above-written.

9630 ISLINGTON INC.

Per: _____

Name: Steven Saccoccia

Title: President

I have authority to bind the corporation.

SCHEDULE "A"
(Description of Property)

Block 6, Plan 65M3467, City of Vaughan, Regional Municipality of York, and municipally known as: 9630 Islington Avenue, Vaughan, Ontario.

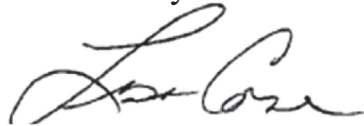
SCHEDULE "B"
(Specific Leases)

Leases

Registration Number

NOT APPLICABLE – no leases registered

This is Exhibit “E” referred to in the Affidavit of **Ivan Bogdanovich** SWORN Remotely at the City of Toronto, in the Province of Ontario on April 12, 2024, in accordance with O. Regs. 431/20 Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

LISA S. CORNE (27974M)



GENERAL SECURITY AGREEMENT

1. SECURITY INTEREST

- 1.01 For value received, **9630 ISLINGTON INC.** (the "**Debtor**") hereby grants to **DUCA FINANCIAL SERVICES CREDIT UNION LTD.** (the "**Secured Party**") a security interest (the "**Security Interest**") in the present and future undertaking and property, both real and personal, of the Debtor (collectively the "**Collateral**") and as further general and continuing security for the payment and performance of the Indebtedness, the Debtor hereby assigns the Collateral to the Secured Party and mortgages and charges the Collateral as and by way of a fixed and specified mortgage and charge to the Secured Party. Without limiting the generality of the foregoing, Collateral shall include all the right, title and interest that the Debtor now has or may hereafter have, be possessed of, be entitled to, or acquire in all property of the following kinds: all goods (including all parts, accessories, attachments, special tools, additions and accessions thereto), accounts, chattel paper, documents of title (whether negotiable or not), equipment, instruments, intangibles, inventory, money and securities and in all proceeds and renewals thereof, accretions thereto and substitutions therefor and including the following:
- all inventory of whatever kind and wherever situated;
 - all equipment (other than inventory) of whatever kind and wherever situated, including all machinery, tools, apparatus, plant, furniture, fixtures and vehicles of whatsoever nature or kind;
 - all accounts and book debts and generally all debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including guarantees, indemnities, 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 (hereinafter collectively called "**Debts**");
 - 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;
 - all contractual rights, licences and insurance claims and all goodwill, patents, trademarks, copyrights, and other intellectual property and industrial property and any rights of renewal or extension thereof;
 - all monies other than trust monies lawfully belonging to others; and
 - all property described in any schedule now or hereafter annexed hereto.
- 1.02 The Security Interest granted hereby shall not extend or apply to and the 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 last day in trust to assign the same to any person acquiring such term, including, without limitation, the Secured Party.
- 1.03 The terms "accessions", "account", "chattel paper", "document of title", "equipment", "goods", "instrument", "intangible", "inventory", "money", "personal property", "proceeds" and "security" whenever used herein have the meanings given to those terms in the *Personal Property Security Act (Ontario)* (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., and the term "inventory" when used herein shall include livestock and the young

thereof after conception, crops that become growing crops, fish after they are caught, minerals or hydrocarbons after they are extracted and timber after it is cut. Any reference herein to the "Collateral" shall, unless the context otherwise requires, be deemed a reference to the "Collateral or any part thereof".

2. INDEBTEDNESS SECURED

2.01 The Security Interest granted hereby secures payment and performance of any and all obligations, indebtedness and liability of the Debtor to the Secured Party (including interest thereon) present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, wheresoever and howsoever incurred and any ultimate unpaid balance thereof and whether the same is at any time and from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether the Debtor be bound alone or with another or others and whether as principal or surety (hereinafter collectively called the "Indebtedness"). If the Security Interest in the Collateral is not sufficient, in the event of default, to satisfy all Indebtedness of the Debtor, the Debtor acknowledges and agrees that the Debtor shall continue to be liable for any Indebtedness remaining outstanding and the Secured Party shall be entitled to pursue full payment thereof.

3. REPRESENTATIONS AND WARRANTIES OF DEBTOR

3.01 The Debtor represents and warrants and so long as this 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 security interests, mortgages, liens, claims, charges or other encumbrances (hereinafter collectively called "Encumbrances"), save for the Security Interest and those Encumbrances approved in writing, prior to their creation or assumption, by the Secured Party (hereinafter collectively called "Permitted Encumbrances"); provided, that nothing in the foregoing definition of "Permitted Encumbrances" or otherwise in this Agreement shall (i) be construed as evidencing an intention or agreement on the part of the Secured Party that the Security Interest or the Indebtedness be or have been subordinated to any such Permitted Encumbrances; or (ii) cause any such subordination to occur.
- (b) to the best of the knowledge, information and belief of the Debtor, (i) each Debt, chattel paper and instrument constituting the 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 Secured Party from time to time as owing by each Account Debtor or by all Account Debtors will be the correct amount actually and unconditionally owing by such Account Debtor or Account Debtors, except for normal cash discounts where applicable; and (ii) no Account Debtor now has any defence, set off, claims or counterclaim against the Debtor which can be asserted against the Secured Party, whether in any proceeding to enforce the Collateral or otherwise; and
- (c) the locations specified in Schedule "A" attached hereto as to the location of the business operations and records of the Debtor are accurate and complete and, with respect to goods (including inventory) constituting the Collateral, the locations specified in Schedule "A" are accurate and complete, save for goods in transit to such locations and inventory on lease or consignment; and all fixtures or goods about to become fixtures and all crops and all oil, gas or other minerals to be extracted and all timber to be cut which forms part of the Collateral will be situated at one of such locations.

4. COVENANTS OF DEBTOR

4.01 So long as this 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 the Permitted Encumbrances; and not to sell, exchange, transfer, assign, lease, or otherwise dispose of the Collateral or any interest therein without the prior written consent of the Secured Party; provided always that, until default, the Debtor may, in the ordinary course of the Debtor's business, sell or lease inventory and, subject to section 7.01 hereof, use monies available to the Debtor and the Debtor may sell or otherwise dispose of equipment which has become worn out or damaged or otherwise unsuitable for its purpose on condition that the Debtor shall substitute therefor, subject to the Security Interest, property of equal or greater value so that the Collateral shall not thereby be in any way reduced or impaired;
- (b) to notify the Secured Party in writing promptly of,
 - (i) any change in the information contained herein relating to the Debtor, the Debtor's business or the Collateral;
 - (ii) the details of any significant acquisition of Collateral;
 - (iii) the details of any claims or litigation affecting the Debtor or the Collateral;
 - (iv) any significant loss of or damage to the Collateral;
 - (v) any material default by any Account Debtor in payment or other performance of its obligations with respect to the Collateral; and
 - (vi) the return to or repossession by the Debtor of the Collateral;
- (c) to keep the Collateral in good order, condition and repair and not to use the Collateral in violation of the provisions of this Agreement or any other agreement relating to the Collateral or any policy insuring the Collateral or any applicable statute, law, by-law, rule, regulation or ordinance;
- (d) to do, execute, acknowledge and deliver such financing statements, financing change statements and further assignments, transfers, documents, acts, matters, information and things as may be reasonably requested by the Secured Party with respect to the Collateral in order to give effect to this agreement 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 Debtor or 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 Secured Party shall reasonably direct with loss payable to the Secured Party and the Debtor, as insureds, as their respective interests may appear, and to pay all premiums therefor;
- (g) to prevent the Collateral, save inventory sold or leased as permitted hereby, from being or becoming an accession to other property not charged by this 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 the Collateral, and mark in the manner specified by the Secured Party from time to time any and all such records and the Collateral at the Secured Party's request so as to indicate the Security Interest; and

- (i) to deliver to the Secured Party from time to time promptly upon request,
 - (i) any documents of title, instruments, securities and chattel paper constituting, representing or relating to the Collateral;
 - (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to the 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 the Collateral; and
 - (v) such information concerning the Collateral, the Debtor and the Debtor's business and affairs as the Secured Party may reasonably request.

5. USE AND VERIFICATION OF COLLATERAL

5.01 Subject to compliance with the Debtor's covenants contained herein and section 7.01 hereof, the Debtor may, until default, possess, operate, collect, use and enjoy and deal with the Collateral in the ordinary course of the Debtor's business in any manner not inconsistent with the provisions hereof; provided always that the Secured Party 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 Secured Party may consider appropriate and the Debtor agrees to furnish all assistance and information and to perform all such acts as the Secured Party may reasonably request in connection therewith and for such purpose to grant to the Secured Party or its agents access to all places where the Collateral may be located and to all premises occupied by the Debtor.

6. SECURITIES

6.01 If the Collateral at any time includes shares in any affiliates of the Debtor, the Debtor authorizes the Secured Party to transfer the same or any part thereof into its own name or that of its nominee. If the Collateral at any time includes Securities, other than shares in any affiliates of the Debtor, the Debtor authorizes the Secured Party, upon default, to transfer the same or any part thereof into its own name or that of its nominee so that the Secured Party or its nominee may appear of record as the sole owner thereof. After any transfer as aforesaid, the Debtor waives all right to receive any notices or communications received by the Secured Party or its nominee as such registered owner. Subject to the foregoing, upon the request of the Secured Party, the Debtor will instruct the issuer, clearing agency, custodian or nominee to make an entry in its records of the Secured Party's security interest in the Securities so as to effect delivery to and possession by the Secured Party of those securities.

7. COLLECTION OF DEBTS

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

8. INCOME FROM AND INTEREST ON COLLATERAL

8.01 Until default, the Debtor reserves the right to receive any monies constituting income from or interest on the Collateral and if the Secured Party receives any such monies prior to default, the Secured Party shall either credit same against the Indebtedness or pay the same promptly to the Debtor.

8.02 After default, the Debtor will not request or receive any monies constituting income from or interest on the Collateral and if the Debtor receives any such monies, without any request by the Secured Party, the Debtor will pay the same promptly to the Secured Party.

9. INCREASES, PROFITS, PAYMENTS OR DISTRIBUTIONS

9.01 Whether or not default has occurred, the Debtor authorizes the Secured Party,

- (a) to receive any increase in or profits on the Collateral (other than money) and to hold the same as part of the Collateral. Money so received shall be treated as income for the purposes of sections 8.01 and 8.02 hereof and dealt with accordingly; and
- (b) to receive any payment or distribution upon redemption or retirement or upon dissolution and liquidation of the issuer of the Collateral; to surrender such Collateral in exchange therefor; and to hold any such payment or distribution as part of the Collateral.

9.02 If the Debtor receives any such increase or profits (other than money) or payments or distributions, the Debtor will deliver the same promptly to the Secured Party to be held by the Secured Party as herein provided.

10. DISPOSITION OF MONIES

10.01 Subject to any applicable mandatory requirements of the P.P.S.A., all monies collected or received by the Secured Party pursuant to or in exercise of any right it possesses with respect to the Collateral shall be applied or reapplied on account of the Indebtedness in such manner as the Secured Party deems best in its sole discretion or, in the discretion of the Secured Party, 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 Secured Party hereunder, and any surplus shall be accounted for as required by law.

11. EVENTS OF DEFAULT

11.01 The happening of any of the following events or conditions shall constitute default hereunder which is herein referred to as "default":

- (a) the non-payment when due, whether by acceleration or otherwise, of any principal or interest forming part of the Indebtedness or the failure of the Debtor to observe or

perform any obligation, covenant, term, provision or condition contained in this Agreement or any other agreement between the Debtor and the Secured Party;

- (b) the death of or a declaration of incompetency by a court of competent jurisdiction with respect to an individual Debtor;
- (c) the bankruptcy or insolvency of the Debtor; the filing against the Debtor of a petition in bankruptcy; the making of an authorized assignment or proposal for the benefit of secured parties or any secured party 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 and Insolvency Act* (Canada) or otherwise;
- (d) the institution by or against the Debtor of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against or winding up of affairs of the Debtor;
- (e) if any Encumbrance affecting the Collateral becomes enforceable against the Collateral;
- (f) if the Debtor ceases or threatens to cease to carry on business or makes or agrees to make a bulk sale of assets without complying with applicable law or commits or threatens to commit an act of bankruptcy;
- (g) if any execution, sequestration, extent or other process of any court becomes enforceable against the Debtor or if a distress or analogous process is levied upon the assets of the Debtor or any part thereof; or
- (h) if any certificate, statement, representation, warranty or audit report heretofore or hereafter furnished by or on behalf of the Debtor pursuant to or in connection with this Agreement, or otherwise (including the representations and warranties contained herein) or as an inducement to the Secured Party to extend any credit to or to enter into this Agreement or any other agreement with the Debtor, proves to have been false or inaccurate in any material respect at the time as of which the facts therein set forth were stated or certified, or proves to have omitted any substantial contingent or unliquidated liability or claim against the Debtor; or if upon the date of execution of this Agreement, there shall have been any material adverse change in any of the facts disclosed by any such certificate, representation, statement, warranty or audit report, which change shall not have been disclosed to the Secured Party at or prior to the time of such execution.

12. ACCELERATION

12.01 The Secured Party, in its sole discretion, may declare all or any part of the Indebtedness which is not by its terms payable on demand, to be immediately due and payable without demand or notice of any kind, in the event of default, or if the Secured Party in good faith believes and has commercially reasonable grounds to believe that a material adverse change has occurred in the financial and business position of the Debtor. The provisions of this section 12.01 are not intended in any way to affect any right of the Secured Party with respect to Indebtedness which may now or hereafter be payable on demand.

13. REMEDIES

13.01 Upon default, the Secured Party may appoint or reappoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of the Secured Party or not, to be a receiver (hereinafter called a "Receiver", which term when used herein shall include a receiver and manager) of the Collateral (including any interest, income or profits therefrom) and may remove any Receiver so appointed and appoint

another in his stead. Any Receiver shall, so far as concerns responsibility for his acts, be deemed the agent of the Debtor and not the Secured Party, and the Secured Party shall not be in any way responsible for any misconduct, negligence, or non-feasance on the part of any Receiver, his servants, agents or employees. Subject to the provisions of the instrument appointing him, any Receiver shall have power to take possession of the Collateral, to preserve the 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 the Collateral. To facilitate the foregoing powers, any Receiver may, to the exclusion of all others including the Debtor, enter upon by peaceable or forcible means at any time of the day or night, use and occupy all premises owned or occupied by the Debtor wherein the Collateral may be situated, maintain the Collateral upon such premises, borrow money on a secured or unsecured basis and use the Collateral directly in carrying on the Debtor's business or as security for loans or advances to enable him to carry on the Debtor's business or otherwise, as the Receiver shall, in his discretion, determine. Except as may be otherwise directed by the Secured Party, all monies received from time to time by any Receiver in carrying out his appointment shall be received in trust for and paid over to the Secured Party. Every Receiver may, in the discretion of the Secured Party, be vested with all or any of the rights and powers of the Secured Party.

- 13.02 Upon default, the Secured Party may, either directly or through its agents or nominees, exercise all the powers and rights given to a Receiver by virtue of section 13.01 hereof.
- 13.03 The Secured Party may take possession of, collect, demand, sue on, enforce, recover and receive the Collateral and give valid and binding receipts and discharges therefor and in respect thereof and, upon default, the Secured Party may sell, lease or otherwise dispose of the 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 Secured Party may seem reasonable.
- 13.04 In addition to those rights granted herein and in any other agreement now or hereafter in effect between the Debtor and the Secured Party and in addition to any other rights the Secured Party may have at law or in equity, the Secured Party 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 Secured Party 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 the Collateral or to institute any proceedings for such purposes. Furthermore, the Secured Party 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 Secured Party's possession, and shall not be liable or accountable for failure to do so.
- 13.05 The Debtor acknowledges that the Secured Party or any Receiver appointed by it may take possession of the Collateral wherever it may be located and by any method permitted by law, and the Debtor agrees upon request from the Secured Party or any Receiver to assemble and deliver possession of the Collateral at such place or places as directed.
- 13.06 In the event of default, the Debtor agrees to pay all costs, charges and expenses reasonably incurred by the Secured Party or any Receiver appointed by it, whether directly or for services rendered (including reasonable solicitors' and auditors' costs, other legal expenses and Receiver remuneration), in operating the Debtor's accounts, in enforcing this Agreement, taking and maintaining custody of, preserving, repairing, processing, preparing for dispositions and disposing of the 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 Secured Party or any Receiver appointed by it, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of the Collateral and shall be secured hereby.
- 13.07 Unless the Collateral in question is perishable, the Secured Party believes on reasonable grounds that the Collateral in question will decline speedily in value, the Collateral in

question is of the type customarily sold on a recognized market, the cost and storage of the Collateral is disproportionately large relative to its value or a court of competent jurisdiction orders otherwise, the Secured Party 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 the Collateral is to be made, as may be required by the P.P.S.A

14. MISCELLANEOUS

- 14.01 The Debtor hereby authorizes the Secured Party to file such financing statements, financing change statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying the Collateral or any permitted Encumbrances affecting the Collateral or identifying the locations at which the Debtor's business is carried on and the Collateral and records relating thereto are situate) as the Secured Party may deem appropriate to perfect on an ongoing basis and continue the Security Interest, to protect and preserve the Collateral and to realize upon the Security Interest and the Debtor hereby irrevocably constitutes and appoints any officer or director from time to time of the Secured Party 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.
- 14.02 Without limiting any other right of the Secured Party, whenever Indebtedness is immediately due and payable or the Secured Party has the right to declare Indebtedness to be immediately due and payable (whether or not it has so declared), the Secured Party may, in its sole discretion, set off against such Indebtedness any and all monies then owed to the Debtor by the Secured Party in any capacity, whether or not due, and the Secured Party shall be deemed to have exercised such right of setoff immediately at the time of making its decision to do so, even though any charge therefor is made or entered on the Secured Party's records subsequent thereto.
- 14.03 Upon the Debtor's failure to perform any of its duties hereunder, the Secured Party may, but shall not be obligated to do so, perform any or all of such duties, and the Debtor shall pay to the Secured Party, forthwith upon written demand therefor, an amount equal to the expense incurred by the Secured Party in so doing plus interest thereon from the date such expense is incurred until it is paid at the rate of 18% per annum.
- 14.04 The Secured Party 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, debtors of the Debtor, sureties and others and with the Collateral and other security as the Secured Party may see fit without prejudice to the liability of the Debtor or the Secured Party's right to hold and realize the Security Interest. Furthermore, after default, the Secured Party may demand, collect and sue on the Collateral in either the Debtor's or the Secured Party's name, at the Secured Party's option, and may endorse the Debtor's name on any and all cheques, commercial paper, and any other instruments pertaining to or constituting the Collateral.
- 14.05 No delay or omission by the Secured Party 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 Secured Party 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 Secured Party granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.
- 14.06 The Debtor waives protest, notice of protest, notice of presentment and notice of dishonour of any instrument constituting the Collateral at any time held by the Secured Party on which

the Debtor is in any way liable and subject to section 13.07 hereof, notice of any other action taken by the Secured Party.

- 14.07 This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, estate trustees, personal legal representatives, successors and assigns. In any action brought by an assignee of this Agreement and the Security Interest or any part thereof to enforce any rights hereunder, the Debtor shall not assert against the assignee any claim or defence which the Debtor now has or hereafter may have against the Secured Party.
- 14.08 Save for any schedules which may be added hereto pursuant to the provisions hereof, no modification, variation or amendment of any provision of this 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.
- 14.09 Subject to the requirements of section 13.07 hereof, 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 if delivered by mail to the party for whom it is intended at the last known address of such party or if sent by prepaid registered mail addressed to the party for whom it is intended at the last known address of such party. Either party may notify the other pursuant hereto of any change in its address to be used for the purposes hereof.
- 14.10 This Agreement and the security created hereby is in addition to and not in substitution for any other security now or hereafter held by the Secured Party and is and is intended to be a continuing Agreement and shall remain in full force and effect until all Indebtedness contracted for or created, and any extensions or renewals thereof, together with interest accruing thereon shall be paid in full and this Agreement is discharged. If all the Indebtedness has been paid and satisfied and the Debtor has otherwise observed and performed all its obligations under this Agreement and is not then in default hereunder, then the Secured Party shall at the request and expense of the Debtor release and discharge the Security Interest and execute and deliver such deeds and other instruments as shall be requisite therefor.
- 14.11 In this Agreement (a) words denoting the singular include the plural and vice versa and words denoting any gender include all genders; (b) the word "including" shall mean "including, without limitation,;" (c) any reference to a statute shall mean the statute in force as at the date hereof, together with all regulations promulgated thereunder, as the same may be amended, re-enacted, consolidated and/or replaced from time to time, and any successor statute thereto; (d) reference to the Debtor, the Secured Party and any other person shall include their respective heirs, estate trustees, personal legal representatives, successors and assigns; (e) the division of this Agreement into separate Sections, Subsections and Schedules, and the insertion of headings is for convenience of reference only and shall not affect the construction or interpretation of this Agreement; (f) the Secured Party's right to give or withhold any consent or approval, make any determination or exercise any discretion shall be exercised by the Secured Party acting reasonably unless otherwise expressly provided, except that following default the Secured Party shall be entitled to exercise the same in its sole discretion; (g) if more than one person is named as, or otherwise becomes liable for or assumes the obligations and liabilities of the Debtor, then the obligations and liabilities of all such persons shall be joint and several; (h) time shall be of the essence; and (i) all obligations of the Debtor in this Agreement will be deemed to be covenants by the Debtor in favour of the Secured Party.
- 14.12 In the event any provisions of this Agreement shall be deemed invalid or void, in whole or in part, by any court of competent jurisdiction, the remaining terms and provisions of this Agreement shall remain in full force and effect.

- 14.13 Nothing herein contained shall in any way obligate the Secured Party to grant, continue, renew, extend time for payment of or accept anything which constitutes or would constitute Indebtedness.
- 14.14 The Security Interest created hereby shall attach when this Agreement is signed by the Debtor and delivered to the Secured Party. The Debtor and the Secured Party acknowledge that value has been given and the Debtor has rights in the Collateral.
- 14.15 The Debtor acknowledges and agrees that in the event it amalgamates with any other company or companies it is the intention of the parties hereto that the term "Debtor" when used herein shall apply to each of the amalgamating companies and to the amalgamated company, such that the Security Interest granted hereby,
- (a) shall extend to "Collateral" (as that term is herein defined) owned by each of the amalgamating companies and the amalgamated company at the time of amalgamation and to any "Collateral" thereafter owned or acquired by the amalgamated company; and
- (b) shall secure the "Indebtedness" (as that term is herein defined) of each of the amalgamating companies and the amalgamated company to the Secured Party at the time of amalgamation and any "Indebtedness" of the amalgamated company to the Secured Party thereafter arising. The Security Interest shall attach to "Collateral" owned by each company amalgamating with the Debtor, and by the amalgamated company, at the time of amalgamation, and shall attach to any "Collateral" thereafter owned or acquired by the amalgamated company when such becomes owned or is acquired.
- 14.16 This Agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the Province of Ontario as the same may from time to time be in effect, including, where applicable, the P.P.S.A.

15. COPY OF AGREEMENT

- 15.01 The Debtor hereby acknowledges receipt of a copy of this Agreement and all financing statements in respect hereof. In the event that the Secured Party pays to the Debtor any penalties pursuant to subsection 46(7) of the P.P.S.A. then the Debtor shall indemnify and hold harmless the Secured Party from all costs, expenses, penalties or charges arising in connection with any action by or on behalf of the Debtor pursuant to subsection 46(7) of the P.P.S.A.

IN WITNESS WHEREOF the Debtor has executed this Agreement as of the 15th day of July, 2022.

9630 ISLINGTON INC.

Per:  _____

Name: Steven Saccoccia

Title: President

I have authority to bind the corporation.

SCHEDULE "A"
(Locations)

1. Business Locations

Block 6, Plan 65M3467, City of Vaughan, Regional Municipality of York, and municipally known as: 9630 Islington Avenue, Vaughan, Ontario

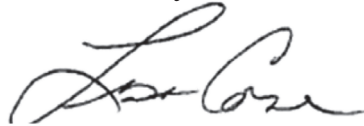
2. Location of Records relating to Collateral

Block 6, Plan 65M3467, City of Vaughan, Regional Municipality of York, and municipally known as: 9630 Islington Avenue, Vaughan, Ontario and/or the registered head office of the Debtor.

3. Locations of Collateral

All present and after acquired Collateral of the Debtor wherever situate.

This is Exhibit "F" referred to in the Affidavit of **Ivan Bogdanovich** SWORN Remotely at the City of Toronto, in the Province of Ontario on April 12, 2024, in accordance with O. Regs. 431/20 Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

LISA S. CORNE (27974M)

LAND
REGISTRY
OFFICE #65

03324-4510 (LT)

PAGE 1 OF 2
PREPARED FOR Marlene01
ON 2024/04/05 AT 08:38:15

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

PROPERTY DESCRIPTION: BLOCK 6, PLAN 65M3467, VAUGHAN.; SUBJECT TO AN EASEMENT AS IN YR2927821

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
ABSOLUTE

RECENTLY:
SUBDIVISION FROM 03324-4504

PIN CREATION DATE:
2000/12/29

OWNERS' NAMES
9630 ISLINGTON 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) **						
NOTE: THE NO DEALINGS INDICATOR IS IN EFFECT ON THIS PROPERTY						
VA23053	1948/03/17	BYLAW				C
		REMARKS: URBAN DEVELOPMENT AREA (AMENDED 97/09/18 AT 11:36 BY JOHN SALTER DLR) ALL PARTS/VARIOUS LANDS				
LT1359494	1999/05/14	NOTICE AGREEMENT		ISLINGTON-RUTHERFORD INVESTMENTS INC.	THE CORPORATION OF THE CITY OF VAUGHAN	C
		REMARKS: ALL/PART VARIOUS LANDS (ADDED 2000/12/29 BY B.WILLSON, ADLR)				
LT1359495	1999/05/14	NO SUB AGREEMENT		ISLINGTON-RUTHERFORD INVESTMENTS INC.	THE CORPORATION OF THE CITY OF VAUGHAN	C
		REMARKS: ALL/PART VARIOUS LANDS (ADDED 2000/12/29 B.WILLSON,ADLR)				
LT1360802	1999/05/20	RESTRICTION-LAND		ISLINGTON-RUTHERFORD INVESTMENTS INC.		C
		REMARKS: NO TRANSFER OR CHARGE WITHOUT CONSENT OF CITY OF VAUGHAN ALL/PART VARIOUS LANDS (ADDED 2000/12/29 BY B.WILLSON,ADLR)				
LT1562293	2000/12/14	NOTICE AGREEMENT		GRECO, ANNA GRECO, LEONARDO	THE CORPORATION OF THE CITY OF VAUGHAN	C
65M3467	2000/12/21	PLAN SUBDIVISION				C
LT1565993	2000/12/21	RESTRICTION-LAND		GRECO, LEONARDO GRECO, ANNA		C
		REMARKS: NO TRANSFER SHALL BE REGISTERED WITHOUT THE CONSENT OF THE CITY OF VAUGHAN				
YR2830447	2018/05/25	LR'S ORDER		LAND REGISTRAR, YORK REGION LAND REGISTRY OFFICE		C
YR2835391	2018/06/07	TRANSFER	\$7,000,000	GRECO, ANNA	9630 ISLINGTON INC.	C
		REMARKS: CONSENT WITH CONTINUANCE PLANNING ACT STATEMENTS.				
YR2927821	2019/02/07	TRANSFER EASEMENT	\$2	9630 ISLINGTON INC.	ROGERS COMMUNICATIONS INC.	C
YR3458270	2022/07/28	CHARGE	\$7,000,000	9630 ISLINGTON INC.	DUCA FINANCIAL SERVICES CREDIT UNION LTD.	C
YR3458279	2022/07/28	NO ASSGN RENT GEN		9630 ISLINGTON INC.	DUCA FINANCIAL SERVICES CREDIT UNION LTD.	C

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

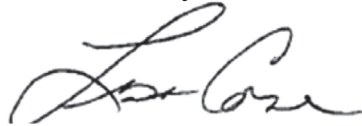
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

03324-4510 (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: YR3458270.				
YR3499741	2022/11/21	CHARGE	\$24,000,000	9630 ISLINGTON INC.	INTACT INSURANCE COMPANY	C
YR3610052	2023/10/19	CONSTRUCTION LIEN	\$297,824	SRN ARCHITECTS INC.		C
YR3620974	2023/11/22	CERTIFICATE		SRN ARCHITECTS INC.		C
		REMARKS: YR3610052				

This is Exhibit “G” referred to in the Affidavit of **Ivan Bogdanovich** SWORN Remotely at the City of Toronto, in the Province of Ontario on April 12, 2024, in accordance with O. Regs. 431/20 Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

LISA S. CORNE (27974M)

Properties

PIN 03324 - 4510 LT *Interest/Estate* Fee Simple
Description BLOCK 6, PLAN 65M3467, VAUGHAN.; SUBJECT TO AN EASEMENT AS IN YR2927821
Address 9630 ISLINGTON AVENUE
 WOODBRIDGE

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 9630 ISLINGTON INC.
Address for Service 8740 Jane Street, Unit 1, Vaughan,
 Ontario, L4K 0E7

A person or persons with authority to bind the corporation has/have consented to the registration of this document.

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

Chargee(s)*Capacity**Share*

Name INTACT INSURANCE COMPANY
Address for Service 700 University Avenue, Toronto, Ontario, M5G 0A1

Statements

The Corporation of the City of Vaughan, has consented to the registration of this document, subject to the continuance of registration number LT1360802 registered on 1999/05/20

Provisions

Principal \$24,000,000.00 *Currency* CDN
Calculation Period
Balance Due Date
Interest Rate See Schedule
Payments
Interest Adjustment Date
Payment Date
First Payment Date
Last Payment Date
Standard Charge Terms N/A
Insurance Amount Full insurable value
Guarantor

Additional Provisions

See Schedules

Signed By

Domenico Carmelo Stefano Presta 9100 Jane St., 3rd Floor, Building acting for Signed 2022 11 21
 A Chargor(s)
 Vaughan
 L4K 0A4

Tel 905-738-1078

Fax 905-738-0528

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

Submitted By

BIANCHI PRESTA LLP 9100 Jane St., 3rd Floor, Building A 2022 11 21
 Vaughan
 L4K 0A4

Tel 905-738-1078

Fax 905-738-0528

095

LRO # 65 Charge/Mortgage

Registered as YR3499741 on 2022 11 21 at 16:31

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

yyyy mm dd Page 2 of 11

Fees/Taxes/Payment

Statutory Registration Fee	\$69.00
Total Paid	\$69.00

File Number

Chargor Client File Number :	22DP8278
Chargee Client File Number :	THE MARQUIS - BOND# 94564460

COLLATERAL MORTGAGE

In pursuance of the *Short Form of Mortgages Act*

Dated: November 7, 2022

Chargor: 9630 ISLINGTON INC.

Chargee: INTACT INSURANCE COMPANY

Principal Sum: TWENTY-FOUR MILLION _____ DOLLARS (\$24,000,00000)

Re: Indemnity Agreement dated as of November 7, 2022, between the Chargor, the Chargee and others (the "Indemnity Agreement")

COLLATERAL SECURITY AS TO DEBT AND NOMINAL INTEREST RATE

1. (a) FOR VALUE RECEIVED, the Chargor hereby acknowledges and agrees that this Charge is given as continuing collateral security for the payment of all amounts from time to time payable by the Chargor to the Chargee under the Indemnity Agreement (which sums are hereinafter referred to as the "Indebtedness" or the "Principal Sum"). This Charge is given in addition to and not in substitution for any other security held by the Chargee for the Indebtedness. The said Principal Sum shall become due and payable on demand by the Chargee at the Chargee's office as designated in paragraph 20 and the Chargor shall pay interest on the Principal Sum both before and after default as well as before and after judgment at the rate of eighteen (18%) per centum per annum, calculated semi-annually and payable monthly with interest on overdue interest payable in the same manner and at the same rate until such time as the Principal Sum is paid in full.
- (b) In addition to paragraph 1 (a) above, this Charge is given as continuing collateral security for the payment of monies and the performance of obligations of and by the Chargor under a commitment letter dated October 18, 2022, and accepted by the Chargor on October 20, 2022, (the "Commitment Letter"). The provisions of the Commitment Letter are incorporated herein and form part hereof. In the event of any inconsistency or contradiction between the Commitment Letter and this Charge, the applicable provision of the Commitment Letter shall prevail.

SECURITY

2. As security for the due payment of all monies payable hereunder, the Chargor hereby:
 - (a) mortgages and charges as and by way of a fixed and specific mortgage and charge to and in favour of the Chargee, its successors and assigns its interest in the lands and premises now owned by the Chargor and described or referred to on Page 1 of this Charge to which this Schedule "2" is attached (the "Property"), including all appurtenances, buildings and fixtures now or hereafter situate thereon;
 - (b) mortgages and charges in favour of the Chargee, its successors and assigns its interest in the agreements to lease and leases, both present and future (the "Leases") relating to the Property, including all rents and monies payable under the Property and any extensions or renewals thereof (the "Rents") and including the benefit of all covenants, stipulations and provisions contained in the Leases;

all of such mortgages and charges hereby constituted being sometimes collectively called the "Security" and the subject matter of the Security being sometimes called the "Charged Premises".

TERM AND DEFEASANCE:

3. This Charge is to be void upon the payment of the sum of the Principal Sum, in lawful money of Canada, and all of such other sums as the Chargee may be entitled to by virtue of these presents; and is payable on demand; and all taxes and performance of statute labour, and observance and performance of all covenants, provisos and conditions herein contained.

FURTHER ASSURANCES

4. The Chargor hereby covenants and agrees that it will at all times do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered all such further acts, pledges, deeds, mortgages, hypothecs, transfers, assignments and assurances in law or equity as the Chargee may reasonably require for the better assuring, mortgaging, hypothecating, charging, transferring, assigning and confirming unto the Chargee and for perfecting the security interests hereby created in the undertaking, property and assets hereby mortgaged and charged or intended so to be or which the Chargor may hereafter become bound to mortgage, hypothecate, transfer, assign and charge in favour of the Chargee and for the better accomplishing and effectuating of this Charge.

5. The Chargor covenants and agrees with the Chargee that:

- (a) The Chargor shall keep the Property in good condition and repair such that the value of the Property is not materially adversely affected in any way.
- (b) The Chargor shall pay the principal, interest and all other monies properly due and owing under the Indemnity Agreement and secured by this Charge and will pay or cause to be paid as they fall due all taxes, rates and assessments, municipal, local, parliamentary and otherwise, which now are or may hereafter be imposed, charged, or levied upon the Property and further, to deliver to Chargee on an annual basis, evidence of payment of realty taxes by the Chargee.
- (c) The Chargor shall comply with all governmental, statutory or regulatory requirements and any permitted encumbrances related to the Property.
- (d) The Chargor shall permit the Chargee, whenever the Chargee deems it necessary, by its agent to enter upon and inspect the Property.
- (e) The Chargor will at its own expense forthwith insure, if not already so insured, and during the continuance of this Charge keep insured in the name of the Chargor, with loss payable to the Chargee as its interest may appear, the Property and each and every building, structure, erection, improvement, fixture or replacement thereof, including without limiting the generality of the foregoing, all plant, equipment, apparatus, machinery and fixtures of every kind and nature whatsoever now on the Property but which may hereafter be erected thereon, both during erection and thereafter (all of the foregoing being collectively the "Premises") in such amounts as the Chargee may from time to time specify but in any event in an amount not less than the full insurable replacement value thereof on a completed value basis, in lawful money of Canada, with a company or companies and by a policy or policies of insurance approved by the Chargee, against all risks of direct physical loss with only such exclusion as the Chargee may approve and, in addition, without limiting the generality of the foregoing, the Chargor shall maintain rental insurance, boiler insurance and insurance against liability imposed for damages, loss or injury to or death of persons or for damage to or loss of property of any person, in such amounts as will in the opinion of the Chargee reasonably protect the Chargor against such losses. If the Property has no insurable structures thereon such insurance will not be required. Such insurance shall, during the course of construction, be in builders "all risk" course of construction form. Such insurance policy shall either be without co-insurance or have a stated or stipulated amount co-insurance clause for an amount equal to the principal amount secured pursuant to this Charge, together with the principal amount of any permitted prior encumbrances. All policies of insurance required hereby shall contain "mortgage clauses" in favour of the Chargee in a form approved by the Chargee acting reasonably.
- (f) The Chargor shall maintain its corporate existence, and further shall promptly provide written notice to the Chargee of any default respecting any obligations or liabilities of the Chargor.
- (g) The Chargor shall promptly pay the full amount of:
 - (i) all liens, charges and encumbrances upon the Charged Premises;
 - (ii) all reasonable charges or expenses of the Chargee in inspecting, protecting or valuating the property at any time after realization proceedings have been commenced; and
 - (iii) all costs, fees and disbursements secured by this charge.
- (h) The Chargor will pay or cause to be paid as soon as the same are due all claims and demands of contractors and materialmen and all wages, salaries, holiday pay, Worker's Compensation assessments or other charges of any nature or kind (collectively the "Claims"), which could in the circumstances constitute a lien or charge having priority over this Charge or any future advance to be secured by this Charge and the Chargor will from time to time on demand provide the Chargee with such books, payrolls, or other records, receipts, certificates and declarations as the Chargee may deem necessary to satisfy itself that the Claims have been paid as soon as the same are due.
- (i) The Chargor shall forthwith on the happening of any loss or damage, furnish at its own expense all necessary proofs and do all necessary acts to enable the Chargee to obtain payment of the insurance monies; and any insurance monies received may, at the option of the Chargee, be applied in rebuilding, reinstating or repairing the Charged Premises or be paid to the Chargor or any other person appearing by the registered title to be or to have been the owner of the said Charged Premises or to be applied or paid partly in one way and partly in another, or may be applied, in the sole discretion of the Chargee, in whole or in part, on the principal and interest or other monies owing under this Charge then due, or any part thereof, whether due or not then due, notwithstanding any law, equity or statute to the contrary, all rights and benefits of the Chargor thereunder being hereby expressly waived.
- (j) The Chargor, immediately upon obtaining knowledge of the institution of any proceedings for the expropriation of the Charged Premises, or any part thereof, will notify the Chargee of such proceedings. If the Charged Premises, or any part thereof is taken or damaged in or by such expropriation proceedings or otherwise, the award or compensation payable to the Chargor shall be paid and is hereby assigned to the Chargee.
- (k) The Chargor, within ten (10) days after receipt of the request to do so, shall certify to the Chargee or any person designated by the Chargee the amount of principal then due hereunder, the date to which interest is paid, that it has no right of set-off against the monies due hereunder, or if it has such a right of set-off, the amount thereof, and that there have been no amendments hereto or, if there has been any such amendment, specifying it. The Chargee shall, upon request, provide mortgage statements to the Chargor within ten (10) days after receipt of such request.
- (l) The Chargor shall obey or cause to be obeyed all laws, rules, regulations and by-laws, whether federal, provincial or municipal, which in any way relate to the Charged Premises or the use thereof.

(m) All representations and warranties herein shall remain true and of full force and effect throughout the entire term of this Charge.

- (n) The Chargor shall keep the Charged Premises in good condition and repair according to the nature and description thereof respectively, and that the Chargee may, whenever it deems it necessary, by its agent enter upon and inspect the Property and the Charged Premises and make such repairs as it deems necessary, and the reasonable cost of such inspection and repairs with interest at the rate or rates aforesaid shall be added to the monies secured by this Charge and be payable forthwith and be a charge upon the Property prior to all claims thereon subsequent to these presents. If the Chargor shall neglect to keep the Charged Premises in good condition and repair, or commit or permit any acts of waste on the Charged Premises (as to which the Chargee shall be sole judge) or make default as to any of the covenants, provisos, agreements or conditions contained in this Charge or in any mortgage to which this Charge is subject, all monies hereby secured shall at the option of the Chargee forthwith become due and payable, and in default of payment of same with interest as in the case of payment before maturity the powers of entering upon and leasing or selling hereby given and all other remedies herein contained may be exercised forthwith.
- (o) The Chargor shall not further encumber the Property without the Chargee's prior written consent, such consent not to be unreasonably withheld or unduly delayed.
- (p) The Chargor shall keep the Permitted Encumbrances as defined herein in good standing. "Permitted Encumbrances" are defined in Schedule "A" hereto.
- (q) In the event that the Chargor commits an act of default pursuant to the provisions contained in any encumbrance on the Charged Premises ranking equally with or in priority to this Charge, the Chargor shall be deemed to have committed an event of default hereunder and the Chargee shall be entitled to exercise any and all remedies herein contained.

PROVISOS

6. Neither the preparation, execution nor registration of this indenture shall bind the Chargee to advance the money hereby secured, nor shall the advance of a part of the monies hereby secured bind the Chargee to advance any unadvanced portion thereof, but nevertheless the estate hereby conveyed shall take effect forthwith upon the execution and delivery of these presents by the Chargor, and the expenses of the examination of the title and of this Charge and of valuation are to be secured hereby in the event of the whole or any balance of the principal sum not being advanced, the same to be a charge hereby upon the Property, and shall be without demand therefor, payable forthwith with interest at the rate or rates provided for in this Charge, and in default, the Chargee's power of sale hereby given, and all other remedies hereunder shall be exercisable.

OUTSTANDING TAXES

7. The Chargee may, at its option, deduct from any advance of the monies secured by this Charge an amount sufficient to pay any taxes which have become due and payable as at the date of such advance. The Chargor shall transmit to the Chargee the copies of the tax bills and other notices affecting the imposition of taxes forthwith after the receipt of same by the Chargor.

ASSIGNMENT OF CHARGE BY CHARGEES

8. The Chargee, without the consent of the Chargor, may assign in whole or in part, this Charge and the benefit of all covenants of the Chargor as therein and herein contained, provided that the security and obligations to which this Charge is collateral is also assigned.

DISCRETION OF CHARGEES RESPECTING TERMS UNDER CHARGE

9. The Chargee, in its discretion and with the consent of the Chargor, may enter into an agreement with the Chargor or with anyone who has assumed this Charge to grant an extension of time; or to change the rate of interest; or to alter in any way the terms of payment of this Charge; or take any additional security, or waive the performance of any covenant herein; and may compound with or release the Chargor or anyone claiming under the Chargor or any other person or persons liable hereunder; or surrender, release or abandon or omit to perfect or enforce any security, remedy or proceeding which the Chargee may now or hereafter hold or have; and may take, acquire or discharge either with or without payment part or all of the said Property and may apply all monies received from the Chargor or others or from any security upon such part of the monies hereby secured as the Chargee may think best, without prejudice to or in any way limiting or lessening the liability of the Chargor, any guarantor or any other person liable for payment. The Chargee shall incur no liability to any person by reason of anything aforesaid, and any agreement or liability aforesaid shall continue in full force as long as any money remains unpaid on this Charge, but the Chargee shall not be bound to exhaust its recourses against the Chargor or other parties, or the security it may hold, before being entitled to payment from any guarantor of the amounts secured hereby.

REAL ESTATE COVENANTS

10. (a) The implied covenants deemed to be included in the mortgage under sub-section 7(1) of the Land Registration Reform Act, 1984 shall be and are hereby expressly excluded and replaced by the schedule which are covenants by the Chargor and the Chargor's successors with the Chargee and the Chargee's successors and assigns.
- (b) The Chargor covenants that it has good registered title in fee simple to the Property and has the right to charge the Property to the Chargee as herein provided.
- (c) On default the Chargee shall have quiet possession of the Property free from all encumbrances, except as disclosed by the records of the land registry office.

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(b) The Chargor has done no act to further encumber the Property, except as disclosed by the records of the land registry office.

DISTRESS

11. The Chargee may distrain for arrears of interest. The Chargee may distrain for arrears of principal in the same manner as if the same were arrears of interest.

SECURITY WITH RESPECT TO LEASES AND RENTS

12. (a) Nothing herein contained shall be deemed to have the effect of making the Chargee responsible for the collection of the Rents or any part thereof or for the performance of any covenants, terms and conditions either by the lessor or by the lessee contained in the Leases and the Chargee shall not by virtue of these presents be deemed a mortgagee in possession of the Property or any of them and that this mortgage shall not of itself create the relationship of landlord and tenant between the Chargee and any lessee.
- (b) The Chargee shall be liable to account for only such monies as shall actually come into its hands by virtue of these presents and that such monies when received by the Chargee shall be applied on account of the monies from time to time due under the primary instruments of indebtedness.
- (c) Nothing herein contained shall be deemed to be a consent on the part of the Chargee to the payment of rent in advance by the lessees or to an alteration of the terms of the Leases without the consent of the Chargee, whether or not a demand has occurred provided that the Chargor is acting in the normal course of its business.
- (d) The Chargee may waive any default or breach of covenant herein and shall not be bound to serve any notice upon the lessees upon the happening of any default or breach of covenant but any such waiver shall not extend to any subsequent default or breach of covenant.
- (e) Until default, the Chargor shall be entitled to receive the Rents and shall not be liable to account therefor to the Chargee; provided, however, after such demand the Chargee shall be entitled to collect all rents falling due subsequent to the date of service of the notice of demand.

DEFAULT

13. (a) If default shall be made in payment of any sum to become due for interest at any time appointed for payment thereof as aforesaid, compound interest shall be payable and the sum in arrears for interest from time to time, as well after as before maturity, shall bear interest at the rate or rates aforesaid, and in case the interest and compound interest are not paid within one month from the date of default, a rest shall be made and compound interest at the rate or rates aforesaid shall be payable on the aggregate amount then due, as well after as before a maturity and so on from time to time, and all such interest and compound interest shall be a charge upon the Property.
- (b) On default of payment for at least fifteen (15) days, the Chargee may on at least thirty-five (35) days' notice enter on and lease the Property or on default of payment for at least fifteen (15) days may on at least thirty-five (35) days' notice sell the Property. Such notice shall be given to such persons and in such manner and form and within such time as provided in the Mortgages Act (Ontario), as amended, and in accordance with paragraph 15 hereof. Provided further, without prejudice to the statutory powers of the Chargee under the foregoing, that in case default be made in the payment of the said principal or interest or any part thereof and such default continues for two (2) months after any payment of either falls due, then the Chargee may exercise the foregoing powers of entering, leasing or selling or any of them without any notice, it being understood and agreed, however, that if the giving of notice by the Chargee shall be required by law, then notice shall be given to such persons and in such manner and form and within such time as is so required by law. The whole or any part or parts of the Property may be sold by public auction or private contract or partly one or partly the other, and the proceeds of any sale hereunder may be applied in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the Property or by reason of non-payment or procuring payment of monies secured hereby or otherwise. The Chargee may sell the Property or any part thereof on such terms as to credit and otherwise as shall appear to it most advantageous and for such prices as can reasonably be obtained therefor and make any stipulations as to title or evidence or commencement of title or otherwise which it shall deem proper, and may buy in or rescind or vary and contract for the sale of the whole or any part of the Property and resell without being answerable for loss occasioned thereby, and in the case of a sale on credit, the Chargee shall be bound to pay the Chargor only such monies as have been actually received from purchasers after the satisfaction of the claims of the Chargee and for any of the said purposes may make and execute all agreements and assurances as it shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease hereunder.

RECEIVER

14. The Chargee may by writing under the hand of any solicitor or agent authorized on its behalf, upon any default whatsoever on the part of the Chargor in payment of any principal, interest or any other monies owing hereunder, or in the observance of any of the covenants and conditions herein contained, appoint a Receiver or Manager, or Receiver and Manager, or Receiver-Manager (the "Receiver") of the Property or any portion thereof, and every such Receiver shall be deemed the agent of the Chargor, and the Chargor shall be solely responsible for the acts or defaults of the Receiver save and except for fraud and wilful misconduct and the Receiver shall have power to demand, recover and receive all the income of the Property of which he may be appointed Receiver, by action, distress or otherwise, either in the name of the Chargor or the Chargee, and may give effectual receipts therefor. Every such Receiver may in writing at the discretion of the Chargee complete the construction of any uncompleted structure substantially in accordance with the Chargor's plans and specifications respecting the Property or carry on the business of the Chargor relating to the said Property or any part thereof and may exercise all the powers

conferred upon the Chargee hereunder. The Receiver may be removed in which case and if any Receiver dies or refuses to act or becomes incapable of acting, a new Receiver may be appointed from time to time by the Chargee by writing under the hand of any authorized solicitor or agent as aforesaid. The Chargee may from time to time fix the remuneration of every such Receiver and may recompense every such Receiver for his disbursements properly incurred in carrying out his duties, and his fees and such payments shall be a charge upon the Property, shall be payable on demand and shall bear interest at the rate or rates hereunder. The Chargee shall not be deemed to be a mortgagee in possession and shall not be accountable except for the monies actually received by it, and the person paying money to or in any way dealing with the Receiver shall not be concerned to enquire whether any cause has happened to authorize the Receiver to act. Subject to the retention of his remuneration and disbursements as aforesaid, the Receiver shall apply all monies received by him in such of the following modes and in such order or priority as the Chargee may from time to time at its option direct in writing, namely, in discharge of all rents, taxes, assessments and outgoings whatsoever affecting the said Property; and in payment of any amounts due under any mortgage or lien; and in payment of any premiums on fire or other insurance, if any, properly payable under this Charge, payment of which is directed or confirmed in writing by the Chargee; and in payment of the costs of executing necessary or proper repairs to the said Property or any part hereof, directed or confirmed in writing by the Chargee; and in payment of the costs of carrying out or executing any of the powers, duties or discretions which vest in or may be vested in the Receiver by reason of the provisions contained in this sub-paragraph; and in payment of the interest accruing due under this Charge, and in or towards the discharge of the principal money or any instalments under this Charge, if and to the extent directed in writing by the Chargee; and shall pay the residue, if any, out of the money received by him to the person who but for the possession of the Receiver would have been entitled to receive the income of which he is appointed Receiver.

REMEDIES CUMULATIVE

15. No remedy herein conferred upon or reserved to the Chargee is intended to be exclusive of any other remedy or remedies hereunder or under any security collateral hereto, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given by this Charge or any other security collateral hereto or now or hereafter existing at law or in equity or by statute. Every power and remedy given by this Charge to the Chargee may be exercised from time to time as often as may be deemed expedient by the Chargee.

DISCHARGE

16. Upon full satisfaction of all principal, interest and other monies secured hereby and the due performance of all covenants herein by the Chargor, the Chargee shall, within a reasonable time thereafter, execute a discharge of this Charge. All legal and other expenses for the preparation, execution and registration of such discharge shall be borne by the Chargor.

SEVERABILITY

17. If any one or more of the provisions contained in this Charge shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any or all other provisions of this Charge, and this Charge shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

DUE ON SALE, TRANSFER

18. In the event the Chargor sells, conveys, transfers or assigns the Property to a purchaser, transferee or an assignee, without first obtaining the consent of the Chargee in writing, at the option of the Chargee all monies secured by the within Charge shall become due and payable upon demand. A sale to an arms length purchaser of a unit to be constructed on the Property is not deemed to be a transfer or assignment within the meaning of this provision.

NO FURTHER CHARGE/ENCUMBRANCE

19. In the event that the Chargor further charges, mortgages or encumbers the Property in any way without first obtaining the written consent of the Chargee, then at the option of the Chargee all monies secured by this Charge shall become due and payable on demand.

NOTICE

20. Any and all written notices or written communications given or required to be given to a party hereunder may be delivered or, provided postal services shall not be interrupted, mailed by registered mail or sent by telegraph, telex or similar telecommunication device, and shall be deemed: (i) in the case of delivery to such party to have been duly given when the same is personally delivered to an officer of such party; (ii) if addressed to such party at its address for service as set forth on the first page of this document.

(a) in the case of dispatch by registered mail, to have been duly given at 5:00 in the afternoon (local time of the sender) on the second day after the day the same was deposited with the post office (or the first business day thereafter if such second day is a holiday or other non-business day); and

(b) in the case of dispatch by telegraph, telex or similar telecommunication device, to have been given the day after the day on which it is deposited for dispatch in a public office for organization of such telegram, telex or similar telecommunication device or the business day after the day on which it is dispatched if dispatched by means of private telex or other telecommunication device.

For the purposes of the foregoing, the address for notice of each of the parties hereto shall, until changed by notice in writing by such party to the other parties, be as set out on the first page of the Charge to which this Schedule is attached.

NON-MERGER

21. It is agreed that the taking of this security shall not operate as a merger of the remedies of the Chargee for payment of the Indebtedness of the Borrower or of the remedies of the Chargee under the Commitment Letter, and notwithstanding these presents and anything herein contained the said remedies shall remain intact and be capable of enforcement against the Chargor and all other persons liable in respect thereof in the same manner and to the same extent as if these presents had not been executed, and that these presents are and shall be a continuing security to the Chargee for the amount of the Indebtedness and interest thereon, and that this Charge shall be deemed to be taken as security for the ultimate balance of the Indebtedness.

APPLICATION OF PROCEEDS

22. And it is further agreed that any and all payments made in respect of any monies hereby secured and the monies or other proceeds realized from any securities held therefor (including this Charge) may be applied, and re-applied notwithstanding any previous application, on such part or parts of the said liability under the Commitment Letter as the Chargee may see fit.

PARTIAL DISCHARGES

23. Provided that this Charge is in good standing, the Chargor shall have the privilege of obtaining from the Chargee, without payment therefor, partial discharge (s) of part or parts of the Property as set out and for the purposes stated in Schedule "B" hereto.

PLANNING ACT COMPLIANCE

24. Provided that the Chargee may at its discretion, subject to the provisions of the Planning Act, R.S.O.1990, Chapter P.13, at all times release any part or parts of the said lands either with or without any sufficient consideration therefor, without responsibility therefor and without thereby releasing any other part of the said lands or any person from this Charge or from any of the covenants herein contained and without being accountable to the Chargor for the value thereof or for any money except that actually received by the Chargee; it being expressly agreed that every part or lot into which the charged lands are or may hereafter be divided does and shall stand charged with the whole money secured; and that the Chargee may grant time, renewals, extensions, indulgences, releases and discharges to, may take securities from and give the same and any and all existing securities up to, may abstain from taking securities from or from perfecting securities of, may accept compositions from, and may otherwise deal with the Chargor and all other persons and securities as the Chargee may see fit without prejudicing the rights of the Chargee under this Charge.

SALE OF EQUITY OF REDEMPTION

25. Provided that no sale or other dealing by the Chargor with the equity of redemption in the said lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of money hereby secured.

QUIET POSSESSION PRIOR TO DEFAULT

26. Provided that until default the Chargor shall have quiet possession of the Property.

INTERPRETATION

27. In construing these presents the word "Chargor" and the personal pronoun "he" or "his" relating thereto and used therewith, shall be read and construed as "Chargor" or "Chargors", "he", "she", "it" or "they" and "his", "her", "its" or "their" respectively, as the number and gender of the person or persons 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; all rights, advantages, privileges, immunities, powers and things hereby secured to the Chargee shall be equally binding upon the Chargor's heirs, executors, administrators and assigns or successor and assigns as the case may be; all such covenants, liabilities and obligations shall be joint and several; time shall be of the essence hereof; the headings herein shall not be a guide to the interpretation of this Charge and shall not define, restrict or limit any term or provision hereof, and all provisions hereof shall have effect notwithstanding any statute to the contrary.

SHORT FORM OF MORTGAGES ACT

28. If any of the form of words contained herein are substantially in the form of words contained in Column One of Schedule B of the Short Form of Mortgages Act, R.S.O. 1980, c. 474 and distinguished by a number therein, this Charge shall be deemed to include and shall have the same effect as if it contained the form of words in Column Two of Schedule B of the said Act distinguished by the same number, and this Charge shall be interpreted as if the Short Forms of Mortgages Act were still in full force and effect.

RECEIPT


29. The Chargor acknowledges having received a true copy of this Charge.

HEADINGS

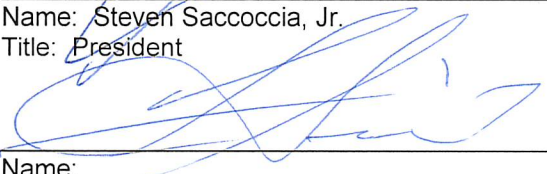
30. The headings of the paragraphs hereof are inserted for convenience of reference only and shall not affect the interpretation or construction of this Charge.

IN WITNESS WHEREOF the Chargor has caused this Charge to be executed under its corporate seal by its duly authorized officers in that behalf on the date noted on page one of Schedule "2" hereof.

9630 ISLINGTON INC.

Per: 

Name: Steven Saccoccia, Jr.
Title: President

Per: 

Name:
Title:

I / We have the authority to bind the corporation.

SCHEDULE "A"

PERMITTED ENCUMBRANCES

DUCA FINANCIAL SERVICES CREDIT UNION LTD. – first charge in the amount of \$7,000,000.00 registered on July 28, 2022 as Instrument Number: YR3458270, together with Notice of General Assignment of Rents No. YR3458279.

Provided that the Chargor when not in default hereunder shall have the privilege of obtaining from the Chargee upon ten (10) business days' notice therefor, the consent in writing of the Chargee or, where applicable, (1) partial discharges of this Charge or such portions of the lands described hereunder as are required by the Chargor to be dedicated or conveyed to any municipal or governmental authority or agency including road or park dedications; and (2) all documents which may be reasonably required by the Chargor for the purposes of servicing and development of the subject lands including, postponements of this Charge, easements, rights of way, subdivision and development agreements, Planning Act proceedings, provided:

1. That the partial discharge(s) and documents referred to herein are in compliance with the part lot control and subdivision control provisions of the Planning Act; and
2. That such partial discharge(s) and consent(s) will not, in the reasonable opinion of the Chargee's counsel or the Chargee, materially or adversely affect this Charge or the value of the lands charged hereunder; and
3. That the Chargee does not incur any liability thereunder; and
4. That any execution of any such partial discharge or other document by the Chargee is to the extent only of its interest in this Charge;
5. That any consideration payable to the Chargor for such partial discharge or other document shall be paid to the Chargee in reduction of the principal and interest owing hereunder.

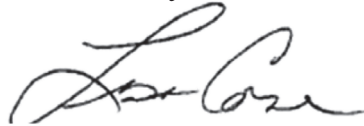
IF APPLICABLE, WITH RESPECT TO A PROPERTY BEING DEVELOPED AS A CONDOMINIUM:

Provided that the Chargor when not in default hereunder shall have the privilege, upon thirty (30) days' notice to the Chargee or obtaining a partial discharge of each proposed unit and ancillary parking and locker units, if any, comprising the subject lands (and each actual unit and ancillary parking and locker units as and when the lands are registered under the Condominium Act) without payment of account of principal provided that the following conditions are all complied with, namely:

1. That the partial discharge(s) referred to herein are in compliance with the part lot control and subdivision control provisions of the Planning Act; and
2. That the subject lands are registered as a condominium under the Condominium Act; and
3. That the Chargor delivers or causes to be delivered to a purchaser of such unit(s) a registrable transfer and conveyance of such unit(s); and
4. That the said purchaser registers or causes to be registered on title such transfer and conveyance; and
5. That the Chargee is furnished with a photocopy of the duplicate registered copy of such transfer and conveyance.

A partial discharge from this Charge of any unit or other lands shall automatically constitute and be a discharge from all security documents (excluding guarantees) as may be registered on the title to the charged lands or as recorded under the Personal Property Security Act.

This is Exhibit “H” referred to in the Affidavit of **Ivan Bogdanovich** SWORN Remotely at the City of Toronto, in the Province of Ontario on April 12, 2024, in accordance with O. Regs. 431/20 Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

LISA S. CORNE (27974M)

Properties

PIN 03324 - 4510 LT *Interest/Estate* Fee Simple
Description BLOCK 6, PLAN 65M3467, VAUGHAN.; SUBJECT TO AN EASEMENT AS IN YR2927821
Address 9630 ISLINGTON AVENUE
 WOODBRIDGE

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 9630 ISLINGTON INC.
Address for Service 8740 Jane Street, Units 1 & 2, Concord,
 Ontario, L4K 0E7

A person or persons with authority to bind the corporation has/have consented to the registration of this document.
 This document is not authorized under Power of Attorney by this party.

Chargee(s)

Capacity

Share

Name DUCA FINANCIAL SERVICES CREDIT UNION LTD.
Address for Service 5255 Yonge Street, 4th Floor, Toronto, Ontario M2N 6P4

Statements

Schedule: See Schedules

The Corporation of the City of Vaughan, has consented to the registration of this document, subject to the continuance of registration number LT1360802 registered on 1999/05/20

The registration of this document is not prohibited by registration LT1565993 registered on 2000/12/21.

In accordance with registration LT1360802 registered on 1999/05/20, The Corporation of the City of Vaughan has consented to the registration of this document. See Schedules

Provisions

Principal \$7,000,000.00 *Currency* CDN
Calculation Period Half-Yearly, not in advance
Balance Due Date On Demand
Interest Rate 24.00 % per annum
Payments
Interest Adjustment Date
Payment Date
First Payment Date
Last Payment Date
Standard Charge Terms
Insurance Amount Full insurable value
Guarantor Steven Saccoccia and Fulvia Saccoccia

Additional Provisions

Steven Saccoccia is a Guarantor under this Charge. His address for service is: 139 Coldspring Road, Kleinburg, Ontario L0J 1C0.

Fulvia Saccoccia is a Guarantor under this Charge. Her address for service is: 200 Fenyrose Crescent, Woodbridge, Ontario L4L 7B1.

Signed By

Lindsay Mitchell Kazdan 1 Adelaide Street E., Suite 801 acting for Signed 2022 07 25
 Toronto Chargor(s)
 M5C 2V9

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

2022 07 28

Tel 416-869-1234

Fax 416-869-0547

Fees/Taxes/Payment

Statutory Registration Fee	\$66.30
Total Paid	\$66.30

File Number

Chargor Client File Number : 10473-115

Chargee Client File Number : 551961073261/551961073303



SCHEDULE TO COLLATERAL MORTGAGES

Any reference to the "Computer Field" in this Charge means a computer data entry field in a charge registered pursuant to Part 111 of the *Land Registration Reform Act* (Ontario) into which the terms and conditions of this Charge may be inserted.

1. **Definitions.** In this Schedule, the following terms shall have the following meanings:
- (a) **"Applicable Laws"** means all applicable federal, provincial or municipal laws, statutes, regulations, rules, by-laws, policies and guidelines, orders, permits, licences, authorizations and approvals.
 - (b) **"Bankruptcy Legislation"** means any present or future bankruptcy or insolvency legislation, including where applicable the *Bankruptcy and Insolvency Act* (Canada) and the *Companies' Creditors Arrangement Act* (Canada).
 - (c) **"Business Day"** means any day other than a Saturday, Sunday or any statutory or civic holiday observed in the Province of Ontario.
 - (d) **"Charge"** means the charge prepared in the electronic format and registered electronically pursuant to Part 111 of the LRRRA, including this Schedule and any other schedules thereto.
 - (e) **"Chargee"** means DUCA Financial Services Credit Union Ltd.
 - (f) **"Chargor"** means the person or persons indicated in the Computer Field of the Charge entitled **"Chargor(s)"**.
 - (g) **"Costs"** means all fees, costs, charges and expenses of the Chargee of and incidental to (a) the negotiation, preparation, execution and registration of the Charge and any other instruments connected therewith and every renewal or discharge thereof; (b) the collection of any amounts payable hereunder, enforcement of any covenants contained herein and the realization of the security herein contained; (c) procuring or attempting to procure payment of any Indebtedness or any other amounts due and payable hereunder including foreclosure, power of sale or execution proceedings commenced by the Chargee or any other party; (d) any inspection required to be made of the Mortgaged Premises, or review of plans, specifications and other documentation which may require the approval or consent of the Chargee; (e) all repairs and replacements required to be made to the Mortgaged Premises; (f) the Chargee having to go into possession of the Mortgaged Premises and secure, complete and equip the Fixtures or Improvements in any way in connection herewith; and (g) solicitors' costs, charges and expenses relating to any of the foregoing and any necessary examination of title to the Mortgaged Premises. For greater certainty, Costs shall (i) extend to and include legal costs incurred by the Chargee; (ii) be payable forthwith by the Chargor; and (iii) be a charge on the Mortgaged Premises. Costs include interest at the highest interest rate applicable to the Indebtedness on all such fees, costs, charges and expenses.
 - (h) **"Event of Default"** has the meaning ascribed thereto in Section 12.
 - (i) **"Fixtures"** includes all fixtures, buildings, erections, appurtenances, plants and improvements, fixed or otherwise, now or hereafter put on the Lands, including all fences, furnaces, oil burners, water heaters, electric light fixtures, window blinds, screen and storm doors and windows, and all air-conditioning, plumbing, cooling, ventilating, cooking, refrigeration and heating equipment and all other apparatus and equipment appurtenant to the Mortgaged Premises.
 - (j) **"Improvement"** includes any construction, installation, alteration, addition, repair or demolition to any part of the Mortgaged Premises.
 - (k) **"Indebtedness"** means all obligations, debts and liabilities, whether present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed now or at any time hereafter owing by the Chargor to the Chargee, whether as principal or surety, whether alone or jointly with any other person and in whatever name, style or form, whether otherwise secured or not and whether arising from dealings between the Chargee and the Chargor or from other dealings or proceedings by which the Chargee may become a creditor of the Chargor and whether the same are from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again, and all interest, compound interest, damages and Costs, and all premiums of insurance upon the Improvements and Fixtures, Taxes and other amounts paid by the Chargee in accordance with the provisions of this Charge.
 - (l) **"LRRRA"** means the *Land Registration Reform Act* (Ontario)
 - (m) **"Lands"** means the lands and premises described in the Computer Field of the Charge entitled **"Properties"**.
 - (n) **"Lien"** means any mortgage, charge, pledge, hypothec, assignment, lien, lease, sublease, easement, preference, priority, trust or other security interest or encumbrance of any kind or nature whatsoever with respect to any property or asset, including any title reservations, limitations, provisos or conditions.
 - (o) **"Mortgaged Premises"** means the Lands, Fixtures and Improvements.
 - (p) **"Permitted Encumbrances"** means (a) Liens for Taxes not at the time due; and (b) any other Liens disclosed by the registered title to the Lands provided the same (i) do not, in the Chargee's opinion, in the aggregate, materially impair the development, management, ownership, operation, value or marketability of the Mortgaged Premises or any part thereof; (ii) are materially complied with by the Chargor and the Mortgaged Premises; and (iii) do not, in the Chargee's opinion, pose any threat to the Mortgaged Premises.



- (q) "person" means any individual, general or limited partnership, joint venture, sole proprietorship, corporation, unincorporated association, trust, trustee, estate trustee, legal representative or governmental authority.
 - (r) "Prime" and "Prime Rate" when referred to in the Computer Field of the Charge entitled "Interest Rate" means the annual rate of interest announced from time to time by DUCA Financial Services Credit Union Ltd. as a reference rate then in effect for determining interest rates on Canadian dollar commercial loans in Canada and designated by the Chargee as its prime rate.
 - (s) "Principal Amount" means the amount indicated in the Computer Field of the Charge entitled "Principal".
 - (t) "Receiver" shall include one or more of a receiver and a receiver and manager of all or any portion of the Mortgaged Premises appointed by the Chargee pursuant to this Charge.
 - (u) "Taxes" means all taxes, rates and other impositions whatsoever which are now or may hereafter be imposed, charged or levied by any authority creating a lien or charge on the Mortgaged Premises or any part thereof.
 - (v) "Transfer" means (a) any conveyance, assignment, transfer, sale, granting or creation of an option or trust with respect to, or other disposition of (directly or indirectly, voluntarily or involuntarily, by operation of law or otherwise, and whether or not for consideration or of record) any legal or beneficial interest in the Mortgaged Premises or any part thereof; or (b) any change in the effective voting control of any person comprising the Chargor or any beneficial or unregistered owner of any part of the Mortgaged Premises from that existing as of the date of this Charge (including any change of ownership of 50% or more of the voting securities representing an interest in any such person) and shall include any agreement to do or complete any of the matters referred to in (a) or (b) above.
2. **Implied Covenants.** The implied covenants deemed to be included in the Charge by sections 7(1) 1. iii., and 7(1) 2. of the LRRRA are hereby varied by deleting therefrom the words "except as the records of the land registry office disclose" and substituting therefor "except Permitted Encumbrances". The implied covenant deemed to be included in the Charge by section 7(1) l. vii. of the LRRRA is hereby varied to provide that "the Chargor or the Chargor's successors will, before and after default, execute and deliver such further assurances of the Mortgaged Premises and do such other acts, at the Chargor's expense, as may be required by the Chargee". The implied covenants deemed to be included in a charge under section 7(1) of the LRRRA are in addition to and shall not be interpreted to supersede or replace any of the covenants contained in this Charge which are covenants by the Chargor, for the Chargor and the Chargor's successors and assigns with the Chargee and the Chargee's successors and assigns. In the event of any conflict between any of the covenants implied by the LRRRA, and any other covenant or provision contained herein, the covenant or provision contained herein shall prevail.
 3. **Successors.** Notwithstanding the definition of the word "successor" in the LRRRA, the word "successor" as used in this Charge shall include an heir, executor, administrator, estate trustee, personal representative or successor.
 4. **Charge.** In consideration of the sum of \$10.00 and other good and valuable consideration (the receipt and sufficiency whereof are hereby acknowledged by the Chargor) and as a continuing security for the payment to the Chargee of the Indebtedness and to secure the performance of all the obligations of the Chargor hereunder, the Chargor hereby charges the Mortgaged Premises with payment to the Chargee of any ultimate outstanding balance of the Indebtedness due and remaining unpaid and the performance of the Chargor's obligations hereunder, provided that such security shall be limited to the aggregate of the Principal Amount, Costs and any other amounts payable hereunder, and with the powers of sale hereinafter expressed.
 5. **Defeasance.** Provided this Charge to be void upon payment in full on demand of all the Indebtedness and the performance in full of all the obligations of the Chargor hereunder up to a maximum amount of the aggregate of the Principal Amount, Costs and any other amounts payable hereunder, together with Taxes and performance of statute labour, and observance and performance of all covenants, provisos and conditions herein contained.
 6. **Demand.** In the event that the Chargor is called upon to pay any Indebtedness in accordance with its terms or if any Event of the Default has occurred which has not been remedied, the Chargor shall be obligated to pay and the Chargee shall be entitled to forthwith make demand for payment of all such Indebtedness and any other monies secured hereby.
 7. **Covenants of Chargor.** The Chargor hereby covenants, agrees and declares as follows:
 - (a) The Chargor has good title in fee simple to the Mortgaged Premises free of all encumbrances other than the Permitted Encumbrances.
 - (b) The Chargor has the right to convey the Mortgaged Premises to the Chargee.
 - (c) On default, the Chargee shall have quiet possession of the Mortgaged Premises, free from all encumbrances other than the Permitted Encumbrances.
 - (d) The Chargor will execute at the Chargor's expense such further assurances of the Mortgaged Premises as may be requisite.



- (e) The Chargor has done no act to encumber the Mortgaged Premises, except the Permitted Encumbrances.
 - (f) The Chargor shall pay as they fall due all Permitted Encumbrances and Taxes and shall not suffer any construction, statutory or other liens or rights of retention, other than Permitted Encumbrances, to remain outstanding upon any of the Mortgaged Premises. The Chargor shall, within one month from the date fixed for payment of the last instalment of Taxes in each year, furnish the Chargee, if requested by it, with receipted tax bills showing all such Taxes for the year have been paid in full.
 - (g) The Chargor will insure, with insurance companies satisfactory to the Chargee, the Mortgaged Premises to the amount of not less than their full replacement cost in dollars of lawful money of Canada. Such insurance shall have "Extended Coverage" and "Replacement Cost" endorsements and include not only insurance against loss or damage by fire, but also insurance against loss or damage by war, the enemy, explosion, tempest, tornado, cyclone, lightning and such other risks or hazards as the Chargee may reasonably require at any time and from time to time and, if requested by the Chargee, against loss or damage from any other cause with insurers approved by the Chargee, and the Chargor will pay all premiums necessary for such purposes as the same shall become due. The Chargee may require any such insurance to be cancelled and new insurance to be effected with insurance companies satisfactory to the Chargee. The loss under all policies or contracts of insurance shall be payable to the Chargee as mortgagee or as its interest may appear and such policies or contracts shall contain the Insurance Bureau of Canada standard mortgage clause and shall be in terms satisfactory to the Chargee. Evidence of continuation of all such insurance having been effected shall be produced to the Chargee, if requested by it, at least three Business Days before the expiration thereof, otherwise the Chargee may provide therefor and charge the premium paid to the Chargor and the same shall be payable forthwith and shall also be a charge upon the Mortgaged Premises.
 - (h) All Fixtures are and shall, immediately on being placed upon the Mortgaged Premises, become fixtures and a part of the Mortgaged Premises, and form a part of this security; and the Chargor hereby grants and releases to the Chargee all its claims upon the Mortgaged Premises subject to the aforesaid proviso for defeasance.
 - (i) The Chargee may distrain for arrears of interest, if any, and for overdue principal and any other sum payable hereunder. The Chargor waives the right to claim exceptions and agrees that the Chargee shall not be limited in the amount for which it may distrain.
 - (j) The Chargee may make any payment or cure any default under any Permitted Encumbrance and may pay and satisfy the whole or any part of any liens, Taxes, charges or encumbrances now or hereafter existing in respect of the Mortgaged Premises. In the event of the Chargee making any such payment or curing a default or satisfying any such liens, Taxes, charges or encumbrances it shall be entitled to all the equities and securities of the person or persons so paid and is hereby authorized to retain any discharge thereof without registration for so long as it may think fit so to do.
 - (k) The Chargor will keep the Mortgaged Premises in good condition and repair and shall not permit any act of waste to be committed upon the Mortgaged Premises; the Chargee may, whenever it deems it necessary or desirable, by its agent enter upon and inspect the same and in the event of a default hereunder the reasonable cost of such inspection shall be payable by the Chargor to the Chargee. If the Chargor neglects to keep the Mortgaged Premises in good condition and repair or commits or permits any act of waste on the Mortgaged Premises (as to which the Chargee shall be sole judge), the Chargee may make such repairs and replacements as it deems necessary.
 - (l) The Chargor shall diligently and continuously construct in a good and workmanlike manner any unfinished Fixtures and, in the event that any material amount of work is not done on such Fixtures for a period of ten consecutive days, the Chargee or its representatives may enter into the Mortgaged Premises and do any or all work which they may consider necessary or desirable to complete such Fixtures or to protect the same from deterioration.
 - (m) The Chargor shall not make any material Improvement, whether financed by the Chargee or otherwise, without the prior written consent of the Chargee and except in accordance with contracts, plans and specifications approved by the Chargee in writing prior to the commencement of work on the Improvement.
 - (n) The Chargor shall at all times comply with all Applicable Laws relating to it and the Mortgaged Premises, including all applicable zoning by-laws, rent control legislation and construction lien legislation.
8. **Quiet Possession.** Until default of payment, the Chargor shall have quiet possession of the Mortgaged Premises.
9. **Waivers.** The Chargee may waive any breach by the Chargor of any of the provisions contained in this Charge or any default by the Chargor in the observance or performance of any covenant or condition required to be observed or performed by the Chargor hereunder, provided that no such waiver by the Chargee shall extend to or be taken in any manner to affect any subsequent breach or default or the rights resulting therefrom.
10. **Performance of Covenants.** If the Chargor shall fail to perform any covenant on its part herein contained, the Chargee may in its absolute discretion perform any such covenant capable of being



performed by it. If any such covenant requires the payment of money or if the Mortgaged Premises shall become subject to any encumbrance ranking in priority to the lien hereof other than a Permitted Encumbrance, the Chargee may make such payment or pay or discharge such encumbrance, but shall be under no obligation to do so. All sums so paid by the Chargee shall immediately be payable by the Chargor to the Chargee and shall constitute a charge upon the Mortgaged Premises. No such performance or payment shall relieve the Chargor from any default hereunder or any consequences of such default.

11. **Continuing and Additional Security.** The security hereby constituted is a continuing security for the payment of all Indebtedness and the fulfillment of all the obligations of the Chargor hereunder and such security is in addition to any other security now or hereafter held by the Chargee. The taking of any action or proceedings or refraining from so doing, or any other dealings with any other security for the monies secured hereby, shall not release or affect the obligations of the Chargor hereunder or the charges created hereby.
12. **Default.** The security hereby created shall become enforceable in each of the following events (each event being herein called an "Event of Default"):
- (a) if the Chargee shall make an authorized and proper demand for payment of any Indebtedness or any other monies hereby secured and payment in full has not been received by the Chargee within the time limited therefor;
 - (b) if the Chargor defaults in the performance or observance of any other covenant or condition herein contained and such default shall continue for 15 days after written notice thereof to the Chargor by the Chargee;
 - (c) if there is any material misrepresentation or misstatement contained in any certificate or document delivered by the Chargor or any representative of the Chargor to the Chargee in connection with this Charge or the Indebtedness;
 - (d) if a petition is filed under any Bankruptcy Legislation against the Chargor or an authorized assignment made or a Receiver appointed under any Bankruptcy Legislation or by or on behalf of a secured creditor of the Chargor or a proposal made to the creditors of the Chargor under any Bankruptcy Legislation;
 - (e) if any execution, distress, sequestration or any other process of any court becomes enforceable against any of the property of the Chargor, or if a distress or like process is levied upon any of such property;
 - (f) if the Chargor commits any act of bankruptcy;
 - (g) if any portion of the Mortgaged Premises is expropriated by any governmental body or authority which the Chargee (in its sole discretion) considers material;
 - (h) if a Transfer is made or permitted without the prior written consent of the Chargee in its sole discretion; or
 - (i) if a Lien shall be created, issued, incurred or permitted to exist (by operation of law or otherwise and whether prior or subordinate to the security of this Charge) on any part of the Mortgaged Premises or any interest therein (except in favour of the Chargee as security for the Indebtedness) without the prior written consent of the Chargee in its sole discretion.
13. **Remedies.** Upon the happening of any Event of Default, in addition to any other rights or remedies available to it hereunder or at common law or in equity or pursuant to any statute, the Chargee shall have the following rights and powers:
- (a) To enter upon and possess all or any part of the Mortgaged Premises;
 - (b) To preserve and maintain the Mortgaged Premises and make such replacements thereof and additions thereto as it shall deem advisable;
 - (c) On default of payment for at least 15 days the Chargee or its agents or representatives may on giving the notice, if any, required hereby enter on and/or lease the Mortgaged Premises or on default of payment for at least 35 days' notice sell the Mortgaged Premises. In the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable, it is agreed that notice may be effectually given by giving it in accordance herewith; and such notice shall be sufficient although not addressed to any person or persons by name or designation and notwithstanding that any person to be affected thereby may be unknown, unascertained or under disability. The Chargee may sell the Mortgaged Premises or any part thereof by public auction or private sale, for such price as can reasonably be obtained therefor, and on such terms as to credit and otherwise, and with such conditions of sale and stipulations as to title or evidence or commencement of title or otherwise, as it shall in its discretion deem proper, and in the event of any sale on credit or for part cash and part credit, the Chargee shall not be accountable for or charged with any monies until actually received. The Chargee may rescind or vary any contract of sale and may buy in and resell the Mortgaged Premises or any part thereof without being answerable for loss occasioned thereby. No purchaser or lessee shall be bound to inquire into the legality, regularity or propriety of any sale or lease or be affected by notice of any irregularity or impropriety of any kind; and no lack of default or want of notice or other requirement or any irregularity or impropriety of any kind shall invalidate any sale or lease hereunder. The Chargee may sell or lease without entering into actual possession of the Mortgaged Premises and when it desires to take possession it may break locks and bolts and while in possession or upon any



- sale or lease the Chargee shall be accountable only for monies which are actually received by it. Sales may be made from time to time of parts of the Mortgaged Premises to satisfy any portion of the Indebtedness or other sums owing hereunder and leaving the Indebtedness or the residue thereof secured hereunder on the remaining Mortgaged Premises. The Chargor hereby appoints the Chargee its true and lawful attorney and agent to make application under the *Planning Act* (Ontario) and to do all things and execute all documents to effectually complete such sale. The Chargee may lease or take sale proceedings hereunder notwithstanding that other mortgage proceedings have been taken or are then pending; and
- (d) To appoint by instrument any person or persons to be a Receiver of all or any portion of the undertaking, property and assets of the Chargor forming the Mortgaged Premises and all rents, issues, incomes and profits to be derived therefrom, to fix the Receiver's remuneration and from time to time to remove any Receiver so appointed and appoint another or others in its stead.

14. **Receiver.** Any Receiver shall have all of the powers of the Chargee set forth in this Charge and, in addition, shall have the following powers:
- (a) To lease all or any portion of the Mortgaged Premises and for this purpose execute contracts in the name of the Chargor, which contracts shall be binding upon the Chargor and the Chargor hereby irrevocably constitutes such Receiver as its attorney for such purposes;
- (b) To take possession of the Mortgaged Premises, collect all rents, issues, incomes and profits derived therefrom and realize upon any additional or collateral security granted by the Chargor to the Chargee and for that purpose may take any proceedings in the name of the Chargor or otherwise; and
- (c) To carry on or concur in carrying on the business which the Chargor is conducting on and from the Mortgaged Premises and for that purpose the Receiver may borrow money on the security of the Mortgaged Premises in priority to this Charge.

Any Receiver appointed pursuant to the provisions hereof shall be deemed to be the agent of the Chargor for the purposes of (i) carrying on and managing the business and affairs of the Chargor; and (ii) establishing liability for all the acts or omissions of the Receiver while acting in any capacity hereunder and the Chargee shall not be liable for such acts or omissions; provided that, without restricting the generality of the foregoing, the Chargor irrevocably authorizes the Chargee to give instructions to the Receiver relating to the performance of its duties as set out herein.

15. **Application of Monies.** All monies actually received by the Chargee or the Receiver pursuant hereto shall be applied, subject to any claims of creditors of the Chargor ranking in priority to the charges created by this Charge, in the following manner: (a) First, in or towards payment of all applicable Costs; (b) Second, in or towards payment or satisfaction of any remaining Indebtedness in such order as the Chargee in its sole discretion may determine; and (c) Third, any surplus shall be paid to the Chargor or as required by Applicable Law.
16. **Release, Extensions.** The Chargee may in its sole discretion at all times release any part or parts of the Mortgaged Premises either with or without any consideration therefor, without responsibility therefor and without thereby releasing any other part of the Mortgaged Premises or any person from its obligations under this Charge, the Indebtedness or from any of the covenants herein contained and without being accountable to the Chargor for the value thereof or for any money except that actually received by the Chargee, it being expressly agreed that every part of the Mortgaged Premises into which it is or may hereafter be divided does and shall stand charged with the whole of the amount hereby secured. The Chargee may grant time, renewals, extensions, indulgences, releases and discharges to, may take additional securities, may give any securities up, may abstain from taking securities or from perfecting securities, may accept compositions, and may otherwise deal with the Chargor and all other persons and securities as the Chargee may see fit without prejudicing the rights of the Chargee under this Charge.
17. **No Change in Rights.** No sale or other dealing by the Chargor with the Mortgaged Premises or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or the Mortgaged Premises or the amount or terms of any Indebtedness or any guarantee thereof.
18. **No Merger.** The taking of a judgment or judgments on any of the covenants herein contained shall not operate as a merger of the said covenants.
19. **Assignment of Rents.** Subject to the proviso for defeasance, and as additional and separate continuing collateral security for the Chargor's obligations hereunder, the Chargor hereby assigns to the Chargee all present and future leases of the Mortgaged Premises or any part thereof, and all rents, issues, incomes and profits now or hereafter derived from the leases or the Mortgaged Premises or any part thereof, together with the benefit of all covenants, agreements and provisos contained in such leases. The Chargor will execute and deliver to the Chargee, from time to time, upon the request of the Chargee and at the expense of the Chargor, assignments in registrable form of all leases and rents relating to the Mortgaged Premises and such other notices or documents as may be required by the Chargee. Nothing in this Charge shall make the Chargee responsible for the



- collection of rents payable under any lease of the Mortgaged Premises or any part thereof or for the performance of any covenants, terms or conditions contained in any such lease. The Chargee shall be liable to account only for such rents as actually come into its hands after the deduction of collection charges in respect thereof and may apply such rents to the repayment of the Indebtedness.
20. **Disclosure of Information.** The Chargor acknowledges that the Chargee may be obliged to release information relating to this Charge and the Indebtedness and any amounts advanced thereunder or secured hereby. The Chargor hereby authorizes the Chargee to release all such information and any other information it may, from time to time, be required to release by Applicable Law to those entitled to such information.
 21. **Discharge.** After payment in full of all Indebtedness and Costs, the Chargee shall within a reasonable period of time after receipt of a written request therefor from the Chargor, provide the Chargor with a discharge of the Charge or an assignment or transfer of the Charge if so required and directed by the Chargor; any such discharge, assignment or transfer shall be prepared by the Chargee at the expense of the Chargor.
 22. **Governing Law.** 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.
 23. **Notice.** Any notice required or desired to be given hereunder or under any instrument supplemental or collateral hereto shall be in writing and may be given either by personally delivering the same or by sending the same by registered mail, postage prepaid, to the Chargor or the Chargee at its address for service indicated in the Computer Field of this Charge entitled "Chargor(s)" and "Chargee(s)" respectively. Any notice so delivered shall be conclusively deemed given when personally delivered and any notice so mailed shall be conclusively deemed given on the third Business Day following the day of mailing, provided that in the event of a known disruption of postal service, notice shall be given by personal delivery only. Any address for notice or payments may be changed by notice given pursuant hereto.
 24. **Condominium Provision.** If any part the Mortgaged Premises is a condominium unit (a) the Chargor shall promptly observe and perform all of its covenants, duties and obligations under or pursuant to the *Condominium Act* (Ontario) (the "CA") and the declaration, by-laws and rules of the condominium corporation created by registration of the declaration and the description relating thereto of which the condominium unit forms part (the "Condominium Corporation"); (b) the Chargor will pay promptly when due any and all contributions to common expenses and all other levies, charges and assessments made, assessed or levied by or on behalf of the Condominium Corporation payable in respect of, or charged to the owner of, the Mortgaged Premises (all such common expenses, levies, charges, assessments are called "unit charges"); (c) upon request by the Chargee from time to time, the Chargor shall provide satisfactory proof to the Chargee that all unit charges have been paid in full; (d) if the Chargor does not pay any unit charges when due, then, without limiting any of other rights and remedies of the Chargee hereunder or otherwise at law or in equity, the Chargee may (but shall not be obligated to do so) pay the same and the amount so paid shall be added to the Indebtedness and secured by this Charge and shall be payable forthwith to the Chargee upon demand; (e) promptly following receipt thereof, the Chargor shall deliver to the Chargee copies of every notice, assessment, request, claim or demand, notice of meeting and all other documentation or information of any kind relating to the condominium unit or the Condominium Corporation received by the Chargor so that the Chargee receives them at least ten days prior to the date that any response, payment or other action is required; (f) any default by the Chargor under this section (regardless of any action or proceedings taken or proposed by the Condominium Corporation) shall be an Event of Default under this Charge; (g) the Chargor hereby irrevocably assigns to the Chargee, and irrevocably authorizes and empowers the Chargee to exercise, all rights of the Chargor as the owner of the Mortgaged Premises to vote or to consent to all matters relating to the affairs of the Condominium Corporation, provided however that (i) the Chargee may at any time and from time to time give notice in writing to the Chargor and to the Condominium Corporation that the Chargee does not intend to exercise the said right to vote or consent and in that event until the Chargee revokes such notice the Chargor may exercise the right to vote or consent in respect of all matters not requiring a unanimous resolution (any such notice may be for an indeterminate period of time or for a specific meeting or matter); (ii) the Chargee's right to vote and consent do not impose any obligation on the Chargee to consult with the Chargor as to the manner in which such right to vote or consent will be exercised or not exercised or to protect the Chargor's interests and the Chargee shall not be responsible for any exercise or failure to exercise the right to vote or consent; and (iii) neither this assignment and authorization in favour of the Chargee nor the exercise by the Chargee of the right to vote or consent shall constitute the Chargee a mortgagee in possession nor give rise to any liability on the part of the Chargee; (h) this Charge includes a mortgage, charge, assignment and sublease in favour of the Chargee of any lease or rights to occupy any parking space or spaces in the Mortgaged Premises demised to or reserved or designated for exclusive use by the Chargor or its condominium unit and of any lease or right to exclusive use of any common Mortgaged Premises or special privileges in respect thereof granted to the Chargor or its condominium unit; (i) without limiting the obligations of the Chargor hereunder, the Chargor shall cause the Condominium Corporation to maintain the insurance required by this Charge with respect to all the Mortgaged Premises which are governed by



the CA for the benefit of the Chargee and shall cause the Condominium Corporation to comply fully with the terms of the required policies of insurance and the insurance provisions of the CA and the declaration, by-laws and rules of the Condominium Corporation; (j) in addition to the Events of Default set out herein, it shall be an Event of Default if (i) the government of the Mortgaged Premises by the Condominium Corporation or any part thereof by the CA is terminated; or (ii) a vote of the Condominium Corporation authorizes the sale of all or substantially of its property or assets or all or any part of its common elements which are all or any part of the Mortgaged Premises, or if any part of such common elements of the Condominium Corporation is expropriated; or (iii) the Condominium Corporation fails to comply with any provision of the CA or the declaration, by-laws or any of the rules of the Condominium Corporation; or (iv) the Condominium Corporation fails to insure the condominium units and the common elements governed by it in accordance with the CA and declaration and by-laws of the Condominium Corporation; or (v) in the Chargee's opinion, the Condominium Corporation fails to manage its property and assets in a prudent and businesslike manner and in keeping with the highest standards for similar properties in the locality in which the Mortgaged Premises are located.

25. **Multi-Residential Properties.** If the Mortgaged Premises are a multi-residential property, the Chargor represents and warrants with respect to the Mortgaged Premises as follows: (a) except as permitted by Applicable Laws in respect of residential housing (i) no demolition, conversion, renovation, repair or severance has taken place with respect to the Mortgaged Premises; and (ii) there have been no increases in the rental rate charged for any residential rental unit or units on the Mortgaged Premises; (b) in accordance with Applicable Laws in respect of residential housing (i) all rents charged with respect to the Mortgaged Premises are lawful rents and all required rebates have been paid; and (ii) all required filings have been made and were timely, accurate and complete; and (c) under Applicable Laws in respect of residential housing (i) no applications, investigations or proceedings have been commenced or made; and (ii) there are no outstanding orders or decisions made by any governmental authority with respect to the Mortgaged Premises or any residential rental unit. On request by the Chargee, the Chargor shall provide a statutory declaration by an officer or director of the Chargor that the above representations and warranties are true and correct. The Chargor shall deliver to the Chargee on request all documents required to establish the legality of rents.

The Chargor hereby authorizes all governmental authorities having jurisdiction over residential housing to release to the Chargee or its solicitors any and all information contained in their files. The Chargor shall comply with the provisions of all Applicable Laws while this Charge is continuing. Any breach of this covenant or any material incorrectness of any of the representations and warranties hereinabove contained shall be an Event of Default under this Charge.

26. **Construction.** In this Charge (a) words denoting the singular include the plural and vice versa and words denoting any gender include all genders; (b) the words "including", "includes" and "include" shall mean "including without limitation," "includes without limitation" and "include without limitation" respectively; (c) any reference to a statute shall mean the statute in force as at the date hereof, together with all regulations promulgated thereunder, as the same may be amended, re-enacted, consolidated and/or replaced from time to time, and any successor statute thereto; (d) any reference to any agreement or instrument shall include all amendments, addenda, modifications, extensions, renewals, restatements, supplements or replacements thereto from time to time; (e) reference to the Chargee, Chargor, any beneficial owner of the Mortgaged Premises, and any other person shall include their respective heirs, estate trustees, legal representatives, successors and assigns, and reference to a "corporation" shall include a company or other form of body corporate; (f) all dollar amounts are expressed in Canadian dollars; (g) the division of this Charge into separate sections and subsections, and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Charge; (h) the Chargee's right to give or withhold any consent or approval, make any determination or exercise any discretion shall be exercised by the Chargee acting reasonably unless otherwise expressly provided, except that following an Event of Default, the Chargee shall be entitled to exercise the same in its sole discretion; (i) if more than one person is named as Chargor, or otherwise becomes liable for or assumes the obligations and liabilities of the Chargor, then the obligations and liabilities of all such persons shall be joint and several; (j) time shall be of the essence; (k) all obligations of the Chargor in this Charge will be deemed to be covenants by the Chargor in favour of the Chargee; and (l) in the event of any conflict or inconsistency between any provision of this Charge and the provisions of the commitment letter governing the loan between the Chargor and the Chargee, the commitment letter will prevail to the extent of any such conflict or inconsistency. The delivery of this Charge for registration by direct electronic transmission shall have the same effect for all purposes as if this Charge was in written form, signed by the Chargor and delivered to the Chargee.

SCHEDULE "A"
REQUEST FOR CITY OF VAUGHAN CONSENT TO TRANSFER
(Developer to Builder, Vacant Land & PIN Creation Transfers, Mortgage)
 fee is now \$78.00 effective January 1, 2022



BIANCHI PRESTA LLP
 BARRISTERS & SOLICITORS

RENZO BELLUZ
 RUDY A. BIANCHI
 SANTO A. VELTRI
 MICHAEL J. PRESTA
 NICOLE M. MARAGNA

DOMENIC C.S. PRESTA*
 JOHN V. SESTITO
 DANIEL MUSSO
 MATTHEW D. PRESTA
 ELIZABETH IELLIMO

9100 JANE STREET
 BUILDING A, 3rd FLOOR
 VAUGHAN, ONTARIO L4K 0A4

TELEPHONE: (905) 738-1078
 FACSIMILE: (905) 738-0528

* Certified by the Law Society as a Specialist in Construction Law

REPLY TO: DOMENIC PRESTA, Ext. 2223
 E-MAIL: dpresta@bianchipresta.com
 ASSISTANT: Claudia Tomini, Ext. 2227
 E-MAIL: crtomini@bianchipresta.com

July 20, 2022

TO: The Corporation of the City of Vaughan
 2141 Major Mackenzie Drive
 Vaughan, Ontario
 L6A 1T1

Fax # (905) 832-8524

ATTENTION: Grace Cabral / Sue Rossi

RE: 9630 ISLINGTON INC. Mortgage Loan DUCA FINANCIAL SERVICES CREDIT UNION LTD.

Legal Description: Block 6, Plan 65M-3467, City of Vaughan
Municipal Address: 9630 Islington Avenue, Woodbridge (City of Vaughan)
PIN: 03324-4510
 LAND-RESTRICTION: LT1360802

Closing Date: July 28, 2022
 File No.: 22DP8096

We are the solicitors for 9630 ISLINGTON INC., in connection with the above noted matter, and are hereby requesting that the Corporation of the City of Vaughan consent to the Charge, subject to the continuance of Instrument No.LT1360802.

In consideration of the City providing the above noted consent, we hereby confirm that to the best of our knowledge and belief the above noted property consists of a vacant dwelling unit, lands being developed for residential purposes and we personally undertake to insert Law Statement 3726 into the subject Charge thereby ensuring the continuance of Instrument No. LT1360802.

Yours very truly,

BIANCHI PRESTA LLP
 Per:

DOMENIC PRESTA
 DP/ct

(USER NAME FOR MESSAGING PURPOSES) - Claudia Tomini

The Corporation of the City of Vaughan hereby consents to the registration of the above noted Charge subject to the continuance of any registered Restrictions.

The Corporation of the City of Vaughan

Per:

at: Sue Rossi
 Zoning Restrictions Coordinator 905-832-8510, ext. 814

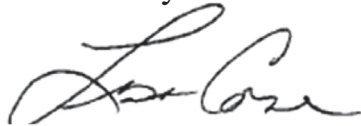
July 25, 2022



City of Vaughan | Building Standards Department
 2141 Major Mackenzie Dr., Vaughan, ON L6A 1T1
 vaughan.ca



This is Exhibit "I" referred to in the Affidavit of **Ivan Bogdanovich** SWORN Remotely at the City of Toronto, in the Province of Ontario on April 12, 2024, in accordance with O. Regs. 431/20 Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

LISA S. CORNE (27974M)

Properties

PIN 03324 - 4510 LT
 Description BLOCK 6, PLAN 65M3467, VAUGHAN.; SUBJECT TO AN EASEMENT AS IN YR2927821
 Address 9630 ISLINGTON AVENUE
 WOODBRIDGE

Consideration

Consideration \$297,824.90

Claimant(s)

Name SRN ARCHITECTS INC.
 Address for Service 8395 Jane Street, Suite 202
 Vaughan, Ontario
 L4K 5Y2

I am the lien claimant and the facts stated in the claim for lien are true.
 A person or persons with authority to bind the corporation has/have consented to the registration of this document.
 This document is not authorized under Power of Attorney by this party.

Statements

Name and Address of Owner See Schedule Name and address of person to whom lien claimant supplied services or materials See Schedule Time within which services or materials were supplied from 2018/05/09 to 2023/08/22 Short description of services or materials that have been supplied Architectural Services Contract price or subcontract price \$1,025,882.76 inclusive of applicable taxes and extras. Amount claimed as owing in respect of services or materials that have been supplied \$297,824.90 inclusive of applicable taxes and extras.

Schedule: See Schedules

Signed By

Gerardo Carlo Borean 207-3883 Highway 7 acting for Signed 2023 10 19
 Woodbridge Applicant(s)
 L4L 6C1

Tel 905-850-6066
 Fax 905-850-6069

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

Submitted By

PARENTE, BOREAN LLP 207-3883 Highway 7 2023 10 19
 Woodbridge
 L4L 6C1

Tel 905-850-6066
 Fax 905-850-6069

Fees/Taxes/Payment

Statutory Registration Fee \$69.00
 Total Paid \$69.00

**SCHEDULE FURTHER PARTIES
NAME AND PERSON TO WHOM LIEN CLAIMANT
SUPPLIED SERVICES OR MATERIALS**

NAME AND ADDRESS OF THE OWNER(S):

9630 ISLINGTON INC.

8740 Jane Street, Unit 1 & 2
Concord, Ontario
L4K 0E7

**NAME OF PERSON TO WHOM LIEN CLAIMANT SUPPLIED SERVICES OR
MATERIALS:**

9630 ISLINGTON INC.

8740 Jane Street, Unit 1 & 2
Concord, Ontario
L4K 0E7

CRYSTAL GLEN HOMES

8740 Jane Street, Unit 1 & 2
Concord, Ontario
L4K 0E7

CRYSTAL GLEN HOMES (2000) INC.

8740 Jane Street, Unit 1 & 2
Concord, Ontario
L4K 0E7

CRYSTAL GLEN HOMES (2000)

8740 Jane Street, Unit 1 & 2
Concord, Ontario
L4K 0E7

NAME AND ADDRESS OF MORTGAGEE:

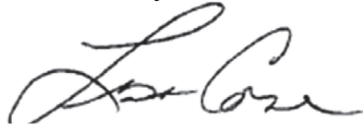
DUCA FINANCIAL SERVICES CREDIT UNION LTD.

5255 Yonge Street, 4th Floor
Toronto, Ontario
M2N 6P4

INTACT INSURANCE COMPANY

700 University Ave
Toronto, Ontario
M5G 0A1

This is Exhibit “J” referred to in the Affidavit of **Ivan Bogdanovich** SWORN Remotely at the City of Toronto, in the Province of Ontario on April 12, 2024, in accordance with O. Regs. 431/20 Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

LISA S. CORNE (27974M)

Properties

PIN 03324 - 4510 LT
Description BLOCK 6, PLAN 65M3467, VAUGHAN.; SUBJECT TO AN EASEMENT AS IN YR2927821
Address 9630 ISLINGTON AVENUE
WOODBIDGE

Party From(s)

Name SRN ARCHITECTS INC.
Address for Service 8395 Jane Street, Suite 202
Vaughan, Ontario
L4K 5Y2

A person or persons with authority to bind the corporation has/have consented to the registration of this document.
This document is not authorized under Power of Attorney by this party.

Statements

This document relates to registration number(s)YR3610052
Schedule: See Schedules

Signed By

Gerardo Carlo Borean 207-3883 Highway 7 acting for Signed 2023 11 22
Woodbridge Party From(s)
L4L 6C1

Tel 905-850-6066
Fax 905-850-6069

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

Submitted By

PARENTE, BOREAN LLP 207-3883 Highway 7 2023 11 22
Woodbridge
L4L 6C1

Tel 905-850-6066
Fax 905-850-6069

Fees/Taxes/Payment

Statutory Registration Fee \$69.95
Total Paid \$69.95

CERTIFICATE OF ACTION UNDER SECTION 36 OF THE ACT

Construction Act



Court File No.

ONTARIO

SUPERIOR COURT OF JUSTICE

BETWEEN

SRN ARCHITECTS INC.

Plaintiff(s)

(court seal)

and

**9630 ISLINGTON INC., CRYSTAL GLEN HOMES, CRYSTAL GLEN HOMES
(2000) INC., CRYSTAL GLEN HOMES (2000), DUCA FINANCIAL SERVICES
CREDIT UNION LTD., and INTACT INSURANCE COMPANY**

Defendant(s)

CERTIFICATE OF ACTION

I certify that an action has been commenced in the Superior Court of Justice under the *Construction Act* between the above parties in respect of the premises described in Schedule A to this certificate, and relating to the claim(s) for lien bearing the following registration numbers:

YR3610052

Date: _____
(registrar or local registrar)

SCHEDULE A

Description of premises:

BLOCK 6, PLAN 65M3467, VAUGHAN.; SUBJECT TO AN EASEMENT AS IN YR2927821

(The description of the premises must be the same as in the statement of claim, and must be sufficient for registration under the *Land Titles Act* or the *Registry Act*, as the case may be.)

SRN ARCHITECTS INC.

-and- 9630 ISLINGTON INC. et al.

Plaintiff

Defendants

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE**

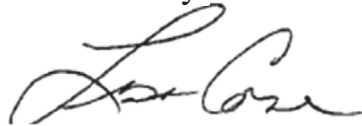
**IN THE MATTER OF the Construction Act, R.S.O. 1990, c. C.
PROCEEDING COMMENCED AT
NEWMARKET**

CERTIFICATE OF ACTION

PARENTE, BOREAN LLP
3883 Highway 7
Suite 207
Woodbridge ON L4L 6C1
Devon Goyo (86421U)
Gerard C. Borean (26826K)
gborean@parenteborean.com
dgoyo@parenteborean.com
Tel: (905) 850-6066 x 247

Lawyers for the Plaintiff,
SRN ARCHITECTS INC.

This is Exhibit “K” referred to in the Affidavit of **Ivan Bogdanovich** SWORN Remotely at the City of Toronto, in the Province of Ontario on April 12, 2024, in accordance with O. Regs. 431/20 Administering Oath or Declaration Remotely.

A handwritten signature in black ink, appearing to read "Lisa Corne", written in a cursive style.

Commissioner for Taking Affidavits (or as may be)

LISA S. CORNE (27974M)

Enquiry Result

File Currency: 27FEB 2024



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All Pages



Note: All pages have been returned.

Type of Search	Business Debtor								
Search Conducted On	9630 ISLINGTON INC.								
File Currency	27FEB 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	784818549	1	2	1	3	12JUL 2027			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
784818549		001	2		20220712 1308 1793 3395	P PPSA	5		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	9630 ISLINGTON INC.					002634535			
	Address				City	Province	Postal Code		
	8740 JANE STREET, UNITS 1 AND 2				CONCORD	ON	L4K0E7		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	DUCA FINANCIAL SERVICES CREDIT UNION LTD.								
	Address				City	Province	Postal Code		
	5255 YONGE STREET, 4TH FLOOR				TORONTO	ON	M2N6P4		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	(1) GENERAL SECURITY AGREEMENT RELATING TO ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTOR WHEREVER SITUATE (2)								
	GENERAL ASSIGNMENT OF ACCOUNTS (3) AGREEMENT FOR SECURITY ON SHARES								

Registering Agent	Registering Agent			
	GARFINKLE, BIDERMAN LLP (LMK/CS 10473-115)			
125	Address	City	Province	Postal Code
	1 ADELAIDE ST. EAST, SUITE 801	TORONTO	ON	M5C2V9

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	9630 ISLINGTON INC.								
File Currency	27FEB 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
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FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
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Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	AND DEPOSITS (4) CASH COLLATERAL AGREEMENT (5) ASSIGNMENT OF INSURANCE INTERESTS AND (6) GENERAL ASSIGNMENT OF RENTS AND LEASES RESPECTING 9630 ISLINGTON AVENUE, VAUGHAN, ONTARIO								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	9630 ISLINGTON INC.								
File Currency	27FEB 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	788631552	2	2	3	3	21NOV 2032			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
788631552		001	1		20221121 1657 5064 4245	P PPSA	10		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	9630 ISLINGTON INC.								
	Address				City	Province	Postal Code		
	8740 JANE STREET UNIT 1				VAUGHAN	ON	L4K 0E7		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	INTACT INSURANCE COMPANY								
	Address				City	Province	Postal Code		
	700 UNIVERSITY AVENUE				TORONTO	ON	M5G 0A1		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			X
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	GENERAL SECURITY AGREEMENT								
Registering Agent	Registering Agent								
	ESC CORPORATE SERVICES LTD. (BIANCHI PRESTA)								
	Address				City	Province	Postal Code		
	445 KING STREET W, SUITE 400				TORONTO	ON	M5V 1K4		

LAST PAGE

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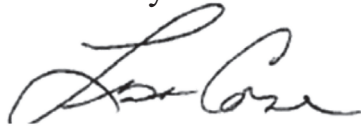
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This is Exhibit “L” referred to in the Affidavit of **Ivan Bogdanovich** SWORN Remotely at the City of Toronto, in the Province of Ontario on April 12, 2024, in accordance with O. Regs. 431/20 Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

LISA S. CORNE (27974M)

January 12, 2024

PERSONAL & CONFIDENTIAL

VIA EMAIL TO ssjrcrystalglen@gmail.com,
REGULAR AND REGISTERED MAIL

9630 Islington Inc.
8740 Jane Street, Unit 1 & Unit 2
Concord, ON L4K 0E7

Attention: Mr. Steven Saccoccia and Ms. Fulvia Saccoccia

Re: *Duca Financial Services Credit Union Ltd. (the "Lender") loan to 9630 Islington Inc. (the "Borrower")*

Dear Sir/Madam,

We are lawyers for the Lender. Pursuant to a commitment letter dated June 30, 2022, as amended by an amendment to mortgage loan commitment dated October 26, 2022 and a second amendment to mortgage loan commitment dated February 9, 2023 (collectively, the "**Commitment Letter**"), the Lender made available to the Borrower credit facilities in the aggregate principal amount of \$6,328,517 (the "**Loan**").

We are advised by the Lender that the Borrower is indebted to the Lender in the amount of \$6,464,716.64 for principal, interest and fees (excluding current legal fees) as of January 11, 2024 under the Commitment Letter, calculated as follows:

Principal – Facility #1	\$5,400,000.00
Principal – Facility #2	\$ 850,000.00
Letters of Credit – Facility #3	\$ 78,517.00
Accrued interest to January 11, 2024	\$ 128,989.72
Discharge fee	\$ 1,000.00
Outstanding legal fees	\$ 6,209.92
Total:	\$6,464,716.64

Per diem from and after January 11, 2024 \$ 1,719.86

E. & O.E.

The Borrower's indebtedness to the Lender is secured by, *inter alia*, a Charge/Mortgage of Land in the principal amount of \$7,000,000 granted in favour of the Lender and registered on lands municipally known as 9630 Islington Avenue, Woodbridge, Ontario (the "**Property**") on July 28, 2022 as instrument number YR3458270, and a General Security Agreement dated July 15, 2022 (collectively, the "**Security**").

On October 19, 2023, a construction lien was registered against the Property by SRN Architects Inc. in the amount of \$297,824.90 which, as at January 11, 2024 remains outstanding. The existence of the construction lien constitutes an event of default under the terms of the Commitment Letter and the Security entitling the Lender to immediately demand payment of the outstanding balance of the Loan and any other amounts due under the Commitment Letter or the Security.

On behalf of the Lender, we hereby demand payment of the Borrower's indebtedness to the Lender. Unless payment of the aforesaid amount of \$6,464,716.64, together with additional interest accrued and fees and costs incurred to the date of payment are paid forthwith, the Lender shall take such steps as it deems

necessary to recover payment of the Borrower's indebtedness, which may include enforcement of the Security.

Enclosed please find the Lender's Notice of Intention to Enforce Security, which is served upon the Borrower pursuant to section 244(1) of the *Bankruptcy and Insolvency Act* (Canada).

Govern yourself accordingly.

Yours truly,
CHAITONS LLP



Harvey G. Chaiton
PARTNER
HC/ad
Encl.

cc: Duca Financial Services Credit Union Ltd.

NOTICE OF INTENTION TO ENFORCE A SECURITY
(given pursuant to section 244 of the *Bankruptcy and Insolvency Act*)

To: **9630 Islington Inc.**, an insolvent person

Take notice that:

1. **Duca Financial Services Credit Union Ltd.**, a secured creditor, intends to enforce its security on all of the present and after-acquired property of 9630 Islington Inc.
2. The security that is to be enforced includes (i) a Charge/Mortgage of Land registered on July 28, 2022, as Instrument No. YR3458270 against title to the lands and premises municipally known as 9630 Islington Avenue, Woodbridge, Ontario (the “**Property**”); (ii) an Assignment of Rents dated July 15, 2022; and (iii) a General Security Agreement dated July 15, 2022 (collectively, the “**Security**”).
3. The total amount of indebtedness secured by the Security as at the close of business on January 11, 2024 is \$6,464,716.64, inclusive of principal, interest, and fees (excluding costs).
4. The secured creditor will not have the right to enforce the Security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at Toronto, this 12th day of January, 2024.

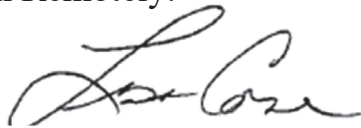
**DUCA FINANCIAL SERVICES
CREDIT UNION LTD.,**
by its lawyers, Chaitons LLP

Per:



Harvey Chaiton

This is Exhibit “M” referred to in the Affidavit of **Ivan Bogdanovich** SWORN Remotely at the City of Toronto, in the Province of Ontario on April 12, 2024, in accordance with O. Regs. 431/20 Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

LISA S. CORNE (27974M)

FORBEARANCE AGREEMENT

THIS AGREEMENT is made as of the 21st day of March, 2024,

BETWEEN:

DUCA FINANCIAL SERVICES CREDIT UNION LTD.
(the “**Lender**”)

– and –

9630 ISLINGTON INC.
(the “**Borrower**”)

– and –

STEVEN SACCOCCIA and FULVIA SACCOCCIA
(each a “**Guarantor**”, and collectively, the “**Guarantors**”)

RECITALS:

- A. Pursuant to a commitment letter dated June 30, 2022, as amended by an amendment to mortgage loan commitment dated October 26, 2022 and a second amendment to mortgage loan commitment dated February 9, 2023 (collectively, the “**Commitment Letter**”), the Lender made available to the Borrower two non-revolving term loans and a non-revolving letter of credit facility, in the aggregate principal amount of \$6,328,517 (collectively, the “**Loan**”).
- B. The Borrower and the Guarantors have executed and delivered to the Lender the agreements described in **Schedule “A”** attached hereto as security for the Loan and other obligations and liabilities owed by the Borrower and the Guarantors to the Lender (collectively, the “**Security**”).
- C. The Security includes a charge/mortgage (the “**Charge**”) by the Borrower in favour of the Lender in the principal amount of \$7,000,000 and registered on title to certain lands and premises municipally known as 9630 Islington Avenue, Woodbridge, Ontario (the “**Property**”) on July 28, 2022 as instrument number YR3458270, and a general security agreement dated July 15, 2022.
- D. On October 19, 2023, a construction lien was registered as instrument number YR3610052 in the amount of \$297,824.90 against title to the Property by SRN Architects Inc. (the “**Lien**”), which Lien remains outstanding.
- E. The existence of the Lien constitutes an event of default under the terms of the Commitment Letter and the Security, entitling the Lender to immediately demand payment



of the outstanding balance of the Loan and any other amounts due under the Commitment Letter or the Security.

- F. By letters dated January 12, 2024, the Lender demanded payment of the outstanding balance of the Loan and sent a Notice of Intention to Enforce Security (“NITES”) pursuant to section 244 of the *Bankruptcy and Insolvency Act* (Canada).
- G. As of January 30, 2024, the aggregate amount of outstanding interest owned by the Borrower to the Lender under the Commitment Letter is \$161,667.12 (the “**Interest Arrears**”).
- H. At the request of the Borrower and the Guarantors, the Lender has agreed to forbear from enforcing the Security, subject to and in accordance with the terms of this Forbearance Agreement (the “**Agreement**”), to provide the Lender with an opportunity to sell the Property and/or refinance the Loan in order to fully satisfy the Indebtedness (as defined below).

NOW THEREFORE THIS AGREEMENT WITNESSETH that for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties hereto, the parties agree as follows:

ARTICLE 1 - INTERPRETATION

- 1.1 **Definitions.** In this Agreement, unless the context otherwise requires, all capitalized terms defined in the Commitment Letter and the Security and not otherwise defined herein shall have the meanings ascribed to such terms in the Commitment Letter and the Security, as applicable.
- 1.2 **Gender and Number.** Words importing the singular include the plural and vice versa and words importing gender include all genders.
- 1.3 **Time.** Time is of the essence in the performance of the Borrower’s and the Guarantors’ obligations.
- 1.4 **Currency.** All financial references herein are to Canadian dollars unless specifically indicated otherwise.
- 1.5 **Payments.** All payments to be made under this Agreement shall be made by wire transfer.
- 1.6 **Severability.** Each of the provisions contained in this Agreement is distinct and severable, and a declaration of invalidity, illegality, or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision of this Agreement.
- 1.7 **Headings.** The division of this Agreement into articles, sections and clauses, and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.



- 1.8 **Entire Agreement.** This Agreement, the Commitment Letter and the Security together with the agreements and other documents required to be delivered pursuant to this Agreement, constitute the entire agreement between the parties and set out all the covenants, promises, warranties, representations, conditions, understandings and agreements between the parties pertaining to the subject matter of this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written. There are no covenants, promises, warranties, representations, conditions, understanding or other agreements, oral or written, express, implied or collateral between the parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement and any document required to be delivered pursuant to this Agreement.
- 1.9 **Governing Law.** This Agreement shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.
- 1.10 **Conflicts.** If there is any inconsistency or conflict between the terms of this Agreement, the Commitment Letter and the Security or any other agreement executed in connection therewith or herewith, the provisions of this Agreement shall prevail to the extent of the inconsistency.

ARTICLE 2 - ACKNOWLEDGEMENTS

- 2.1 **Recitals.** The parties hereto acknowledge and agree that each of the foregoing recitals is true and accurate both in substance and in fact.
- 2.2 **Indebtedness.** The Borrower acknowledges that as of March 12, 2024, the amount owing to the Lender under the Commitment Letter and secured by the Security is the sum of \$6,562,418.37 for principal, interest, and fees (excluding certain legal fees). The amount of \$6,562,418.37, together with all additional accrued interest, fees, forbearance fee, costs, and other amounts payable under the Commitment Letter and the Security, is referred to herein as the “**Indebtedness**”. The Borrower confirms that the Indebtedness is unconditionally owing to the Lender, it does not dispute that it is liable to pay the Indebtedness to the Lender on any ground whatsoever, it has no claim, demand, setoff, or counterclaim against the Lender on any basis whatsoever, and there is no matter, fact or thing which may be asserted by it in extinction or diminution of the Indebtedness or result in any bar to or delay in the recovery thereof. If there are any claims for setoff, counterclaim, or damages, they are hereby expressly released and discharged.
- 2.3 **The Borrower.** The Borrower acknowledges and agrees that the Commitment Letter and the Security now held by the Lender for payment of the Indebtedness and performance of the obligations to the Lender and have not been released, waived, or varied, and are valid, binding, and enforceable against it in accordance with their written terms.
- 2.4 **The Guarantors.** The Guarantors confirm that they have guaranteed the payment and performance of the Indebtedness and obligations owing by the Borrower to the Lender, in accordance with the guarantee listed on Schedule “A” (the “**Guarantee**”). The Guarantors do not dispute their liability to the Lender under the Guarantee on any basis whatsoever



and confirms that they have no claim for setoff, counterclaim, or damages on any basis whatsoever against the Lender. If there are any claims, they are hereby expressly released and discharged. The Guarantors confirm that the Guarantee has not been released, waived, or varied, that it is binding upon them and that it is valid and enforceable against them in accordance with its written terms.

- 2.5 **Lender's Rights.** The Borrower and the Guarantors each acknowledge, confirm, and agree that the Lender is entitled to exercise its rights and remedies under the Commitment Letter and the Security, at law and in equity. The Borrower and the Guarantors further acknowledge and agree that except as provided for in this Agreement, the Lender (by itself or through its employees or agents) has not made any promises, or taken any action or omitted to take any action which would constitute a waiver of its right to take any enforcement action in connection with the enforcement of the Commitment Letter and the Security, or which would estop it from so doing and that no statement, representation, promise, act or omission by the Lender or its employees or agents shall create such a waiver or estoppel. The Borrower and the Guarantors acknowledge and agree that by entering into this Agreement, the Lender, except as provided in this Agreement, has not waived any of its rights under any of the Commitment Letter and the Security, including without limitation the Lender's right to take any enforcement action in connection with the enforcement of the Commitment Letter and the Security.
- 2.6 **Demands and BIA Notices.** The Borrower acknowledges receipt of a demand letter sent on behalf of the Lender dated January 12, 2024 (the "**Borrower Demand**") wherein the Lender demanded immediate payment of the Borrower's indebtedness to the Lender. The Guarantors acknowledge receipt of a demand letter sent on behalf of the Lender dated January 12, 2024 (together with the Borrower's Demand, the "**Demands**") wherein the Lender demanded immediate payment of the Guarantors' indebtedness to the Lender. The Borrower and the Guarantors each acknowledge receipt of a NITES dated January 12, 2024 (the "**BIA Notice**") issued on behalf of the Lender pursuant to Section 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"). The Borrower and the Guarantors further acknowledge that the Demands and the BIA Notice are valid and effective, and that the time given by the Lender for payment was reasonable. The Borrower and the Guarantors each agree not to contest the validity of the Demands, the BIA Notice, or the reasonableness of the time given for payment in any proceeding for any reason whatsoever.

ARTICLE 3 - FORBEARANCE

- 3.1 The Borrower and the Guarantors have requested, and the Lender has agreed to forbear from enforcing the Security, subject to and in accordance with the terms of this Agreement.
- 3.2 The Lender agrees not to take any steps to enforce the Security until the earlier of:
- (a) May 3, 2024 (or such later date as the Lender, in its sole discretion, may agree to in writing) (the "**Forbearance End Date**"); and
 - (b) the occurrence of an Event of Default,



(hereinafter referred to as the “**Forbearance Termination Date**” and the period commencing on the date hereof and ending on (but excluding) the Forbearance Termination Date is the “**Forbearance Period**”).

ARTICLE 4 - CONDITIONS PRECEDENT

- 4.1 The Lender’s agreement to forbear is conditional upon compliance with each of the following terms and conditions (the “**Forbearance Conditions**”), which Forbearance Conditions have been inserted solely for the benefit of the Lender and may be waived by the Lender, in its sole and unfettered discretion:
- (a) the Borrower and the Guarantors delivering executed copies of this Agreement by 4:00 p.m. (Eastern Standard Time) on March 27, 2024; and
 - (b) the Borrower shall have provided, by 4:00 p.m. (Eastern Standard Time) on March 27, 2024, evidence satisfactory to the Lender in its sole and absolute discretion that all property taxes owing in respect of the Property have been paid.
- 4.2 No waiver of any of these conditions shall be valid or effective unless made in writing by the Lender and delivered to the Borrower and the Guarantors.

ARTICLE 5 - FORBEARANCE FEE

- 5.1 **Forbearance Fee.** In consideration for the Lender’s extended forbearance and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Borrower shall pay to the Lender a non-refundable forbearance fee of \$20,000 (the “**Forbearance Fee**”), which shall be fully earned on the execution of this Agreement and shall be paid no later than May 3, 2024.

ARTICLE 6 - COVENANTS AND AGREEMENTS

During the Forbearance Period:

6.1 **Sale of the Property.**

- (a) The Borrower shall:
 - (i) provide notice in writing on or before 10:00 a.m. (Eastern Standard Time) on April 3, 2024 that the Buyer Briardown Estates Inc. (“**Briardown**”) has waived the “**Buyer Due Diligence Conditional Period**” in accordance with the Agreement of Purchase and Sale between Briardown and 9630 Islington Inc. dated February 15, 2024 (the “**APS**”);
 - (ii) provide notice in writing and deposit confirmation on or before 5:00 p.m. (Eastern Standard Time) on April 8, 2024 that Briardown has deposited Nine Hundred Thousand Dollars (\$900,000.00) to Intercity Realty Inc. Brokerage (“**Deposit Holder**”); and



(iii) complete the closing of the Property on or before May 2, 2024.

- 6.2 **Reporting Requirements.** The Borrower and the Guarantors are required to satisfy all reporting requirements set out in this Agreement, the Commitment Letter and the Security and shall promptly provide the Lender with whatever additional documentation and information that it may request.
- 6.3 **Sale Agreement.** The Borrower shall not enter into any extensions under the APS for the sale of the Property without the prior written consent of the Lender.
- 6.4 **Property Costs and Expenses.** The Borrower shall pay all property taxes, maintenance, insurance, utility costs, repair costs, and all other operating costs with respect to the Property, and shall promptly provide the Lender with such documentation and information in respect thereof as the Lender may request.
- 6.5 **Priority Payables.** The Borrower shall keep current all of its obligations to creditors who may have a lien, charge, security interest or deemed trust in its property and assets which may rank in priority to or *pari passu* with the security held by the Lender on such properties and assets, including, without limitation, all amounts owing for wages, vacation pay, property tax, employee source deductions, harmonized goods and services tax, and provincial sales tax (collectively, the “**Priority Payables**”).
- 6.6 **Proof of Priority Payables.** The Borrower shall provide written evidence to the Lender, forthwith upon request made by the Lender, that all Priority Payables have been paid, such written evidence to be in a form and content to the satisfaction of the Lender in its sole discretion, acting reasonably.
- 6.7 **Payments to Creditors.** The Borrower shall utilize their available cash in a manner so as to ensure their continued operation, and not to make any payments out of the ordinary course of business, except with the prior written consent of the Lender, which consent may be withheld in the Lender’s sole discretion.
- 6.8 **Agreements Out of Ordinary Course.** The Borrower shall not enter into any material agreements out of the ordinary course of business, except with the prior written consent of the Lender, which consent may be withheld in the Lender’s sole discretion.
- 6.9 **Encumbrances, etc.** Except as otherwise provided herein, the Borrower and the Guarantors shall not encumber, sell, transfer, convey, lease, or otherwise dispose of the Property without the prior written consent of the Lender, which consent may be withheld in the Lender’s sole discretion.
- 6.10 **Loans, Advances, etc.** The Borrower and the Guarantors shall not, without the prior consent of the Lender, which consent may be withheld in the Lender’s sole discretion, make any loans or advance money or property to any other person or invest in or purchase shares of another party or guarantee, assume or otherwise become responsible for the indebtedness, performance, or obligations of any other person.



- 6.11 **Remuneration.** Without the prior written consent of the Lender, which consent may be withheld in the Lender's sole discretion, the Borrower shall not make any distributions, directly or indirectly, to or for the benefit of any shareholder, director, officer, employee, or any other person not dealing at arm's-length with the Borrower, other than the current remuneration paid by the Borrower to such individuals.
- 6.12 **Corporate Existence.** The Borrower shall maintain its corporate existence as a valid and subsisting entity and shall not merge, amalgamate, or consolidate with any other corporation(s) without the Lender's prior written consent, which consent may be withheld in the Lender's sole discretion.
- 6.13 **Insurance.** The Borrower shall comply with any insurance obligations in accordance with the terms of the Commitment Letter.
- 6.14 **Access to Premises, Books and Records.** The Borrower shall upon request, permit the Lender and its representatives or agents, during normal business hours, to enter upon its premises to inspect its property and assets, and to examine and take away copies of all books and records relating thereto.
- 6.15 **Notice of Default.** The Borrower and the Guarantors shall forthwith provide the Lender with written notice of the occurrence of an Event of Default hereunder.
- 6.16 **Material Contracts.** The Borrower shall not surrender, terminate, repudiate, or amend, vary, or modify in a manner adverse to the Lender, any material contract with respect to its property and assets, including the Property, without the prior written consent of the Lender which may be withheld in the Lender's sole discretion.
- 6.17 **Other Agreements.** The covenants and other terms and conditions contained in the Commitment Letter and the Security shall continue in full force and effect, except that, to the extent there exists any actual inconsistency between such provisions and the provisions of this Agreement, the provisions of this Agreement shall govern; and
- 6.18 **Insolvency Proceedings.** The Borrower shall not commence any proceedings under the BIA, the *Companies' Creditors Arrangement Act* (Canada) ("CCAA"), or similar legislation without the Lender's prior written consent, which consent may be withheld in the Lender's sole discretion. In the event that the Borrower commences such proceedings, it agrees that the Lender shall be an "unaffected creditor" under any such proceedings and hereby consent to a court order lifting any stay of proceeding as against the Lender.

ARTICLE 7 - DEFAULT

- 7.1 **Events of Default.** Any one or more of the following events will constitute an event of default under this Agreement (each an "**Event of Default**"):
- (a) the non-payment when due of interest, fees or other amounts payable by the Borrower to the Lender under this Agreement, the Commitment Letter, or the Security;



- (b) a default or breach of any obligation, promise, covenant, term, or condition occurs under this Agreement, the Commitment Letter or the Security after execution of this Agreement;
- (c) any representation or warranty made by the Borrower and/or the Guarantors in the Commitment Letter or the Security, or in any certificate or other document delivered to the Lender in connection with the Commitment Letter, the Security, or this Agreement, is false or misleading in any material respect;
- (d) the Borrower and the Guarantors fail to irrevocably repay the Indebtedness to the Lender in full by May 3, 2024;
- (e) the Lender, in its sole discretion, determines that the Borrower and/or the Guarantors are not providing their full co-operation to the Lender, or complying with the reporting requirements set out in this Agreement, the Commitment Letter and the Security;
- (f) any change of ownership, control or management of the Borrower, without the prior written consent of the Lender, which consent may be withheld in the Lender's sole discretion;
- (g) any default occurs under any material contract which would permit the counter party to terminate the contract;
- (h) the Borrower ceases or threatens to cease to carry on its business or a substantial part thereof in the ordinary course;
- (i) a Borrower and/or the Guarantors become insolvent or bankrupt, or make or file a petition, application, proposal, a notice of intention to make a proposal or an assignment for the benefit of creditors under the BIA, the CCAA, or comparable legislation in Canada or any other jurisdiction; an application for a bankruptcy order or for the appointment of a receiver, receiver and manager or interim receiver is filed against the Borrower and/or a Guarantor; a receiver is appointed with respect to a Borrower and/or a Guarantor; or, if proceedings are initiated under any legislation by or against a Borrower and/or a Guarantor for their restructuring, liquidation, winding-up, dissolution or reorganization or any arrangement or composition of its debts;
- (j) any person takes possession of all or any material part of the property of the Borrower and/or a Guarantor by distress or execution or similar process is levied or enforced against all or any material part of the property of the Borrower and/or a Guarantor, including the Property;
- (k) any other creditor of the Borrower and/or a Guarantor exercises or purports to exercise any rights against any of the property, assets or undertaking of the Borrower and/or a Guarantor, including the Property;
- (l) the non-payment when due of any Priority Payables amount owed by the Borrower;



- (m) any default occurs under any other credit, loan, security, forbearance, standstill or other agreements executed and delivered by the Borrower and/or the Guarantors to any other creditor;
- (n) if any financial reporting information provided by or on behalf of the Borrower to the Lender proves to be false, misleading, inaccurate, or incorrect in any material respect, or if there is a failure to provide the Lender with such financial reporting or other information as they may require from time to time; or
- (o) if the Lender, in its sole discretion, determines that there is a material adverse change after the date of this Agreement in the business or financial condition of a Borrower and/or the Guarantors or the ability of the Lender to recover payment of the Indebtedness has been or will be impaired.

7.2 **Remedies.** In addition to the Lender's rights and remedies available under the Commitment Letter, the Security, under this Agreement, at law or in equity, on the Forbearance Termination Date or upon the occurrence of an Event of Default, whichever is earlier:

- (a) the outstanding balance of the Indebtedness owing by the Borrower to the Lender shall become immediately due and payable; and
- (b) the Security shall, at the Lender's option, become enforceable in accordance with their terms, including without limitation the Lender's right to the appointment of a private receiver or the court appointment of an interim receiver, national receiver and receiver and manager of the property, assets and undertakings of the Borrower and the Guarantors.

ARTICLE 8 - CONSENTS

8.1 Subject to applicable law, upon the occurrence of an Event of Default, the Borrower and the Guarantors consent to any action by the Lender in connection with the enforcement of the Commitment Letter and the Security, without the necessity of further notice or demand, and hereby agree not to directly or indirectly commence, carry on, consent to, or be a party in any way to any proceeding which would constrain any such action, or which would call into question the validity or enforceability of the Indebtedness, and/or the Commitment Letter and the Security. Without limiting the generality of the foregoing, upon or after the occurrence of an Event of Default, the Borrower hereby irrevocably consents to the private or Court appointment of a receiver in respect of any or all of the property or assets of the Borrower, and the Guarantors hereby irrevocably consent to a judgment against them in respect of the Guarantee.

8.2 The Borrower and the Guarantors agree not to contest the appointment of a receiver on any basis whatsoever. The Borrower and the Guarantors shall take no step or action that may in any way delay or interfere with the appointment of a receiver.



ARTICLE 9 - GENERAL PROVISIONS

- 9.1 **Reimbursement.** The Borrower agrees to reimburse the Lender in respect of all reasonable expenses (including fees and disbursements at its lawyers' normal charges) which the Lender has incurred or will incur in connection with the review of the Security, the negotiation and preparation of this Agreement, and the administration and the enforcement of the Commitment Letter, the Security, and this Agreement. To the extent such expenses have not been paid by the Borrower, the Lender may pay such expenses directly and the amount so paid shall form part of the Indebtedness, shall bear interest from the date of payment at the highest rate payable by the Borrower for any of the Indebtedness owed by the Borrower to the Lender, and shall be secured by the Security.
- 9.2 **Release.** The Borrower and the Guarantors hereby absolutely and irrevocably release, remise, acquit and forever discharge the Lender, its officers, directors, employees, agents and lawyers (all of the foregoing hereinafter called the "**Released Parties**") from any and all actions and causes of action, suits, claims, demands, liabilities, obligations, damages, losses and expenses of any and every character, known or unknown, direct or indirect, at law or in equity, of whatsoever kind or nature, whether heretofore or hereafter arising, for or because of any fact, matter or things done, omitted or suffered to be done by the Released Parties prior to and including the date of execution hereof, and in any way directly or indirectly arising out of or in any way connected to this Agreement, the Commitment Letter, the Security, and the administration and enforcement of the Commitment Letter, the Security, and this Agreement (the "**Released Matters**"). The Borrower and the Guarantors acknowledge that the agreements in this paragraph are intended to be in full satisfaction of all or any alleged injuries or damages arising in connection with the Released Matters. The Borrower and the Guarantors represent and warrant to the Released Parties that they have not purported to transfer, assign, or otherwise convey any of their respective rights, title, or interest in any Released Matter to any other person and that the foregoing constitutes a full and complete release of all Released Matters. The foregoing release shall survive the termination of this Agreement, the Commitment Letter, the Security, and payment in full of the Indebtedness.
- 9.3 **Independent Legal Advice.** The Borrower and the Guarantors acknowledge that, in executing and delivering this Agreement, they have acted and continue to act freely and without duress. The Borrower and the Guarantors acknowledge that the actions of the Lender in entering into this Agreement have been fair and reasonable and that the Lender (i) has not acted in a managerial capacity with respect to the Borrower and the Guarantors, and (ii) have no fiduciary duty to the Borrower and the Guarantors in connection with this Agreement, the Commitment Letter or the Security. The Borrower and the Guarantors confirm that they have had the benefit of independent legal advice in connection with the negotiation of this Agreement. The Borrower and the Guarantors hereby waive and agree not to assert or cause to be asserted any defence, right or claim with respect to any matter set forth in this Agreement.
- 9.4 **Capacity and Authority.** The Borrower and the Guarantors represent and warrant to the Lender that they have the capacity and authority to enter into and perform their obligations under this Agreement.



9.5 **Necessary Proceedings.** The execution and delivery of this Agreement and the performance by the Borrower of their obligations hereunder have been duly authorized by all necessary proceedings.

9.6 **Notices.** Any notice, consent or approval required or permitted to be given in connection with this Agreement (a “**Notice**”) shall be in writing and shall be sufficiently given if delivered (whether in person, by courier service or other personal method of delivery), or if transmitted by e-mail:

(a) in the case of a Notice to the Lender at:

DUCA Financial Services Credit Union Ltd.
5255 Yonge Street, 4th Floor
Toronto, ON M2N 6P4

Attention: Ivan Bogdanovich
E-mail: ibogdanovich@duca.com

and with a copy to:

Dickinson Wright LLP
199 Bay Street, Suite 2200
Commerce Court West
Toronto, ON M5L 1G4

Attention: John D. Leslie
E-mail: jleslie@dickinsonwright.com

(b) in the case of a Notice to the Borrower and the Guarantors:

[NTD: Borrower to advise]

-
-
-

Attention: ●
E-mail: ●

The date of receipt of such notice shall be the date of the actual delivery to the address specified if delivered or the date of actual transmission to the electronic address if sent by electronic communication, respectively, unless such date is not a Business Day, in which event the date of receipt shall be the next Business Day immediately following the date of such delivery or transmission. “**Business Day**” means a day other than a Saturday, Sunday, statutory holiday in the Province of Ontario, or any other day on which the Schedule 1 Canadian Chartered Banks located in the City of Toronto are not open for business during normal banking hours.



- 9.7 **Assignment.** The Borrower and the Guarantors may not assign this Agreement or any rights or obligations under this Agreement except with the prior written consent of the Lender, which consent may be withheld in the Lender's sole discretion, acting reasonably.
- 9.8 **Amendment.** No amendment, modification, waiver of this Agreement and, unless otherwise specified, no consent or approval by any party, shall be binding unless executed in writing by the party to be bound thereby.
- 9.9 **Enurement.** This Agreement shall enure to the benefit of and be binding upon the parties and their respective successors (including any successor by reason of amalgamation of any party), and permitted assigns.
- 9.10 **No Third-Party Beneficiaries.** Unless expressly stated herein, this Agreement shall be solely for the benefit of the parties hereto and no other person or entity shall be a third-party beneficiary hereof.
- 9.11 **No Novation.** This Agreement shall not constitute and shall not be deemed or construed to be a satisfaction, reinstatement, novation or release of the Commitment Letter and the Security.
- 9.12 **Execution and Delivery.** This Agreement may be executed in counterparts, and acceptance of this Agreement may be provided by email transmission in PDF format and, on such execution and transmission, this Agreement shall be binding on the parties with the same force and effect as if originally executed.

[THE REMAINDER OF THIS PAGE WAS INTENTIONALLY LEFT BLANK]



IN WITNESS OF WHICH the parties have duly executed this Agreement on the date described above.

DUCA FINANCIAL SERVICES CREDIT UNION LTD.

Per: 
Name: Imran H Khan
Title: VP Commercial Credit


I have authority to bind the corporation.


9630 ISLINGTON INC.

Per: 
Name: Steven Saccoccia
Title: President

I have the authority to bind the corporation.

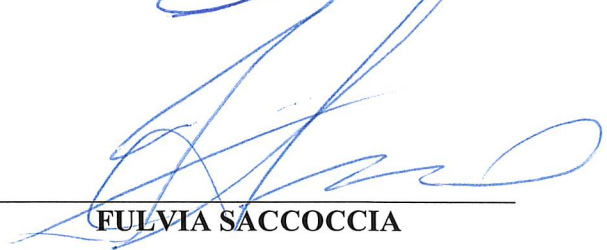
WITNESS


Name: Jessica Brancati


STEVEN SACCOCCIA

WITNESS


Name: Jessica Brancati


FULVIA SACCOCCIA

SCHEDULE "A"
SECURITY

1. Charge/Mortgage of Land dated July 28, 2022 from 9630 Islington Inc. ("**Borrower**") in favour of DUCA Financial Services Credit Union Ltd. ("**DUCA**") over the lands and premises municipally known as 9630 Islington Avenue, Woodbridge, Ontario and legally described in PIN 03324-4510 (LT) (the "**Property**").
2. Assignment of Rents dated July 15, 2022 from the Borrower in favour of DUCA over the Property.
3. General Security Agreement dated July 15, 2022 from the Borrower in favour of DUCA.
4. General Assignment of Accounts/Book Debts dated July 15, 2022 from the Borrower in favour of DUCA.
5. Cash Collateral Agreement dated July 15, 2022 from the Borrower in favour of DUCA.
6. Agreement for Security on Shares and Deposits dated July 15, 2022 from the Borrower in favour of DUCA.
7. Postponement of Claims dated July 15, 2022 in favour of DUCA by 1485577 Ontario Limited, 2661223 Ontario Inc., Armax Investments Inc., Crystal Glen Homes (2000) Inc., Edenbridge Homes Inc., Ercris Holdings Inc., Selste Limited and Sua Enterprises Ltd.
8. Direction, Agreement and Charge of Beneficial Interest dated July 15, 2022 in favour of DUCA by 1485577 Ontario Limited, 2661223 Ontario Inc., Armax Investments Inc., Crystal Glen Homes (2000) Inc., Edenbridge Homes Inc., Ercris Holdings Inc., Selste Limited and Sua Enterprises Ltd.
9. Assignment of Insurance dated July 15, 2022 by the Borrower in favour of DUCA.
10. Environmental Indemnity dated July 15, 2022 from the Borrower and the Guarantors in favour of DUCA.



DUCA FINANCIAL SERVICES CREDIT UNION LTD.
Applicant

-and- **9630 ISLINGTON INC.**
Respondent

Court File No. CV-24-00719135-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT
TORONTO

AFFIDAVIT OF IVAN BOGDANOVICH

DICKINSON WRIGHT LLP

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

JOHN D. LESLIE (29956P)

Email: jleslie@dickinsonwright.com
Tel: 416-646-3801

LISA S. CORNE (27974M)

Email: lcorne@dickinsonwright.com
Tel: 416.646.4608

Lawyers for the Applicant

Tab 3

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

THE HONOURABLE) DAY, THE TH
JUSTICE)
) DAY OF APRIL, 2024
)

IN THE MATTER OF SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, C. B-3, AS AMENDED, SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O 1990 C. C.43, AS AMENDED, AND SECTION 68 OF THE *CONSTRUCTION ACT*, R.S.O. 1990, c. C.30, AS AMENDED

B E T W E E N:

DUCA FINANCIAL SERVICES CREDIT UNION LTD.

Applicant

- and -

9630 ISLINGTON INC.

Respondent

**ORDER
(appointing Receiver)**

THIS APPLICATION made by the Applicant Duca Financial Services Credit Union Ltd. (the “Applicant”) for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “BIA”), section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the “CJA”) and section 68 of the *Construction Act*, R.S.O. 1990, c.C30, as amended (the “Construction Act”), appointing MNP Ltd. as receiver and manager (in such capacities, the “Receiver”) without security, of all of the assets, undertakings and properties

of the Respondent (the “Debtor”), acquired for, or used in relation to a business carried on by the Debtor, was heard on April ●, 2024 by Zoom videoconference.

ON READING the affidavit of Ivan Bogdanovich sworn April ●, 2024 and the Exhibits thereto, and on hearing submissions of counsel for the Applicant, no one else on the service list appearing, although duly served as appears from the affidavit of service of Jennifer Samuels sworn April ●, 2024 and on reading the consent of MNP Ltd. to act as the Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application is hereby abridged and validated so that this 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, section 101 of the CJA, and section 68 of the Construction Act, MNP Ltd. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including and without in any way limiting the generality of the foregoing, the lands and premises described in Schedule “A” hereto, and all proceeds thereof (collectively, the “Property”).

RECEIVER’S POWERS

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

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the

relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof, whether directly, or through such real estate broker(s) as the Receiver may in its discretion engage, and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business subject to the approval of the Court;
- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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

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

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto

paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

7. 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

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

NO EXERCISE OF RIGHTS OR REMEDIES

9. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any “eligible financial contract” as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor are not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

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

RECEIVER TO HOLD FUNDS

12. 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

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

PIPEDA

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

15. 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

16. 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

17. 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. 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.

18. 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 Ontario Superior Court of Justice.

19. 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

20. 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 \$500,000 (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 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. The charges granted in this paragraph 20 as security for the payment of monies borrowed by the Receiver are hereinafter referred to as to the "Receiver's Borrowing Charge".

21. 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.

22. 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.

23. 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

24. 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:●.

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

GENERAL

26. 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.

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

28. 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.

29. 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.

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

31. 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.

32. THIS COURT ORDERS that notwithstanding the engagement of Dickinson Wright LLP as counsel for Duca Financial Services Credit Union Ltd., the Receiver may engage Dickinson Wright LLP as its legal counsel in respect of matters where there is no conflict of interest. The Receiver shall, however, engage independent legal counsel in respect of any matter where a conflict of interest arises.

SCHEDULE "A"

Municipal Address: 9630 Islington Avenue, Woodbridge, Ontario

PIN: 03324-4510 LT

Legal Description:

BLOCK 6, PLAN 65M3467, VAUGHAN.; SUBJECT TO AN EASEMENT AS IN YR2927821

SCHEDULE “B”
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that MNP Ltd., the receiver (the “Receiver”) of the assets, undertakings and properties of 9630 Islington Inc. (the “Debtor”) acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the “Property”) appointed by Order of the Ontario Superior Court of Justice (the “Court”) dated the ___ day of _____, 2024 (the “Order”) made in an action 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 _____, 2024.

MNP Ltd., solely in its capacity as Receiver of the Property, and not in its personal capacity

Per: _____

Name:

Title:

DUCA FINANCIAL SERVICES CREDIT UNION LTD.
Applicant

-and- **9630 ISLINGTON INC.**
Respondent

Court File No. CV-24-00719135-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

**ORDER
(APPOINTING RECEIVER)**

DICKINSON WRIGHT LLP

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

JOHN D. LESLIE (29956P)

Email: jleslie@dickinsonwright.com
Tel: 416-646-3801

LISA S. CORNE (27974M)

Email: lcorne@dickinsonwright.com
Tel: 416.646.4608

Lawyers for the Applicant

Tab 4

Revised: January 21, 2014
s.243(1) BIA (National Receiver) and s. 101 CJA (Ontario) Receiver

Court File No. —

Court File No. CV

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

THE HONOURABLE —) ~~WEEKDAYDAY~~, THE # TH
)
JUSTICE —) DAY OF ~~MONTH~~APRIL, ~~20YR~~2024
)

IN THE MATTER OF SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, C. B-3, AS AMENDED, SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O 1990 C. C.43, AS AMENDED, AND SECTION 68 OF THE *CONSTRUCTION ACT*, R.S.O. 1990, c. C.30, AS AMENDED

B E T W E E N:

PLAINTIFF⁺

DUCA FINANCIAL SERVICES CREDIT UNION LTD.

Plaintiff

Applicant

- and -

DEFENDANT

9630 ISLINGTON INC.

Respondent

Defendant

⁺~~The Model Order Subcommittee notes that a receivership proceeding may be commenced by action or by application. This model order is drafted on the basis that the receivership proceeding is commenced by way of an action.~~

ORDER
(appointing Receiver)

THIS ~~MOTION made by the Plaintiff~~² APPLICATION made by the Applicant Duca Financial Services Credit Union Ltd. (the "Applicant") for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the ""BIA"") ~~and~~ section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the ""CJA"") ~~and section 68 of the Construction Act~~, R.S.O. 1990, c.C30, as amended (the "Construction Act""), appointing ~~[RECEIVER'S NAME]~~ MNP Ltd. as receiver ~~[and manager]~~ (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of ~~[DEBTOR'S NAME]~~ the Respondent (the "Debtor"), acquired for, or used in relation to a business carried on by the Debtor, was heard ~~this day at 330 University Avenue, Toronto, Ontario~~ on April •, 2024 by Zoom videoconference.

ON READING the affidavit of ~~[NAME]~~ Ivan Bogdanovich sworn ~~[DATE]~~ April •, 2024 and the Exhibits thereto, and on hearing ~~the~~ submissions of counsel for ~~[NAMES]~~ the Applicant, no one else on the service list appearing ~~for [NAME]~~, although duly served as appears from the affidavit of service of ~~[NAME]~~ Jennifer Samuels sworn ~~[DATE]~~ April •, 2024 and on reading the consent of ~~[RECEIVER'S NAME]~~ MNP Ltd. to act as the Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of ~~Motion~~ Application and the ~~Motion~~ Application is hereby abridged and validated³ so that this ~~motion~~ Application is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

² ~~Section 243(1) of the BIA provides that the Court may appoint a receiver "on application by a secured creditor".~~

³ ~~If service is effected in a manner other than as authorized by the Ontario Rules of Civil Procedure, an order validating irregular service is required pursuant to Rule 16.08 of the Rules of Civil Procedure and may be granted in appropriate circumstances.~~

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA ~~and~~ section 101 of the CJA, ~~[RECEIVER'S NAME]~~ and section 68 of the Construction Act, MNP Ltd. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including and without in any way limiting the generality of the foregoing, the lands and premises described in Schedule "A" hereto, and all proceeds thereof (collectively, the "Property").

RECEIVER'S POWERS

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

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;

- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings.⁴ The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof, whether directly, or through such real estate broker(s) as the Receiver may in its discretion engage, and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business, subject to the approval of the Court;

~~⁴This model order does not include specific authority permitting the Receiver to either file an assignment in bankruptcy on behalf of the Debtor, or to consent to the making of a bankruptcy order against the Debtor. A bankruptcy may have the effect of altering the priorities among creditors, and therefore the specific authority of the Court should be sought if the Receiver wishes to take one of these steps.~~

~~(i) without the approval of this Court in respect of any transaction not exceeding \$_____, provided that the aggregate consideration for all such transactions does not exceed \$_____; and~~

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

~~and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, [or section 31 of the Ontario *Mortgages Act*, as the case may be,]⁵ shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.~~

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;

~~⁵ If the Receiver will be dealing with assets in other provinces, consider adding references to applicable statutes in other provinces. If this is done, those statutes must be reviewed to ensure that the Receiver is exempt from or can be exempted from such notice periods, and further that the Ontario Court has the jurisdiction to grant such an exemption.~~

- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records,

or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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

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

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

9. ~~10.~~ THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor ~~is~~are not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, ~~or~~ (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

11. ~~12.~~ THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized

banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

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

EMPLOYEES

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

PIPEDA

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

15. ~~16.~~ THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession

of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

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

RECEIVER'S ACCOUNTS

17. ~~18.~~ THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, ~~and that~~. The Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.⁶

18. ~~19.~~

⁶ ~~Note that subsection 243(6) of the BIA provides that the Court may not make such an order "unless it is satisfied that the secured creditors who would be materially affected by the order were given reasonable notice and an opportunity to make representations".~~

THIS COURT ORDERS that the Receiver and its legal counsel shall pass ~~its~~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.

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

FUNDING OF THE RECEIVERSHIP

20. ~~21.~~ THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$~~_____~~500,000 (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. The charges granted in this paragraph 20 as security for the payment of monies borrowed by the Receiver are hereinafter referred to as to the "Receiver's Borrowing Charge".

21. ~~22.~~ THIS COURT ORDERS that neither the Receiver's^u 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.

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

23. ~~24.~~ THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

24. ~~25.~~ THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL [!\[\]\(950a62bbddad88d64435fd35607dfc42_img.jpg\)](mailto:).

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

GENERAL

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

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

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

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

30. ~~31.~~ THIS COURT ORDERS that the ~~Plaintiff~~Applicant shall have its costs of this ~~motion~~Application, up to and including entry and service of this Order, provided for by the terms of the ~~Plaintiff's~~Applicant's security or, if not so provided by the ~~Plaintiff's~~Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

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

32. THIS COURT ORDERS that notwithstanding the engagement of Dickinson Wright LLP as counsel for Duca Financial Services Credit Union Ltd., the Receiver may engage Dickinson Wright LLP as its legal counsel in respect of matters where there is no conflict of interest. The Receiver shall, however, engage independent legal counsel in respect of any matter where a conflict of interest arises.

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SCHEDULE "A"

Municipal Address: 9630 Islington Avenue, Woodbridge, Ontario

PIN: 03324-4510 LT

Legal Description:

BLOCK 6, PLAN 65M3467, VAUGHAN.; SUBJECT TO AN EASEMENT AS IN YR2927821

SCHEDULE "B"**RECEIVER CERTIFICATE**

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that ~~{RECEIVER'S NAME}~~ MNP Ltd., the receiver (the "Receiver") of the assets, undertakings and properties ~~{of 9630 Islington Inc. (the "Debtor'S NAME}")~~ acquired for, or used in relation to a business carried on by the Debtor, 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__~~ 2024 (the "Order") made in an action 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 _____, ~~20~~2024.

~~[RECEIVER'S NAME]~~ MNP Ltd., solely in its capacity
- as Receiver of the Property, and not in its personal capacity

Per: _____

Name:

Title:

DUCA FINANCIAL SERVICES CREDIT UNION LTD.

Applicant

-and-

9630 ISLINGTON INC.

Respondent

Court File No. CV

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT
TORONTO

ORDER
(APPOINTING RECEIVER)

DICKINSON WRIGHT LLP

Barristers & Solicitors

199 Bay Street

Suite 2200, Box 447

Commerce Court Postal Station

Toronto, ON M5L 1G4

JOHN D. LESLIE (29956P)

Email: jleslie@dickinsonwright.com

Tel: 416-646-3801

LISA S. CORNE (27974M)

Email: lcorne@dickinsonwright.com

Tel: 416.646.4608

Lawyers for the Applicant

4874-6064-8116 v3 [105220-3]

Tab 5

**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, SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990 C. C.43, AS AMENDED, AND SECTION 68 *CONSTRUCTION ACT*, R.S.O. 1990, c. C.30, AS AMENDED

B E T W E E N:

DUCA FINANCIAL SERVICES CREDIT UNION LTD.

Applicant

- and -

9630 ISLINGTON INC.

Respondent

CONSENT

The undersigned MNP Ltd., consents to act as Court-appointed receiver and manager of the undertaking, assets and property of the Respondent, on the terms set out in the draft Order attached to the Notice of Application herein.

Dated at Toronto this 10th day of April 2024.

MNP Ltd.



Per: _____

Name: Deborah Hornbostel

Title: Senior Vice President

DUCA FINANCIAL SERVICES CREDIT UNION LTD.
Applicant

-and- **9630 ISLINGTON INC.**
Respondent

Court File No. CV-189

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

PROCEEDING COMMENCED AT
TORONTO

C O N S E N T

DICKINSON WRIGHT LLP

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

JOHN D. LESLIE (29956P)

Email: JLeslie@dickinsonwright.com
Tel: 416-646-3801

LISA CORNE (27974M)

Email: LCorne@dickinsonwright.com
Tel: 416-646-4608

Lawyers for the Applicant

DUCA FINANCIAL SERVICES CREDIT UNION LTD.
Applicant

-and- 9630 ISLINGTON INC.
Respondent

Court File No.: CV-24-00719135-00CL

**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

JOHN D. LESLIE (29956P)

Email: JLeslie@dickinsonwright.com
Tel: 416-646-3801

LISA CORNE (27974M)

Email: LCorne@dickinsonwright.com
Tel: 416-646-4608

Lawyers for the Applicant