

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

DUCA FINANCIAL SERVICES CREDIT UNION LTD.

Applicant

and

10503452 CANADA INC. and ASIF KARIMOV

Respondents

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

APPLICATION RECORD
(Application returnable April 11, 2024)

April 5, 2024

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TO: SERVICE LIST

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Respondents

SERVICE LIST

As of April 3, 2024	
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**ONTARIO
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TAB 1



**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

DUCA FINANCIAL SERVICES CREDIT UNION LTD.

Applicant

and

10503452 CANADA INC. and ASIF KARIMOV

Respondents

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

NOTICE OF APPLICATION

TO THE RESPONDENTS:

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

at the following location:

330 University Avenue, Toronto, Ontario

on a day to be set by the registrar.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the *Rules of Civil Procedure*, serve it on the 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.

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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 Superior Court of Justice
court office: 330 University Avenue
Toronto ON M5G 1R7

TO: SERVICE LIST

To:	10503452 Canada Inc. c/o Khan Law Professional Corporation 211 – 450 Bronte Street South Milton, ON, L9T 8T2 Mr. Sarfaraz Khan (LSO # 71339W) T: 647-643-5426 ext. 2 E: faraz.khan@khanllp.com Counsel to 10503452 Canada Inc.
And To:	Asif Karimov 477 Wilson Heights Blvd. Toronto, ON M3H 2V4

APPLICATION

1. The applicant, DUCA Financial Services Credit Union Ltd. (“**DUCA**”) makes application for:
 - (a) if necessary, an order abridging the time for service and filing of this notice of application, and the application record, validating service effected to date, and an order dispensing with service thereof, on any party other than the persons served;
 - (b) an order appointing msi Spergel Inc. as receiver (in such capacity, the “**Receiver**”), without security of all the assets, undertakings, and properties of the respondent 10503452 Canada Inc. (“**Debtor**”);
 - (c) appointing the Receiver over the real property municipally described as 740-748 Sheppard Avenue West, Toronto (the “**Property**”), and as further described in **Schedule “A”** to this Notice of Application;
 - (d) judgment against Asif Karimov (“**Asif**”) in accordance with his guarantee and postponement of claim dated February 23, 2021 (the “**Guarantee**”), guaranteeing the obligations of the Debtor to DUCA. DUCA is prepared to adjourn this portion of the relief sought *sine die* returnable on 10 days’ notice;
 - (e) costs, in accordance with the terms of the Credit Agreement, the Security (as hereinafter defined), and/or the Guarantee as applicable, or in the alternative, in accordance with the *Courts of Justice Act* R.S.O. 1990, c. C.43, as amended (the “**CJA**”); and,
 - (f) such further and other Relief as this Honourable Court may deem just.

2. The grounds for the application are:

A. The Parties:

- (a) DUCA is a credit union and an Ontario corporation with its head office located at 5255 Yonge Street, 4th Floor, Toronto, Ontario;
- (b) the Debtor is a federal corporation under the *Canada Business Corporations Act* extra-provincially registered in Ontario with a registered head office located in Toronto, Ontario;
- (c) Asif is an individual that resides in the City of Toronto, and is a director of the Debtor. Orkhan Karimov (“**Orkhan**”) is also listed as a director of the Debtor;
- (d) The Debtor is the registered owner of the Property, which is a parcel of land having an area of approximately 0.46 acres near the intersection of Sheppard Avenue West and Bathurst Street in North York. The Debtor acquired the Property with a view to developing it into a 9-storey mixed use building with more than 70 residential units and 200 square metres of commercial retail space (the “**Project**”);

B. The Credit Facilities:

- (e) pursuant to a Commitment Letter dated February 1, 2021, (as same may have been amended, replaced, restated or supplemented from time to time, the “**Credit Agreement**”), DUCA granted a demand loan to the Debtor in the amount \$4,242,000.00 (the “**Loan**”);

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- (f) the purpose of the Loan was to assist the Debtor in refinancing an existing debt with respect to the Project and to provide working capital for pre-development costs associated with the Project;
- (g) the Loan bears interest at a rate of the greater of i) DUCA's prime rate plus 2.60%; or ii) 5.55%;
- (h) the Loan had a maturity date of January 1, 2024;
- (i) as security for the Credit Agreement, the Debtor provided, amongst other things (collectively, the "**Security**"):
 - (i) a general security agreement dated February 23, 2021 (the "**GSA**");
 - (ii) a first-ranking mortgage/charge dated March 1, 2021, in the principal amount of \$4,670,000.00, and registered against the Property, as Instrument No. AT5664920 on March 1, 2021, in the Land Titles Office for Toronto (No. 66) (the "**Mortgage**"); and
 - (iii) a general assignment of rents dated March 1, 2021, and registered against the Property as Instrument No. AT5664923 on March 1, 2021;

C. The Guarantee:

- (j) as additional security, Asif provided DUCA with a Guarantee of the Debtor's obligations to DUCA. The Guarantee guarantees all present and future debts of the Debtor, together with interest and costs;
- (k) the Credit Agreement provides that the Loan can become due upon demand, or in the event of a default. In the event of a default, DUCA, at its discretion, can cancel

the Loan and demand immediate repayment in full of any amounts outstanding together with accrued interest;

D. Demand Made:

- (l) on December 1, 2023, DUCA sent a non-renewal letter to the Debtor and Asif advising them that it would not be renewing the Loan. Accordingly, the Loan matured on January 1, 2024, but payment for the full amount owing was not received;
- (m) the failure to pay out the Loan upon maturity constituted a default under the terms of the Credit Agreement;
- (n) on or about January 16, 2024, DUCA issued demands to each of the Debtor and Asif requesting payment of the indebtedness due and owing under the Loan, together with accruing interest and any and all costs and expenses incurred by DUCA in accordance with the Credit Agreement (the “**Demands**”);
- (o) further, DUCA issued to the Debtor a notice of intention to enforce security pursuant to section 244(1) (the “**244 Notice**”) of the *Bankruptcy and Insolvency Act* R.S.C. 1985 c. B-3 as amended (the “**BIA**”);
- (p) the time for repayment under the Demands and the 244 Notice has expired and the indebtedness owing to DUCA remains unpaid. Interest and costs continue to accrue on the principal indebtedness;

E. Orkhan Karimov's Interest in the Property:

- (q) on October 17, 2023, Orkhan registered a notice of interest against the title to the Property (Registration No. AT6441978);
- (r) upon request to confirm the nature of the interest, counsel for Orkhan provided a trust agreement dated October 22, 2020 (the “**Trust Agreement**”), by which the Debtor purportedly agreed to hold 50% of the Property in trust for Orkhan;
- (s) pursuant to section 62 of the *Land Titles Act*, R.S.O. 1990, c. L.5, a notice of interest shall not be entered on title. This registration is improper and should be deleted from the parcel register;

F. General:

- (t) the Debtor has failed to honour the Demands and 244 Notice, make alternative arrangements acceptable to DUCA, or initiate any filing under the BIA;
- (u) in the circumstances, DUCA wishes to take any and all steps necessary to preserve and protect the Security and realize on same;
- (v) DUCA has, at all times, acted in good faith towards the Debtor and Asif;
- (w) it is appropriate to grant DUCA judgment as against Asif in the amounts provided for under the Guarantee together with interest and costs which continue to accrue. DUCA is prepared to adjourn the relief sought against Asif *sine die*, returnable on 10 days' notice. This relief as against the Asif is sought by way of application because there are no material facts in dispute;

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- (x) DUCA proposes that msi Spergel Inc. (“**Spergel**”) be appointed as Receiver of the Debtor. Spergel is a licensed trustee in bankruptcy and has consented to act as court-appointed receiver with respect to the Debtor;
 - (y) it is just and equitable that a receiver now be appointed over the Debtor;
 - (z) the appointment of a receiver over the Debtor is provided for in the Security;
 - (aa) Subsection 243(1) of the BIA;
 - (bb) Section 101 of the CJA;
 - (cc) Rules 1.04, 2.03, 3.02; 14.05; 16.04, and 38 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended; and
 - (dd) such further and other relief as counsel may advise and this Honourable Court may permit.
3. The following documentary evidence will be used at the hearing of the application:
- (a) the affidavit of Ivan Bogdanovich, to be sworn; and

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(b) such further and other evidence as the lawyers may advise and this Honourable Court may permit.

Dated: March 11, 2024	BLANEY MCMURTRY LLP Barristers & Solicitors 2 Queen Street East, Suite 1500 Toronto ON M5C 3G5 Timothy R. Dunn (LSO #34249I) Tel: (416) 597-4880 Email: tdunn@blaney.com Alexandra Teodorescu (LSO #63889D) Tel: (416) 596-4279 Email: ateodorescu@blaney.com
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Schedule “A”

10171-0602 (LT)

PART OF LOT 6 PLAN 3062 DESIGNATED AS PARTS 1 AND 2 ON PLAN 66R-26936;
CITY OF TORONTO

Court File No.

DUCA FINANCIAL SERVICES CREDIT UNION LTD.	-and- 10503452 CANADA INC. et al.	
Applicant		Respondents
		ONTARIO SUPERIOR COURT OF JUSTICE COMMERCIAL LIST PROCEEDING COMMENCED AT TORONTO
		NOTICE OF APPLICATION
		BLANEY MCMURTRY LLP Barristers & Solicitors 2 Queen Street East, Suite 1500 Toronto ON M5C 3G5 Timothy R. Dunn (LSO #342491) Tel: (416) 597-4880 Email: tdunn@blaney.com Alexandra Teodorescu (LSO #63889D) Tel: (416) 596-4279 Email: ateodorescu@blaney.com

TAB 2

Court File No.: CV-24-00716425-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

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**AFFIDAVIT OF IVAN BOGDANOVICH
(Sworn April 5, 2024)**

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

1. I am a Director of the Special Assets group of DUCA Financial Services Credit Union Ltd. (“**DUCA**”). As a result, I have personal knowledge of the matters to which I hereinafter depose save and except where I refer to matters based on information and belief, in which case I verily believe that information to be true.

2. This affidavit is sworn in support of an application by DUCA to the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) for an Order (the “**Appointment Order**”) appointing msi Spergel Inc. (“**Spergel**”) as receiver (in such capacity, the “**Receiver**”) of the property, assets and undertakings of 10503452 Canada Inc. (“**Debtor**”), including without limitation the Property

(as defined below) pursuant to section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c B-3 (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43 (“**CJA**”).

3. As will be explained below, DUCA is seeking the Appointment Order on the basis that the Loan (as defined herein) matured on January 1, 2024, and the full amount owing under the Loan is due and payable to DUCA at this time. Despite issuing Demands (as defined herein) and NITES (as defined herein) on January 16, 2024, which have now expired, the Debtor has failed to repay the Indebtedness (as defined herein) to DUCA. Furthermore, the Debtor has not identified to DUCA any firm source of funds available to repay the Indebtedness in the near term.

The Parties

4. DUCA is a credit union and an Ontario corporation with a head office located at 5255 Yonge Street, 4th Floor, Toronto, Ontario.

5. The Debtor is a federal company incorporated under the *Canada Business Corporations Act*. According to the corporate profile report obtained from the provincial ministry on March 8, 2024:

- a. The Debtor is extra-provincially registered in the Province of Ontario with a registered office address of 477 Wilson Heights Blvd, Toronto, Ontario, M3H 2V4; and
- b. Asif Karimov (the “**Guarantor**”) and Orkhan Karimov (“**Orkhan**”) are directors of the Debtor.

Attached hereto and marked as **Exhibit “A”** is a copy of the federal and provincial Corporate Profile Report for the Debtor.

Business of the Debtor and Credit Agreement

6. The Debtor is a real estate holding company operating out of the Toronto, Ontario region. It is the registered owner of the lands and premises municipally known as 740-748 Sheppard Avenue West, Toronto, Ontario (the “**Property**”).

7. The Property is a parcel of land having an area of approximately 0.46 acres near the intersection of Sheppard Avenue West and Bathurst Street in North York.

8. The Debtor acquired the Property with a view to developing it into a 9-storey mixed use building with more than 70 residential units and approximately 200 square meters of commercial retail space (the “**Project**”).

9. Pursuant to a commitment letter dated February 1, 2021, between DUCA, as lender, and the Debtor, as borrower (the “**Credit Agreement**”), DUCA agreed to provide a demand loan in the principal amount of four million two hundred and forty-two thousand dollars (\$4,242,000) to the Debtor (the “**Loan**”). Attached hereto and marked as **Exhibit “B”** is a copy of the Commitment Letter.

10. The purpose of the Loan was to assist the Debtor in refinancing existing debt with respect to the Project and to provide working capital for pre-development costs associated with the Project and to provide an equity take-out.

11. The Debtor submitted a Site Plan Control application in respect of the Project in November 2022, but no further information about the status of the Project has been provided to DUCA.

12. The Credit Agreement provides that all principal and accrued interest owing under the Loan is repayable on demand. The Credit Agreement provides for the following process 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 third 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 [emphasis added].

13. By letters dated November 1, 2023 and December 1, 2023, DUCA informed the Debtor that it would not be renewing the Loan. Accordingly, the Loan matured on January 1, 2024 (the “**Maturity Date**”). Copies of the Non-Renewal Letters from November 1, 2023 and December 1, 2023 are attached hereto and marked collectively as **Exhibit “C”**.

The Security

14. As security for the Loan pursuant to the Credit Agreement, the Debtor provided DUCA with broad security, including, but not limited to, the following:

- a. A first-ranking charge/mortgage registered against title to the Property on March 1, 2021, as instrument AT5664920 in the principal amount of \$4,670,000 (“**Mortgage**”);

- b. A notice of a general assignment of rents dated February 23, 2021, registered against title to the Property on March 1, 2021, as instrument AT5664963 (“**GAR**”);
- c. A general security agreement in respect of all present and future undertaking and property of the Debtor dated as of February 23, 2021 (the “**GSA**”);
- d. A cash collateral agreement dated February 23, 2021 (“**Cash Agreement**”); and
- e. An assignment of insurance agreement dated February 23, 2021 (“**Insurance Agreement**,” and collectively, the “**Security**”)

Attached hereto and marked as **Exhibit “D,” Exhibit “E,” Exhibit “F,” Exhibit “G” and Exhibit “H”** respectively, are copies of the Mortgage, the GAR, the GSA, the Cash Agreement and the Insurance Agreement.

15. DUCA is currently holding \$30,810.40 as cash collateral under the Cash Agreement.

16. As a condition of the Loan, DUCA required the Guarantor to provide DUCA with an unlimited, absolute guarantee dated February 23, 2021, respecting all indebtedness owing by the Debtor to DUCA (the “**Guarantee**”). Attached hereto and marked as **Exhibit “I”** is a copy of the Guarantee.

Secured Creditors

17. Attached hereto and marked as **Exhibit “J”** is a copy of the certified PPSA search results for the Debtor dated April 1, 2024. The PPSA search results indicate that DUCA registered a Financing Statement giving notice of its GSA and other security on February 22, 2021.

18. In addition, the PPSA search results show a security interested registered in favour of the Royal Bank of Canada (“**RBC**”) on May 2, 2019 in respect of an Assignment of Rents relating to 940 Danforth Avenue, Toronto (“**940 Danforth**”), which is another real property owned by the Debtor. A copy of the parcel register for 940 Danforth is attached hereto and marked as **Exhibit “K”**.

19. The parcel register for the Property indicates that: (i) the Debtor remains the owner of the Property since November 1, 2019; (ii) DUCA is the first and only mortgagee registered on title to the Property; and (iii) a construction lien in favour of Tregobov Cogan Architecture Ltd. in the amount of \$67,869 was registered on February 15, 2024 (“**Construction Lien**”). A copy of the parcel register for the Property is attached hereto and marked as **Exhibit “L.”**

20. The registration of the Construction Lien was done without the prior written consent of DUCA and represents a default under the Mortgage.

21. A realty tax certificate for the Property, effective March 11, 2024, indicates arrears owing, including penalties in the amount of \$7,097.63. A copy of the tax certificate is attached hereto and marked as **Exhibit “M”**. The Debtor’s failure to pay the outstanding realty taxes represents a default under the Mortgage.

Orkhan’s Purported Interest in the Property

22. The parcel register attached at Exhibit “L” indicates a Notice registered as instrument AT6441978 on October 17, 2023 in favour of Orkhan for \$2 (the “**Notice**”). A copy of the Notice registered pursuant to Section 71 of the *Land Titles Act* is attached hereto and marked as **Exhibit “N”**.

23. The Notice relates to a purported Trust Agreement as between Orkhan, as beneficiary, and the Debtor, as trustee, dated October 22, 2020, which states that the Debtor holds 50% of the Property in trust for Orkhan (the “**Trust Agreement**”). A copy of the Trust Agreement is attached hereto and marked as **Exhibit “O”**.

24. I first became aware of the Trust Agreement after DUCA’s former counsel, Lerner LLP, obtained a copy from Orkhan’s counsel, Eldar Babayev, on or about January 16, 2024. At the time DUCA and the Debtor entered into the Credit Agreement the Debtor confirmed that it had good and marketable fee simple title to the Property. The Credit Agreement provides for a Trustee and Beneficial Owner Agreement or Charge of Beneficial Interest if the Debtor holds the Property as nominee or trustee for another person. Had DUCA been made aware of the purported Trust Agreement, it would have insisted on additional security with respect to the purported beneficial interest, as it was entitled to do under the Credit Agreement, or it would not have advanced the Loan.

25. In addition, the registration of the Notice on title to the Property represents an event of default under the Mortgage.

Notice of Non-Renewal and Demand

26. As mentioned above, on November 1, 2023, and December 1, 2023, DUCA sent the Debtor letters advising that the Loan would be maturing on the Maturity Date and that DUCA would not be renewing the Loan. DUCA demanded payment for the outstanding principal under the Loan, plus the discharge fee which, as at December 1, 2023, was \$4,243,000 (with daily accruing interest, the “**Indebtedness**”).

27. DUCA made the decision not to renew the Loan due to delays in zoning approval for the Project and outstanding property tax arrears, which resulted in DUCA losing confidence in the Debtor.

28. The Debtor failed to repay the Indebtedness on the Maturity Date, which constitutes a default under the terms of the Credit Agreement and Mortgage. The full amount due and owing to DUCA under the Loan continues to remain outstanding.

29. As a result, on January 16, 2024, DUCA's then lawyers, Lerner LLP, issued payment demands the ("**Demands**") and a Notice of Intention to Enforce Security ("**NITES**") pursuant to section 244 of the *Bankruptcy and Insolvency Act* on behalf of DUCA to the Debtor. Payment demands were also issued on January 16, 2024 to the Guarantor. Attached hereto and marked as **Exhibit "P"** are copies of the Demands with related NITES issued on January 16, 2024.

30. The Demands and the corresponding NITES, including the demand on the Guarantor, were sent via registered mail to the registered office address of the Debtor and the address of the Guarantor appearing on the Corporate Profile for the Debtor.

31. As of the date of swearing my Affidavit, the Debtor and the Guarantor have not repaid the Indebtedness owing to DUCA. There has been no further communication with DUCA from the Debtor, the Guarantor or Orkhan since the issuance of the Demands and NITES on January 16, 2024.

32. All of DUCA's demands have expired and the Indebtedness owing by the Debtor and Guarantor to DUCA remains outstanding.

33. As of April 2, 2024, the Debtor is indebted to DUCA in the amount of \$4,378,516.86, with \$4,242,000 relating to principal and \$136,516.86 relating to interest (excluding legal expenses). The Indebtedness continues to accrue daily interest in the amount of \$1,109.89.

34. A commitment letter from Vector to the Debtor, dated March 20, 2024, was provided to counsel for DUCA, Blaney McMurtry LLP (“**Blaney**”), by the Debtor’s counsel on April 2, 2024 (the “**Vector Commitment**”). The Vector Commitment is highly conditional in nature and, even if funds are advanced under the Commitment, there is still a shortfall in respect of the Indebtedness. A copy of the Vector Commitment is attached hereto and marked as **Exhibit “Q.”**

35. Notably, there is no mention in the Vector Commitment to the Debtor holding a portion of the Property in trust for Orkhan or any other third party. Indeed, the Vector Commitment states that the Debtor owns the Property for its own account, records the Property as an asset on its financial statements, and does not hold the Property in trust for any other party.

36. In addition, counsel for the Debtor has advised that the balance of the funds to repay the Indebtedness will come from the sale of a property located at 202 Mcallister Road in Toronto (“**Mcallister Property**”), which is owned by 8570442 Canada Inc. (“**857 Canada**”). DUCA has very limited knowledge of 857 Canada, other than a Corporate Profile Report revealing that the Guarantor is a director of 857 Canada. We have been provided with no independent source of valuation for the Mcallister Property or any understanding of the general creditworthiness of 857 Canada. Additionally, DUCA does not have certainty that this sale will close on the specified closing date of April 16, 2024. A copy of the parcel register for the Mcallister Property is attached hereto and marked **Exhibit “R”**.

37. I understand from DUCA's counsel, Mr. Timothy Dunn, that he spoke with counsel for the Debtor, Faraz Khan, on or about February 27, 2024, at which time Mr. Khan advised that the Debtor required three to six weeks to refinance.

38. I was further advised by DUCA's counsel, Alexandra Teodorescu, that she and Mr. Khan attended a 9:30 scheduling appointment on March 13, 2024, before the Commercial List to schedule the return of this receivership application. While DUCA was seeking a return date at the end of March, this matter was scheduled for April 11, 2024, to allow the Debtor additional time to refinance. Since that time, however, we have received no indication that the conditions under the Vector Commitment have been waived or satisfied, and no level of comfort that the transaction with respect to the Mcallister Property will be concluded as proposed.

Appointment of Receiver

39. The Security delivered to DUCA gives it the right to appoint a receiver, including:

- a. The "Appointment of Receiver" section in Schedule "A" – Additional Loan Terms to the Credit Agreement;
- b. Section 13.01 "Remedies" of the GSA; and
- c. Section 13(d) "Remedies" of the Mortgage.

40. DUCA has provided the Debtor with more than sufficient time to repay the Indebtedness, which continues to accrue interest and fees on a daily basis.

41. There has been no indication by the Guarantor, Orkhan or any representative of the Debtor that there is a reasonable prospect that the Debtor can repay the Indebtedness. I am not aware of the Debtor having any firm sources of funding available sufficient to satisfy the Indebtedness.

42. DUCA wishes to take any and all steps necessary to protect the security granted to it by the Debtor and to realize on it.

43. DUCA considers it reasonable and prudent for it to begin enforcement of its security in an effort to recover the outstanding Indebtedness. It is my view that the appointment of a receiver over the Property will create a clear and transparent way forward for the repayment of the Indebtedness and, to the extent there is any surplus, the repayment of indebtedness owing by the Debtor to its other creditors.

44. If this Honourable Court sees it fit to make such an appointment, DUCA has obtained the consent of msi Spergel Inc. (“**Spergel**”) to act as receiver over the Debtor (in such capacity, the “**Receiver**”). Spergel is a licensed insolvency trustee and has significant experience in mandates of this nature. A copy of the Consent is attached hereto and marked as **Exhibit “S”**.

45. This Affidavit is sworn in support of DUCA's application for an Order appointing Spergel as Receiver of the Debtor, and for no improper purpose.

SWORN REMOTELY BEFORE ME BY)
Ivan Bogdanovich at the City of Toronto, in)
Province of Ontario, and I being of the City of)
Toronto, in the Province of Ontario, on this 5th)
day of April 2024, in accordance with O. Reg.)
431/20 Administering Oath or Declaration)
Remotely.)

Robert Colm

A Commissioner for Taking Affidavits
Alexandra Teodorescu

~~Ivan Bogdanovich~~

Court File No. CV-24-00716425-00CL

DUCA FINANCIAL SERVICES CREDIT UNION LTD.

-and-

10503452 CANADA INC. et al.

Applicant

Respondents

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT **TORONTO**

AFFIDAVIT OF IVAN BOGDANOVICH

BLANEY MCMURTRY LLP
 Barristers & Solicitors
 2 Queen Street East, Suite 1500
 Toronto ON M5C 3G5

Timothy R. Dunn (LSO #34249I)
 Tel: (416) 597-4880
 Email: tdunn@blaney.com

Alexandra Teodorescu (LSO #63889D)
 Tel: (416) 596-4279
 Email: ateodorescu@blaney.com

Lawyers for the Applicant

This is Exhibit “A” referred to in the Affidavit of Ivan Bogdanovich, sworn by
Ivan Bogdanovich of the City of Toronto, in the Province of Ontario, before
me at the City of Toronto, in the Province of Ontario, on
April 5, 2024



A Commissioner for Taking Affidavits



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Federal Corporation Information - 1050345-2

⚠ Beware of scams and other suspicious activities. See [Corporations Canada's alerts](#).

i Note

This information is available to the public in accordance with legislation (see [Public disclosure of corporate information](#)).

[Order copies of corporate documents](#)

Corporation Number

1050345-2

Business Number (BN)

783766314RC0001

Corporate Name

10503452 Canada Inc.

Status

Active

Governing Legislation

Canada Business Corporations Act - 2017-11-20

[Order a Corporate Profile](#) [[View PDF Sample](#)] [[View HTML Sample](#)].

[Find existing extra-provincial registrations of this corporation on Canada's Business registries](#) **i**

Registered Office Address

477 WILSON HEIGHTS BLVD
TORONTO ON M3H 2V4

Canada

30

Note

Active CBCA corporations are required to update this information within 15 days of any change. A corporation key is required. If you are not authorized to update this information, you can either contact the corporation or contact Corporations Canada. We will inform the corporation of its reporting obligations.

Directors**Minimum** 1**Maximum** 10

ORKHAN KARIMOV
118 ROSEBOROUGH CRES
THORNHILL ON L4J 4T9
Canada

ASIF KARIMOV
477 Wilson Heights Boulevard
Toronto ON M3H 2V4
Canada

Note

Active CBCA corporations are required to update director information (names, addresses, etc.) within 15 days of any change. A corporation key is required. If you are not authorized to update this information, you can either contact the corporation or contact Corporations Canada. We will inform the corporation of its reporting obligations.

Individuals with significant control

No information has been filed.

[Learn more about when this information must be filed.](#)

Note

Active CBCA corporations are required to update this information annually (with their annual return) and within 15 days of a change in their ISC register via the Online Filing Centre. A corporation key is required. If you are not authorized to

update this information, you can contact either the corporation or Corporations Canada. We will inform the corporation of its reporting obligations.

31

Annual Filings

Anniversary Date (MM-DD)

11-20

Date of Last Annual Meeting

2020-12-17

Annual Filing Period (MM-DD)

11-20 to 01-19

Type of Corporation

Non-distributing corporation with 50 or fewer shareholders

Status of Annual Filings

2024 - Not due

2023 - Filed

2022 - Filed

Corporate History

Corporate Name History

2017-11-20 to Present

10503452 Canada Inc.

Certificates and Filings**Certificate of Incorporation**

2017-11-20

[Order copies of corporate documents](#)

[Start New Search](#)[Return to Search Results](#)**Date Modified:**

2024-02-28



Ministry of Public and
Business Service Delivery

Profile Report

10503452 CANADA INC. as of March 08, 2024

Act	Corporations Information Act
Type	Extra-Provincial Federal Corporation with Share
Name	10503452 CANADA INC.
Ontario Corporation Number (OCN)	3166548
Governing Jurisdiction	Canada - Federal
Incorporation/Amalgamation Date	November 20, 2017
Registered or Head Office Address	Attention/Care of ASIF KARIMOV, 477 Wilson Heights Blvd, Toronto, Ontario, M3H 2V4, Canada
Status	Refer to Governing Jurisdiction
Date Commenced in Ontario	November 20, 2017
Principal Place of Business	Attention/Care of ASIF KARIMOV, 477 Wilson Heights Blvd, Toronto, Ontario, M3H 2V4, Canada

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.

Chief Officer or Manager

Name

ASIF KARIMOV

Address for Service

477 Wilson Heights Blvd, Toronto, Ontario, M3H 2V4,
Canada

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

V. Quintanilla W.

Director/Registrar

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Corporate Name History
Refer to Governing Jurisdiction

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Active Business Names

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

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

V. Quintanilla W.

Director/Registrar

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Expired or Cancelled Business Names

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

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

V. Quintanilla W.

Director/Registrar

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 - Initial Return PAF: ASIF KARIMOV - DIRECTOR	November 22, 2017

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

Certified a true copy of the record of the Ministry of 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 by
Ivan Bogdanovich of the City of Toronto, in the Province of Ontario, before
me at the City of Toronto, in the Province of Ontario, on
April 5, 2024



A Commissioner for Taking Affidavits



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

February 1, 2021

10503452 Canada Inc.
477 Wilson Heights Boulevard
Toronto, Ontario
M3H 2V4

Attention: Mr. Asif Karimov

Dear Sir:

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 Guarantor will constitute an agreement which shall bind the Borrower, Guarantor and Lender:

LENDER	DUCA Financial Services Credit Union Ltd.
BORROWER	10503452 Canada Inc.
GUARANTOR	Asif Karimov
LOAN	FOUR MILLION TWO HUNDRED AND FORTY-TWO THOUSAND DOLLARS (\$4,242,000)
PROPERTY	740 – 748 Sheppard Avenue West, Toronto, Ontario (being a parcel of land having an area of approximately 0.46 acres to be developed into a 9-storey mixed use building, with 70 residential units and a retail component) (the " Project ").
PURPOSE	The Loan shall be used to assist in the refinancing of existing debt, to provide working capital for predevelopment costs for the Project and equity take-out, 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

ON DEMAND. Notwithstanding the foregoing, the interest rate (see below) will apply for a term of ONE (1) year from the Closing Date.

INTEREST ADJUSTMENT DATE

The Closing Date.

INTEREST RATE

The greater of: (i) Prime Rate per annum in effect from time to time plus TWO HUNDRED AND SIXTY BASIS POINTS (260 b.p. or 2.60%); and (ii) FIVE HUNDRED AND FIFTY-FIVE BASIS POINTS (555 b.p. or 5.55%) per annum, each calculated and payable monthly not in advance both before and after maturity, default and judgment. As of January 11, 2021, the Prime Rate is TWO HUNDRED AND NINETY-FIVE BASIS POINTS (295 b.p. or 2.95%) per annum and the interest rate applicable to the Loan is FIVE HUNDRED AND FIFTY-FIVE BASIS POINTS (555 b.p. or 5.55%) per annum.

"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.

AMORTIZATION

NIL – interest only.

REPAYMENT

Interest only shall be paid by the Borrower from the Interest Reserve Account (see "Interest Reserve Account" below) by consecutive monthly instalments commencing one month from the Interest Adjustment Date and ending on the maturity date of the Loan. The Borrower authorizes the Lender to automatically debit the Interest Reserve Account for all payments.

The Borrower shall open the Interest Reserve Account with the Lender prior to the Closing Date and deposit the Interest Reserve Funds (see "Interest Reserve Account" below) 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.

Notwithstanding compliance with the covenants and all other terms and conditions of this Agreement, all principal and accrued interest owing under the Loan is repayable **ON DEMAND**.

PREPAYMENT

So long as the Borrower is not and has never been in default hereunder, the Borrower, when not in default may prepay the whole or any part of the Loan outstanding on any payment date without notice, bonus or penalty so long as such repayment is from the Borrower's own funds and not borrowed from any institution, person or other entity (collectively, "Borrowed Funds"). In event the Loan is prepaid with Borrowed Funds, the Borrower acknowledges and agrees to pay

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the Prepayment Charge (as defined in Schedule "A" hereof) respecting such prepayment. This covenant shall survive and not merge upon payout or discharge of the Loan.

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; 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.

SECURITY

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

- a) A collateral first mortgage and charge on the Property (the "**Charge**") securing the principal amount of FOUR MILLION SIX HUNDRED AND SEVENTY THOUSAND DOLLARS (\$4,670,000) and bearing interest at a rate of the PRIME RATE PLUS TEN PERCENT (10.00%) per annum calculated monthly, 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 facility 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 Funds deposited into the Interest Reserve Account;
- f) An environmental indemnity to be provided by the Borrower and Guarantor;
- g) An unconditional guarantee and postponement of claim by the Guarantor 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 Guarantor's obligations under the environmental indemnity; independent legal advice may be required for the Guarantor, at the Lender's sole discretion;
- h) An Undertaking and Agreement to Fund Cost Overruns and Debt Service Agreement to be pledged by the Borrowers and Guarantor;

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- i) A Subordination and Standstill Agreement respecting all shareholder and/or related party loans of the Borrower, if applicable;
- j) An Assignment of Insurance Policies;
- k) Trustee and Beneficial Owner agreement (Charge of Beneficial Interest) if the Borrower holds the Property as nominee and bare trustee for the use, benefit and advantage of another person or persons;
- l) An Undertaking from the Borrower and Guarantor not to withdraw equity from the Property or the Project until the Loan has been repaid in full;
- m) A negative pledge by Borrower and Guarantor to not repay any shareholder loans, redeem shares, pay out dividends or increase compensation to principals of Borrower or to the Guarantor until the Loan has been repaid in full;
- n) An Undertaking of the Borrower to not to further encumber the Property, other than encumbrances which the Lender deems reasonable respecting the development of the Project in favour of municipal, governmental or utility companies, without the prior written consent of 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.

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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 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 of the Project;
- (b) Public liability insurance on a comprehensive basis to an amount not less than FIVE MILLION DOLLARS (\$5,000,000) on an occurrence basis, or such other amount as the Lender may reasonably request, adding the Lender as an additional insured; and
- (c) Any other risk or coverage deemed reasonable or necessary by the Lender 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

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Lender. The Lender shall be named in all policies of insurance as first mortgagee, 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.

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 FORTY THOUSAND DOLLARS (\$240,000) (the "**Interest Reserve Funds**") from its own resources, representing the anticipated amount of interest payments (approximately) 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 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.

ENVIRONMENTAL AND OTHER PROVISIONS

The Borrower and Guarantor 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.

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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 EIGHT THOUSAND DOLLARS (\$8,000) 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 TWENTY-THREE THOUSAND EIGHT HUNDRED AND FIFTEEN DOLLARS (\$23,815) is payable on the date of acceptance of this Commitment and, if not paid prior to the Closing Date, will be deducted from the advance.

ANNUAL REVIEW FEE

The Lender shall conduct a review of the Loan and Property each year during the term of the Loan. The first annual review will be performed on or before March 31, 2022. A minimum annual review fee of TWO THOUSAND DOLLARS (\$2,000) 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 TWO HUNDRED AND FIFTY (\$250) 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 Guarantor to provide the Lender with updated Statements at any time during a fiscal year of the Borrower. 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

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and unfettered discretion), a minimum monthly fee of TWO HUNDRED AND FIFTY DOLLARS (\$250.00) 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 advance 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) certificates or binders of insurance satisfactory to the Lender;
- (d) an appraisal of the Property indicating a minimum land value of no less than SEVEN MILLION SEVENTY THOUSAND DOLLARS (\$7,070,000) on an "as is" basis with no hypothetical assumptions, prepared for the Lender by an approved appraiser, the other assumptions, findings and conclusions of which are satisfactory to the Lender in its absolute discretion. The appraisal must be addressed to the Lender or accompanied by a letter from the appraiser permitting the Lender to rely thereon;
- (e) an environmental site assessment addressed to and satisfactory to the Lender. The assessment must be addressed to the Lender or accompanied by a letter from the environmental engineer (or other Lender approved professional consultant) permitting the Lender to rely thereon;
- (f) receipt and satisfactory review of the Agreement of Purchase and Sale with respect to the original acquisition of the Property (and any subsequent amendments or side letters related thereto);
- (g) a site inspection of the Property, with photos of the Property conducted by a representative of the Lender, satisfactory to the Lender in its absolute discretion;
- (h) evidence all applicable municipal approvals allowing for development of the Project have been received and all applicable appeal periods have expired, including approvals for Zoning and Official Plan amendments;

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- (i) a report/letter from an independent Planner, addressed to the Lender, confirming the Property is compliant with applicable Zoning and Official Plan requirements respecting the proposed development of the Project and confirming that the applicable Site Plan Approval respecting the Project will be achievable within the term of the Loan;
- (j) a fully executed pre-development contract with the Lieber Group respecting the development of the Project;
- (k) receipt and satisfactory review of all plans and specifications relating to the proposed Project;
- (l) delivery of a current survey of the Property, prepared by an Ontario licensed land surveyor, indicating no encroachments, easements or rights of way, save those which the Lender may specifically accept and showing the relationship of the Property to public thoroughfares for access purposes;
- (m) confirmation that all Taxes are current;
- (n) confirmation that realty taxes ascribed to that property known municipally as 940 Danforth Avenue, Toronto, Ontario are also current and that such property is owned by the Borrower;
- (o) confirmation the only debt registered against the Property is an existing mortgage loan in favour of Hillmount Capital Inc.;
- (p) receipt of a Title insurance policy from a Lender approved title insurer, satisfactory to the Lender and its solicitors;
- (q) a certified true copies of articles of incorporation (and other constating documents) and shareholder registry for the Borrower together with the most recent Form 1 filings with the provincial/federal authorities. The Borrower shall also provide a certified true copy of the shareholder registry for 8570442 Canada Inc. for the Lender's review and determination;
- (r) a certified true copy of organizational chart outlining the beneficial ownership of the Borrower, the Guarantor and the Property, and any other reasonably requested corporate documentation, as applicable;
- (s) Lender's solicitor to receive satisfactory evidence the corporate structures, beneficial ownership and relationships of the Borrower and the Guarantor are as was disclosed to the Lender prior to the issuance of this Commitment;

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- (t) Corporate documentation (e.g. Status Certificates, Officer's Certificates, Authorizing Resolutions, Corporate Opinions, etc.) in respect of the Borrower, satisfactory to the Lender and its solicitors;
- (u) a legal opinion from the Lender's solicitors satisfactory to the Lender confirming, based on title insurance, that (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;
- (v) 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;
- (w) if the Borrower is a bare trustee, a notarial copy of the applicable declaration of trust, nominee, or other applicable trust agreement;
- (x) delivery of Notice to Reader Financial Statements prepared by independent chartered accountants acceptable to the Lender for the Borrower for 2019, together with other related information on assets and liabilities, along with notices of assessment in order to confirm all taxes for each entity are paid up-to-date;
- (y) delivery of a current net worth statement, tax returns and notices of assessments for 2019, confirming all taxes are paid up-to-date for the Guarantor, and such supporting and other documents as may be required by the Lender, in its absolute discretion, in respect of same;
- (z) satisfactory credit bureaus to be obtained and reviewed for the Borrowers and Guarantor;
- (aa) the Borrower to open a DUCA account, and the Interest Reserve Account and deposit the Interest Reserve Funds as contemplated herein;
- (bb) a Pre-Authorized Debit form will be required on all new accounts, together with a void cheque; and
- (cc) such other information, documentation, opinions and registrations as the Lender or its solicitors may request.

ONGOING CONDITIONS

The Borrower and Guarantor 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 annually which will require notices of assessment and updated "Notice to Reader" financial statements prepared by independent chartered accountants for the Borrower, an updated net worth statement

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- and notices of assessment of the Guarantor, evidence of realty taxes being current, evidence of updated insurance & updated status of the Project;
- (b) the Borrower shall provide the Lender with quarterly reports (in form and substance satisfactory to the Lender in their sole and absolute discretion) respecting the Site Plan Agreement progress, development planning and budget matters;
 - (c) 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 or any lands adjacent thereto owned/to be owned by the Borrower or entity related thereto, 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;
 - (d) 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 Guarantor or notice to them; and
 - (e) the Borrower shall not further encumber the Property or the Project, other than encumbrances which the Lender deems reasonable respecting the development of the Project in favour of municipal, governmental or utility companies, 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 **February 26, 2021**;
- (d) the Borrower refuses to accept the Loan proceeds when advanced;

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- (e) the Borrower or Guarantor shall 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 Guarantor 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 Guarantor 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 advance, 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 Guarantor shall provide the following statements and information (collectively the "**Statements**") to the Lender.

- (a) Notice to Reader financial statements prepared by accountants acceptable to the Lender for the Borrower by February 28th of each year commencing February 28, 2022, and thereafter annually, together with notices of assessment to confirm all taxes are paid up-to-date;
- (b) Updated net worth statement for the Guarantor together with supporting information to support asset values and income as requested by the Lender by February 28th of each year commencing February 28, 2022, together with copies of notices of assessment to confirm all taxes are paid up-to-date;
- (c) Current Taxes bill with confirmation that all required Taxes have been paid;

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- (d) Current insurance policy indicating the Lender as first mortgagee and loss payee and as additional insured with respect to public liability insurance;
- (e) 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, if any;
- (f) The Borrower shall provide the Lender with quarterly reports (in form and substance satisfactory to the Lender in their sole and absolute discretion) respecting the Site Plan Agreement progress, development planning and budget matters; and
- (g) Such other information pertinent to the Property as the Lender may request.

ASSIGNMENT

Neither the Borrower nor the Guarantor 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 Guarantor 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 and Guarantor or notice to them. The Borrower and Guarantor 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.

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, Guarantor, Project metrics and sales, etc. and upon the Lender obtaining all requisite internal

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approvals in connection with the requested extension at the time same is requested, the Borrower shall have the right to request, prior to the maturity date of the Term, a SIX (6) month extension of the original Term (the "Extension"). Upon the Borrower making such request, the Lender may, subject to the qualifications, terms and conditions as hereinbefore expressed, agree to grant the Extension upon the Borrower: (i) paying an Extension Fee of THIRTY-FIVE BASIS POINTS (35 b.p. or 0.35%) of the Loan amount outstanding as of the day immediately preceding the beginning of the Extension period; and (ii) depositing, from its own resources, additional Interest Reserve Funds into the Interest Reserve Account, in such an amount sufficient to fund all anticipated interest payments to be made by the Borrower during the Extension period to the new maturity date (such amount to be determined by the Lender, acting reasonably, based on the Prime Rate as at such date the Extension is granted, and any foreseeable potential increases thereto during such 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

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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 Guarantor, 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 irrevocably acknowledges and agrees 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.

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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 Guarantor 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 **February 8, 2021**, after which date and time this Commitment shall lapse and become null and void.

Yours truly,

DUCA FINANCIAL SERVICES CREDIT UNION LTD.

Per: 

Name: Douglas La

Title: Account Manager, Corporate Finance

Per: 

Name: Imran Khan AVP, Commercial Credit

Title: ~~Director, Commercial Credit~~

I/We have authority to bind the Corporation

ACCEPTED on: _____, _____, 2021

10503452 CANADA INC.

Per: _____

Name: Asif Karimov

Title: A.S.O.

I have authority to bind the Corporation.

[GUARANTORS' ACCEPTANCE PAGE FOLLOWS]

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

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Yours truly,

DUCA FINANCIAL SERVICES CREDIT UNION LTD.

Per: _____

Name: Douglas La

Title: Account Manager, Corporate Finance

Per: _____

Name: Imran Khan

Title: Director, Commercial Credit

I/We have authority to bind the Corporation

ACCEPTED on: Toronto, Feb 1, 2021

10503452 CANADA INC.

Per: _____

Name: Asif Karimov

Title: A.S.O.

I have authority to bind the Corporation.

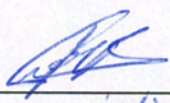
[GUARANTORS' ACCEPTANCE PAGE FOLLOWS]

Guarantor:

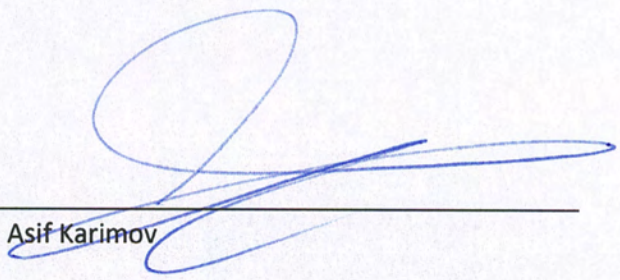
The undersigned Guarantor has read, understands and accepts the terms and conditions of this Agreement as of the Acceptance Date.

SIGNED, SEALED & DELIVERED

In the presence of:



Witness: Indizar Gasimov
Print Name



Asif Karimov

SCHEDULE "A"**ADDITIONAL LOAN TERMS**

Attached to and forming part of a commitment letter dated February 1, 2021, between DUCA Financial Services Credit Union Ltd., as Lender, and 10503452 Canada Inc., as Borrower.

DEFAULT

In the event that the Borrower or any Guarantor does not perform or comply with any of the provisions of this Commitment or the Security or any other agreement between the Borrower or any Guarantor 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 or any Guarantor is a corporation, none shall 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 Guarantor 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.

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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, as applicable, 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.

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- (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 $\frac{1}{2}$ %, 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.

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This is Exhibit “C” referred to in the Affidavit of Ivan Bogdanovich, sworn by
Ivan Bogdanovich of the City of Toronto, in the Province of Ontario, before
me at the City of Toronto, in the Province of Ontario, on
April 5, 2024



A Commissioner for Taking Affidavits

LETTER OF NON-RENEWAL

December 1, 2023

10503452 Canada Inc.
477 Wilson Heights Boulevard
Toronto, Ontario
M3H 2V4

Re: Account No. 551960468934

Dear Asif Karimov,

Please be advised that your mortgage matures on January 1, 2024, and DUCA will **not** be extending a renewal.

We hereby demand that you remit payment in full on or before January 1, 2024.

Assuming all payments due on/before January 1, 2024, are made and honoured, the amount required to pay out the mortgage at that time is as follows:

Principal outstanding	\$ 4,242,000.00
Accrued interest to January 1, 2024	\$ 0.00
Discharge Fee*	\$ 1,000.00
Total Amount Due	\$ 4,243,000.00

Per Diem Rate of Interest is \$ 1,109.89

*Any legal costs incurred by DUCA to process the discharge will be added to the Discharge Fee.

Please ensure that interest is paid to date of actual receipt by DUCA.

Should you wish to pay the mortgage in advance of that date, please contact DUCA to receive an up-to-date payout statement.

Should the mortgage not be paid in full by January 1, 2024, DUCA will take such further steps as it may deem necessary against the Borrower and/or the Guarantors to recover the indebtedness hereby demanded.

Yours truly,
DUCA Financial Services Credit Union Ltd.



Doug La
Director,
Commercial Banking & Construction

LETTER OF NON-RENEWAL

November 1, 2023

10503452 Canada Inc.
477 Wilson Heights Boulevard
Toronto, Ontario
M3H 2V4

Re: Account No. 551960468934

Dear Asif Karimov,

Please be advised that your mortgage matures on January 1, 2024, and DUCA will **not** be extending a renewal.

We hereby demand that you remit payment in full on or before January 1, 2024.

Assuming all payments due on/before January 1, 2024, are made and honoured, the amount required to pay out the mortgage at that time is as follows:

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Total Amount Due	\$ 4,243,000.00

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*Any legal costs incurred by DUCA to process the discharge will be added to the Discharge Fee.

Please ensure that interest is paid to date of actual receipt by DUCA.

Should you wish to pay the mortgage in advance of that date, please contact DUCA to receive an up-to-date payout statement.

Should the mortgage not be paid in full by January 1, 2024, DUCA will take such further steps as it may deem necessary against the Borrower and/or the Guarantors to recover the indebtedness hereby demanded.

Yours truly,
DUCA Financial Services Credit Union Ltd.



Doug La
Director,
Commercial Banking & Construction

This is Exhibit “D” referred to in the Affidavit of Ivan Bogdanovich, sworn by
Ivan Bogdanovich of the City of Toronto, in the Province of Ontario, before
me at the City of Toronto, in the Province of Ontario, on
April 5, 2024



A Commissioner for Taking Affidavits

Properties

PIN10171 - 0602 LTInterest/EstateFee Simple

DescriptionPART OF LOT 6 PLAN 3062 DESIGNATED AS PARTS 1 AND 2 ON PLAN 66R-26936;
CITY OF TORONTO

Address740 /748 SHEPPARD AVENUE WEST
TORONTO

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.

Name10503452 CANADA INC.

Address for Service477 Wilson Heights Boulevard, Toronto,
Ontario, M3H 2V4

I, Asif Karimov (President), have the authority to bind the corporation.

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

Chargee(s)CapacityShare

NameDUCA FINANCIAL SERVICES CREDIT UNION LTD.

Address for Service5255 Yonge Street, 4th Floor, Toronto, Ontario, M2N 6P4

Statements

Schedule: See Schedules

Provisions

Principal\$4,670,000.00CurrencyCDN

Calculation Periodmonthly, not in advance

Balance Due Dateon demand

Interest RatePrime rate plus TEN PERCENT (10.00%) per annum

Payments

Interest Adjustment Date

Payment Date

First Payment Date

Last Payment Date

Standard Charge Terms

Insurance AmountFull insurable value

GuarantorAsif Karimov

Additional Provisions

Asif Karimov is a Guarantor under this Charge. His address for service is:138 Almore Ave., Toronto, Ontario M3H 2H8.

Signed By

Lindsay Mitchell Kazdan1 Adelaide Street E., Suite 801acting forSigned2021 02 25
TorontoChargor(s)
M5C 2V9

Tel416-869-1234

Fax416-869-0547

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

Submitted By

GARFINKLE, BIDERMAN LLP1 Adelaide Street E., Suite 8012021 03 01
Toronto
M5C 2V9

Tel416-869-1234

Fax416-869-0547

Fees/Taxes/Payment

Statutory Registration Fee	\$65.30
Total Paid	\$65.30

File Number

Chargor Client File Number :	10473-085
Chargee Client File Number :	TBA

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) I. 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 15 days may on 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.

This is Exhibit “E” referred to in the Affidavit of Ivan Bogdanovich, sworn by
Ivan Bogdanovich of the City of Toronto, in the Province of Ontario, before
me at the City of Toronto, in the Province of Ontario, on
April 5, 2024



A Commissioner for Taking Affidavits

Properties

PIN 10171 - 0602 LT
Description PART OF LOT 6 PLAN 3062 DESIGNATED AS PARTS 1 AND 2 ON PLAN 66R-26936;
 CITY OF TORONTO
Address 740 /748 SHEPPARD AVENUE WEST
 TORONTO

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 10503452 CANADA INC.
Address for Service 477 Wilson Heights Boulevard, Toronto,
 Ontario M3H 2V4
I, Asif Karimov (President), have the authority to bind the corporation.
This document is not authorized under Power of Attorney by this party.

Party To(s)	Capacity	Share
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<i>Name</i>	DUCA FINANCIAL SERVICES CREDIT UNION LTD.
<i>Address for Service</i>	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, AT5664920 registered on 2021/03/01 to which this notice relates is deleted
Schedule: See Schedules

Signed By

Lindsay Mitchell Kazdan	1 Adelaide Street E., Suite 801 Toronto M5C 2V9	acting for Applicant(s)	Signed	2021 03 01
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	2021 03 01
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	2021 03 01
Tel 416-869-1234		
Fax 416-869-0547		

Fees/Taxes/Payment

<i>Statutory Registration Fee</i>	\$65.30
<i>Total Paid</i>	\$65.30

File Number

<i>Applicant Client File Number :</i>	10473-085
<i>Party To Client File Number :</i>	TBA

ASSIGNMENT OF RENTS

THIS ASSIGNMENT made this 23rd day of February, 2021 (the "Assignment").

BETWEEN:

10503452 CANADA 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 Toronto Land Registry Office (No. 80) on the 1st day of March, 2021 as Instrument No. AT5664290 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 FOUR MILLION SIX HUNDRED AND SEVENTY-THOUSAND DOLLARS (\$4,670,000.00) 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.

10503452 CANADA INC.

Per: 

Name: Asif Karimov

Title: President

I have authority to bind the corporation.

AKC

SCHEDULE "A"
(Description of Property)

Part of Lot 6, Plan 3062, designated as Parts 1 and 2 on Plan 66R26936, City of Toronto, Province of Ontario, and municipally known as: 740 - 748 Sheppard Avenue West, Toronto, Ontario.

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SCHEDULE "B"
(Specific Leases)

Leases

Registration Number

NOT APPLICABLE – no leases registered

AK

This is Exhibit “F” referred to in the Affidavit of Ivan Bogdanovich, sworn by
Ivan Bogdanovich of the City of Toronto, in the Province of Ontario, before
me at the City of Toronto, in the Province of Ontario, on
April 5, 2024



A Commissioner for Taking Affidavits



GENERAL SECURITY AGREEMENT

1. SECURITY INTEREST

1.01 For value received, **10503452 CANADA 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

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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;

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- (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 Partys 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

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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.

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- 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 23rd day of February, 2021.

10503452 CANADA INC.

Per: 

Name: Asif Karimov

Title: President

I have authority to bind the corporation.

SCHEDULE "A"
(Locations)

1. Business Locations

Part of Lot 6, Plan 3062, designated as Parts 1 and 2 on Plan 66R26936, City of Toronto, Province of Ontario, and municipally known as: 740 - 748 Sheppard Avenue West, Toronto, Ontario

2. Location of Records relating to Collateral

Part of Lot 6, Plan 3062, designated as Parts 1 and 2 on Plan 66R26936, City of Toronto, Province of Ontario, and municipally known as: 740 - 748 Sheppard Avenue West, Toronto, 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 “G” referred to in the Affidavit of Ivan Bogdanovich, sworn by
Ivan Bogdanovich of the City of Toronto, in the Province of Ontario, before
me at the City of Toronto, in the Province of Ontario, on
April 5, 2024



A Commissioner for Taking Affidavits

CASH COLLATERAL AGREEMENT

DUCA Financial Services Credit Union Ltd. (the "Creditor")
5290 Yonge Street
Toronto, Ontario, M2N 5P9

DATED as of this 23rd day of February, 2021.

Gentlemen:

Reference is made to the sum of cash or cash equivalents (collectively, the "Cash") that will be delivered from time to time to the Creditor as security for the obligations and liabilities of the undersigned arising under the commitment letter entered into among, *inter alios*, the Creditor and the undersigned dated as of the 1st day of February, 2021, and the same may be amended, supplemented, extended, renewed, restated or replaced from time to time (the "Obligations"). For valuable consideration, the undersigned hereby acknowledges and agrees as follows:

- (a) the undersigned hereby assigns, transfers, conveys, sets over, hypothecates, pledges and grants a security interest to the Creditor in the Cash as a general and continuing collateral security for the Obligations;
- (b) if the Creditor demands payment of the Obligations, or any part thereof, the Cash may without further notice to the undersigned, be cashed, appropriated and applied to and on account of any and all outstanding Obligations;
- (c) the Creditor may appropriate and apply any portion or all of the Cash against any or all of the Obligations as determined by the Creditor to be in the best interest of the Creditor in its sole and absolute discretion and such appropriations and applications may be changed or varied by the Creditor from time to time in its sole and absolute discretion; and
- (d) the Creditor shall not be required to surrender any of the Cash hereby assigned, transferred, conveyed, set over, hypothecated, pledged or in which a security interest has been granted, unless and until the Obligations have been satisfied in full.

The acknowledgements and agreements herein are in addition to, and not in substitution for, and shall not be merged in any other agreement, instrument or other document now or hereafter held by the Creditor. The acknowledgements and agreements herein shall be binding upon the undersigned and its successors and assigns and shall enure to the benefit of the Creditor and its successors and assigns.

Dated as of the date first written above.

10503452 CANADA INC.


 Per: _____

Name: Asif Karimov

Title: President

I have authority to bind the corporation.

This is Exhibit “H” referred to in the Affidavit of Ivan Bogdanovich, sworn by
Ivan Bogdanovich of the City of Toronto, in the Province of Ontario, before
me at the City of Toronto, in the Province of Ontario, on
April 5, 2024



A Commissioner for Taking Affidavits

ASSIGNMENT OF INSURANCE

RE: DUCA Financial Services Credit Union Ltd.
 Mortgage Loan to 10503452 Canada Inc.
 740 - 748 Sheppard Avenue West, Toronto, Ontario (the "Property")

WHEREAS 10503452 CANADA INC. (the "Borrower") as of the date of this assignment is or will be indebted to **DUCA FINANCIAL SERVICES CREDIT UNION LTD. ("DUCA")** in the total amount of **FOUR MILLION TWO HUNDRED AND FORTY-TWO THOUSAND (\$4,242,000.00) DOLLARS** (the "Loan") which is secured pursuant to a first Charge/Mortgage of Land in the principal amount of **FOUR MILLION SIX HUNDRED AND SEVENTY THOUSAND (\$4,670,000.00) DOLLARS** in favour of DUCA, which charge is or will be registered against the Property.

AND WHEREAS the Borrower has agreed to assign to DUCA as additional security for the amounts owing to DUCA on account of the Loan, all present and future policies of insurance now or hereafter insuring the Property and the building, improvements, fixtures and other property situate in, on or under the Property or arising out of or from its interest in the Property including, without limitation, policies of insurance for property damage, loss of rental income, business interruptions, theft of property, professional liability, general liability, fire and extended perils and boiler and machinery (hereinafter collectively called the "Policies").

NOW THEREFORE in consideration of DUCA making the initial advance under the Loan and the sum of Two Dollars (\$2.00) paid by DUCA to the Borrower (the receipt and sufficiency of which are acknowledged by the Borrower), the Borrower acknowledges and agrees as follows:

1. The Borrower assigns, transfers and sets over the Policies to DUCA and grants a security interest in the Policies to DUCA together with all right, title and interest in and to the Policies and also together with all proceeds and other amounts payable in respect of the Policies or at any time derived by the Policies or any part or parts thereof (such Policies and all right, title and interest thereto and all proceeds and other amounts in respect thereof or derived therefrom being hereinafter collectively the "Collateral").
2. The Collateral shall be held by DUCA as general and continuing security for the payment of the Loan including, without limitation, all present or future, direct or indirect, absolute or contingent, matured or unmatured obligations or other indebtedness or liabilities of the Borrower to DUCA.
3. The issuers from time to time of the Policies are irrevocably authorized and directed to pay to DUCA or as DUCA may in writing direct, all proceeds and other amounts payable under or pursuant to the Policies. Any such proceeds received by DUCA may be appropriated by DUCA from time to time on account of such part or parts of the indebtedness and liabilities owing by the Borrower to DUCA as DUCA may determine to be most advantageous to it. DUCA is expressly authorized to collect, demand, sue for, enforce, recover and receive the proceeds of the Policies and to give valid and binding receipts and discharges therefor, as if DUCA were the absolute owner thereof and without regard to the state of accounts between the Borrower and DUCA.
4. DUCA may collect, demand, sue for, enforce, recover, receive, realize, sell or otherwise deal with the Collateral or any part thereof in such manner and upon such terms and conditions and at such time or times, whether before or after default, as may seem to it advisable and without notice to the Borrower.
5. Any proceeds or other amounts collected or received by the Borrower, or on behalf of the Borrower, in respect of the Collateral shall be received as trustee for DUCA and shall forthwith be paid to DUCA.
6. DUCA shall not be bound or accountable for any failure to collect, demand, sue for, enforce, recover, receive, realize, sell or obtain payment of the Collateral or any part thereof and DUCA shall not be bound to institute proceedings for any such purpose or for the purpose of preserving any rights of DUCA, the Borrower or any other person in respect thereof and DUCA shall not be responsible for any loss or damage which may occur in consequence of the negligence of any officer, agent or solicitor employed in the collection of realization thereof.
7. DUCA may charge on its own behalf and also pay to others reasonable sums for expenses incurred and for services rendered (expressly including legal advice and services) in connection with its doing anything authorized by this assignment or by law including, without limitation, collecting, realizing or obtaining payment of the Collateral or any part thereof and DUCA may add the amount of such expenses to the indebtedness owing by the Borrower to DUCA.

8. The Borrower shall from time to time forthwith on DUCA's request do, make and execute all such assignments, documents, acts, matters and things as may be required by DUCA of or with respect to the Collateral or any part thereof or as may be required to give effect to these presents, and the Borrower irrevocably constitutes and appoints DUCA the true and lawful attorney of the Borrower with full power of substitution to do, make and execute all such assignments, documents, acts, matters and things with the right to use the name of the Borrower whenever and wherever it may deem necessary or expedient.
9. This assignment shall be a continuing agreement in every respect. No remedy for the enforcement of the rights of DUCA hereunder shall be exclusive of or dependent on any other remedy, but any one or more of such remedies may from time to time be exercised independently or in combination. The Borrower and Lender have not agreed to postpone the time for attachment of the security interest created or provided for by this assignment. If more than one person executes this assignment, their obligations hereunder shall be joint and several.
10. The Borrower shall pay all premiums and renewal premiums and other charges necessary to keep each of the Policies in full force and effect and the Borrower shall provide evidence of such payment and of all renewals to DUCA at least twenty-one (21) days prior to the expiry of the respective Policies. DUCA may charge reasonable amounts for services rendered in keeping the Policies in force, and for having its insurance consultant review any replacement Policies from time to time, and may add the amounts so paid or any of the charges so made to the indebtedness owing by the Borrower to DUCA. The Borrower shall indemnify and save DUCA harmless from and against any amounts so paid by DUCA or any charges imposed by DUCA under this assignment. Notwithstanding the foregoing, DUCA shall not be obligated to utilize its own funds or to otherwise pay for any renewal of any one or more of the Policies or to pay any premiums or other charges that may be owing in respect of any of the Policies even if the failure to pay same may jeopardize the existence of any one or more of the Policies.
11. This assignment shall extend to and bind and enure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns and any trustees in bankruptcy.
12. This assignment shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.
13. The covenants and obligations of the Borrower in favour of DUCA, if more than one of them, are joint and several covenants and obligations.

IN WITNESS WHEREOF, the Borrower has executed this assignment as of the 23rd day of February, 2021.

10503452 CANADA INC.

Per: 

Name: Asif Karimov

Title: President

I have authority to bind the corporation.

This is Exhibit “I” referred to in the Affidavit of Ivan Bogdanovich, sworn by
Ivan Bogdanovich of the City of Toronto, in the Province of Ontario, before
me at the City of Toronto, in the Province of Ontario, on
April 5, 2024



A Commissioner for Taking Affidavits

GUARANTEE

DATED: February 23rd, 2021

LENDER: DUCA FINANCIAL SERVICES CREDIT UNION LTD. (the "Lender")

GUARANTOR: ASIF KARIMOV (the "Guarantor")

BORROWER: 10503452 CANADA INC. (the "Borrower")

DEBT: FOUR MILLION SIX HUNDRED SEVENTY THOUSAND (\$4,670,000.00) DOLLARS (the "Loan")

LIMIT OF LIABILITY: UNLIMITED

RECITALS:

- A. The Lender has made or is making the Loan to the Borrower pursuant to a commitment letter governing the Loan dated January 29, 2021 between the Borrower and the Lender as the same may be amended from time to time (collectively, the "Commitment Letter").
- B. The Guarantor has agreed to provide this Guarantee to the Lender.

IN CONSIDERATION of the Lender agreeing to make the Loan to the Borrower and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Guarantor covenants and agrees with the Lender as follows:

1. **Guarantee.** The Guarantor hereby unconditionally and irrevocably guarantees payment and performance by the Borrower to the Lender of all the debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Borrower to the Lender on account of the Loan and the Commitment Letter or remaining unpaid or unsatisfied by the Borrower to the Lender in respect thereof (the "Outstanding Balance") to the limited amount together with interest thereon and costs as provided for herein (collectively, the "Obligations").
2. **Indemnity.** If any or all of the Obligations are not duly performed by the Borrower and are not performed under Section 1 hereof for any reason whatsoever, the Guarantor will, as a separate and distinct obligation, indemnify and save harmless the Lender from and against all losses resulting from the failure of the Borrower to perform such Obligations.
3. **Primary Obligation.** If any or all of the Obligations are not duly performed by the Borrower and are not performed under Section 1 hereof or the Lender is not indemnified under Section 2 hereof, in each case, for any reason whatsoever, such Obligations will, as a separate and distinct obligation, be performed by the Guarantor as primary obligor.
4. **Guarantee Absolute.** The liability of the Guarantor hereunder shall be absolute and unconditional and shall not be affected by:
 - (a) any lack of validity or enforceability of any agreements between the Lender and the Borrower or any change in the time, manner or place of payment of or in any other term of such agreements or the failure on the part of the Borrower to carry out any of its obligations under such agreements;
 - (b) any impossibility, impracticability, frustration of purpose, illegality, *force majeure* or act of government;
 - (c) the bankruptcy, winding-up, liquidation, dissolution or insolvency of the Borrower or any party to any agreement to which the Lender is a party in respect of the Commitment Letter;
 - (d) any lack or limitation of power, incapacity or disability on the part of the Borrower or the Lender, or of the directors, partners or agents thereof, or any other irregularity, defect or informality on the part of the Borrower in its obligations to the Lender; or
 - (e) any other law, regulation or other circumstance which might otherwise constitute a defence available to, or a discharge of the Borrower in respect of any or all of the Obligations.



The liability of the Guarantor hereunder shall be for the full amount of the Obligations without apportionment, limitation or restriction of any kind. If more than one person (which for the purposes of this Guarantee means any means any individual, general or limited partnership, joint venture, sole proprietorship, corporation, unincorporated association, trust, trustee, estate trustee, legal representative or governmental authority) is named as or otherwise becomes liable for or assumes the obligations and liabilities of the Guarantor hereunder, then the obligations and liabilities of all such persons shall be joint and several.

5. **No Release.** The liability of the Guarantor hereunder shall not be released, discharged, limited or in any way affected by anything done, suffered or permitted by the Lender in connection with any duties or liabilities of the Borrower to the Lender or any security therefor including any loss or release of or in respect of any security received by the Lender. Without limiting the generality of the foregoing and without releasing, discharging, limiting or otherwise affecting in whole or in part the Guarantor's liability hereunder, the Lender may discontinue, reduce, increase or otherwise vary the credit of the Borrower in any manner whatsoever without the consent of or notice to the Guarantor and may, either with or without consideration and at any time:
 - (a) make any change in the time, manner or place of payment under, or in another term of any agreement between the Borrower and the Lender;
 - (b) grant time, renewals, extensions, indulgences, releases and discharges to the Borrower;
 - (c) take or abstain from taking or enforcing securities or collateral from the Borrower or from perfecting securities or collateral of the Borrower;
 - (d) accept compromises from the Borrower;
 - (e) apply all money at any time received from the Borrower or from securities upon such part of the Obligations as the Lender may see fit or change any such application in whole or in part from time to time as the Lender may see fit; and
 - (f) otherwise deal with the Borrower and all other persons and securities as the Lender may see fit.
6. **Continuing Guarantee.** This Guarantee shall be a continuing guarantee of the Obligations and shall apply to and secure any ultimate balance due or remaining due to the Lender and shall not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Lender. The Guarantor shall not be released or discharged from any of its obligations hereunder except upon payment of the total amount guaranteed hereunder together with interest thereon as provided for herein. This Guarantee shall continue to be effective even if at any time any payment of any of the Obligations is rendered unenforceable or is rescinded or must otherwise be returned by the Lender upon the occurrence of any action or event including the insolvency, bankruptcy or reorganization of the Borrower or otherwise, all as though such payment had not been made. Any account settled or stated in writing by or between the Lender and the Borrower shall be *prima facie* evidence that the balance or amount thereof appearing due to the Lender is so due. This Guarantee is in addition to and not in substitution for any other guarantee, by whomsoever given, at any time held by the Lender, and any present or future obligation to the Lender incurred or arising otherwise than under a guarantee, of the undersigned or any of them or of any other obligant, whether bound with or apart from the Borrower; excepting any guarantee surrendered for cancellation on delivery of this instrument or confirmed in writing by the Lender to be cancelled.
7. **Demand.** The Guarantor shall make payment to the Lender of the total amount guaranteed hereunder forthwith after demand therefor is made to the Guarantor. The Lender shall not be bound or obligated to exhaust its recourse against the Borrower or other persons or any securities or collateral it may hold or take any other action before being entitled to demand payment from the Guarantor hereunder. In any claim by the Lender against the Guarantor, the Guarantor may not assert any set-off or counterclaim that either the Guarantor or the Borrower may have against the Lender.
8. **Interest and Costs.** The Guarantor shall pay interest to the Lender at the interest rate provided for in the Commitment Letter on the unpaid portion of all amounts payable by the Guarantor under this Guarantee, such interest to accrue from and including the date of demand by the Lender on the Guarantor. The Guarantor shall pay all reasonable costs and expenses incurred by the Lender in enforcing this Guarantee.
9. **Release.** If more than one person guarantees any of the Obligations of the Borrower to the Lender under this Guarantee or any other instrument, the Lender may release any of those persons on any terms the Lender chooses and each person executing this Guarantee who has not been released shall remain liable to the Lender under this Guarantee as if the person so released had never guaranteed any of the obligations of the Borrower.



10. **Assignment, Postponement and Subrogation.** All debts and liabilities, present and future, of the Borrower to the Guarantor are hereby assigned to the Lender and postponed to the Obligations, and all money received by the Guarantor in respect thereof shall be held in trust for the Lender and forthwith upon receipt shall be paid over to the Lender, the whole without in any way lessening or limiting the liability of the Guarantor hereunder and this assignment and postponement is independent of the Guarantee and shall remain in full force and effect until, in the case of the assignment, the liability of the Guarantor under this Guarantee has been discharged or terminated and, in the case of the postponement, until all Obligations are performed and paid in full. The Guarantor will not be entitled to subrogation until the Obligations are performed and paid in full.

11. **Benefit of the Guarantee.** The Guarantor acknowledges and agrees that the Lender may hold the Loan, this Guarantee and any and all related documents as custodian and agent for all persons having an ownership interest in the Loan from time to time and this Guarantee shall enure to the benefit of the Lender and each such person and their respective successors and assigns. The Guarantor agrees that all enforcement actions or proceedings may be brought by the Lender under the Loan and this Guarantee on behalf of all persons having an ownership interest in the Loan and waives any requirement that any such person be a party thereto. This Guarantee shall be binding upon the Guarantor and its heirs, estate trustees, legal representatives, successors and assigns. Where any reference is made in this Guarantee to an act to be performed by, an appointment to be made by, an obligation or liability of, an asset or right of, a discharge or release to be provided by, a suit or proceeding to be taken by or against or a covenant, representation or warranty (other than relating to the constitution or existence of the trust) by or with respect to a trust, such reference shall be construed and applied for all purposes as if it referred to an act to be performed by, an appointment to be made by, an obligation or liability of, an asset or right of, a discharge or release to be provided by, a suit or proceeding to be taken by or against or a covenant, representation or warranty (other than relating to the constitution or existence of the trust) by or with respect to the trustees of the trust. Subject to the terms of the Commitment Letter, this Guarantee may be transferred or assigned by the Lender without restriction and without notice to or the consent of the Guarantor.

12. **Entire Agreement.** The Commitment Letter and this Guarantee constitutes the entire agreement between the Guarantor and the Lender with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between such parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties with respect to the subject matter of this Guarantee except as expressly set forth herein or the Commitment Letter. The Lender shall not be bound by any representations or promises made by the Borrower to the Guarantor and possession of this Guarantee by the Lender shall be conclusive evidence against the Guarantor that the Guarantee was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been complied with. The Guarantor has reviewed all of the security held by the Lender in respect of the Commitment Letter as of the date of this Guarantee.

13. **Amendments and Waivers.** No amendment to this Guarantee will be valid or binding unless set forth in writing and duly executed by the Guarantor and the Lender. No waiver of any breach of any provision of this Guarantee will be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided in the written waiver, will be limited to the specific breach waived.

14. **Severability.** If any provision of this Guarantee is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability will attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof will continue in full force and effect.

15. **Notices.** Any demand, notice or other communication to be made or given to the Guarantor in connection with this Guarantee may be made or given by personal delivery, by registered mail or by facsimile transmission addressed to the last known address of the Guarantor as shown in the Lender's records. Any demand, notice or communication given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof, and if given by registered mail, on the third business day in Ontario following deposit thereof in the mail, and if given by facsimile transmission, on the first business day in Ontario following the transmittal thereof.

AK

16. **Governing Law.** This Guarantee shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein without application of any principle of conflict of laws which may result in laws other than the laws in force in such Province applying to this Guarantee; and the Guarantor consents to the jurisdiction of the courts of such Province and irrevocably agrees that, subject to the Lender's election in its sole discretion, all actions or proceedings arising out of or relating to this Guarantee shall be litigated in such courts and the Guarantor unconditionally accepts the non-exclusive jurisdiction of the said courts and waives any defense of *forum non-conveniens*, and irrevocably agrees to be bound by any judgment rendered thereby in connection with this Guarantee, provided nothing herein shall affect the right to serve process in any other manner permitted by law or shall limit the right of the Lender to bring proceedings against the Guarantor or the Borrower in the courts of any other jurisdiction.
17. **Counterparts.** This Guarantee may be executed in any number of counterparts each of which shall be deemed an original with the same effect as if the signatures thereto and hereto were upon the same instrument. Delivery of an executed counterpart of a signature page of this Guarantee by telecopy, PDF or other similar electronic means shall be effective as delivery of a manually executed counterpart of this Guarantee.

IN WITNESS WHEREOF the Guarantor has executed this Guarantee and acknowledges receipt of a fully executed copy thereof.

SIGNED, SEALED & DELIVERED
In the presence of:


Witness: Ralph Michael Levine


Asif Karimov

This is Exhibit “J” referred to in the Affidavit of Ivan Bogdanovich, sworn by
Ivan Bogdanovich of the City of Toronto, in the Province of Ontario, before
me at the City of Toronto, in the Province of Ontario, on
April 5, 2024



A Commissioner for Taking Affidavits

Enquiry Result

File Currency: 01APR 2024



All Pages ▾



Show All Pages

Note: All pages have been returned.

Type of Search	Business Debtor								
Search Conducted On	10503452 CANADA INC.								
File Currency	01APR 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	750794022	1	2	1	3	02MAY 2024			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
750794022		001	001		20190502 1311 1862 8260	P PPSA	5		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	10503452 CANADA INC.					10503452			
	Address				City	Province	Postal Code		
	477 WILSON HEIGHTS BLVD.				TORONTO	ON	M3H2V4		
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								
	ROYAL BANK OF CANADA								
	Address				City	Province	Postal Code		
	36 YORK MILLS ROAD, 4TH FLOOR				TORONTO	ON	M2P0A4		
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								
	ASSIGNMENT OF RENTS AND SITE SPECIFIC SECURITY AGREEMENT AS IT								
	RELATES TO 940 DANFORTH AVENUE, TORONTO, ON.								

Registering Agent	Registering Agent			
	LEE, BOWDEN, NIGHTINGALE LLP			
	Address	City	Province	Postal Code
	3700 STEELES AVE. W. #300	VAUGHAN	ON	L4L 8K8

END OF FAMILY

Type of Search	Business Debtor						
Search Conducted On	10503452 CANADA INC.						
File Currency	01APR 2024						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	770016744	2	2	2	3	22FEB 2026	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
770016744		001	2		20210222 1146 1793 7115	P PPSA	5

Individual Debtor	Date of Birth	First Given Name	Initial	Surname	
Business Debtor	Business Debtor Name			Ontario Corporation Number	
	10503452 CANADA INC.			003166548	
	Address		City	Province	Postal Code
	477 WILSON HEIGHTS BOULEVARD		TORONTO	ON	M3H2V4

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)						
	AGREEMENT FOR SECURITY ON SHARES AND DEPOSITS (3) INTEREST RESERVE						

Registering Agent	Registering Agent			
	GARFINKLE, BIDERMAN LLP (LMK 10473-085)			
	Address	City	Province	Postal Code
	1 ADELAIDE ST. EAST, SUITE 801	TORONTO	ON	M5C2V9

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	10503452 CANADA INC.								
File Currency	01APR 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	770016744	2	2	3	3	22FEB 2026			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
770016744		002	2		20210222 1146 1793 7115				
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								
	PLEDGE AGREEMENT (4) CASH COLLATERAL PLEDGE AGREEMENT (5) ASSIGNMENT								
	OF INSURANCE INTERESTS AND (6) GENERAL ASSIGNMENT OF RENTS AND								
	LEASES RESPECTING 740 - 748 SHEPPARD AVENUE WEST, TORONTO, ONTARIO								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

LAST PAGE

Note: All pages have been returned.[BACK TO TOP](#)



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FAQ	Terms of Use	© Queen's Printer for Ontario 2015

This is Exhibit “K” referred to in the Affidavit of Ivan Bogdanovich, sworn by
Ivan Bogdanovich of the City of Toronto, in the Province of Ontario, before
me at the City of Toronto, in the Province of Ontario, on
April 5, 2024



A Commissioner for Taking Affidavits

LAND
REGISTRY
OFFICE #66

10535-0429 (LT)

PAGE 1 OF 3
PREPARED FOR HYChan14
ON 2024/04/01 AT 13:47:42

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

PROPERTY DESCRIPTION: PT LT 10 PL 417E TORONTO; PT LT 11 PL 417E TORONTO AS IN CT508772; TORONTO , CITY OF TORONTO

PROPERTY REMARKS:

ESTATE/QUALIFIER:

FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:

FIRST CONVERSION FROM BOOK

PIN CREATION DATE:

2001/02/26

OWNERS' NAMES

10503452 CANADA INC.

CAPACITY SHARE

ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2001/02/23 **						
**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:						
** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *						
** AND ESCHEATS OR FORFEITURE TO THE CROWN.						
** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF						
** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY						
** CONVENTION.						
** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.						
**DATE OF CONVERSION TO LAND TITLES: 2001/02/26 **						
EV70695	1965/11/12	LEASE		*** COMPLETELY DELETED ***	HOTEL STAFFORD (TORONTO) LIMITED	
REMARKS: RENEWAL						
CT427478	1980/08/19	NO SEC INTEREST		*** COMPLETELY DELETED ***		
CT476048	1981/05/22	NOTICE OF LEASE		*** COMPLETELY DELETED ***	452390 ONTARIO LTD	
CT508772	1981/11/26	TRANSFER		*** COMPLETELY DELETED ***	496450 ONTARIO LTD.	
CA256840	1993/11/23	CHARGE		*** COMPLETELY DELETED ***	ROYAL BANK OF CANADA	
AT197803	2003/06/18	APL CH NAME OWNER		*** COMPLETELY DELETED *** 496450 ONTARIO LTD.	CIAS INVESTMENTS CORPORATION	

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT198121	2003/06/18	NO DET/SURR LEASE		*** COMPLETELY DELETED ***	SHIER, STANLEY I.	
		REMARKS: RE: EV70695				
AT198144	2003/06/18	NO DET/SURR LEASE		*** COMPLETELY DELETED ***	SHIER, STANLEY I.	
		REMARKS: RE: CT476048				
AT198207	2003/06/18	DISCHARGE INTEREST		*** COMPLETELY DELETED ***	GOLD, WILLIAM HERTZMAN, ESTHER	
		REMARKS: RE: CT427478				
AT252447	2003/08/20	NOTICE OF LEASE		*** COMPLETELY DELETED *** CIAS INVESTMENTS CORPORATION	PARADISE SPORTS BAR & BILLIARDS LTD.	
AT922014	2005/09/15	TRANSFER		*** COMPLETELY DELETED *** CIAS INVESTMENTS CORPORATION	2066380 ONTARIO INC.	
		REMARKS: PLANNING ACT STATEMENT				
AT922015	2005/09/15	CHARGE		*** COMPLETELY DELETED *** 2066380 ONTARIO INC.	CIAS INVESTMENTS CORPORATION	
AT1393818	2007/03/08	DISCH OF CHARGE		*** COMPLETELY DELETED *** ROYAL BANK OF CANADA		
		REMARKS: RE: CA256840				
AT2410359	2010/06/14	DISCH OF CHARGE		*** COMPLETELY DELETED *** CIAS INVESTMENTS CORPORATION		
		REMARKS: AT922015.				
AT2410464	2010/06/14	TRANSFER		*** COMPLETELY DELETED *** 2066380 ONTARIO INC.	2240740 ONTARIO INC.	
		REMARKS: PLANNING ACT STATEMENTS				
AT2410465	2010/06/14	CHARGE		*** COMPLETELY DELETED *** 2240740 ONTARIO INC.	HOME TRUST COMPANY	
AT3802010	2015/02/02	CHARGE		*** COMPLETELY DELETED *** 2240740 ONTARIO INC.	HOME TRUST COMPANY	
AT3823113	2015/03/03	DISCH OF CHARGE		*** COMPLETELY DELETED *** HOME TRUST COMPANY		

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

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT5127083	2019/05/02	TRANSFER	\$3,200,000	2240740 ONTARIO INC.	10503452 CANADA INC.	C
AT5127084	2019/05/02	CHARGE	\$1,850,000	10503452 CANADA INC.	ROYAL BANK OF CANADA	C
AT5127157	2019/05/02	NO ASSGN RENT GEN		10503452 CANADA INC.	ROYAL BANK OF CANADA	C
AT5140034	2019/05/22	DISCH OF CHARGE		*** COMPLETELY DELETED *** HOME TRUST COMPANY		
AT6047406	2022/04/14	CHARGE	\$1,000,000	10503452 CANADA INC.	DIBRATTO, MICHAEL ROBERT	C
AT6047967	2022/04/14	APL (GENERAL)		*** COMPLETELY DELETED *** 10503452 CANADA INC.	10503452 CANADA INC.	
AT6441977	2023/10/17	NOTICE	\$2	KARIMOV, ORKHAN		C

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

This is Exhibit “L” referred to in the Affidavit of Ivan Bogdanovich, sworn by
Ivan Bogdanovich of the City of Toronto, in the Province of Ontario, before
me at the City of Toronto, in the Province of Ontario, on
April 5, 2024



A Commissioner for Taking Affidavits

PROPERTY DESCRIPTION: PART OF LOT 6 PLAN 3062 DESIGNATED AS PARTS 1 AND 2 ON PLAN 66R-26936; CITY OF TORONTO

PROPERTY REMARKS: FOR THE PURPOSE OF THE QUALIFIER THE DATE OF REGISTRATION OF ABSOLUTE TITLE IS 2013/07/23.

ESTATE/QUALIFIER:
FEE SIMPLE
LT ABSOLUTE PLUS

RECENTLY:
RE-ENTRY FROM 10171-0598

PIN CREATION DATE:
2013/07/23

OWNERS' NAMES
10503452 CANADA INC.

CAPACITY SHARE
ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2013/07/23 **						
**SUBJECT TO SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPHS 3 AND 14 AND *						
** PROVINCIAL SUCCESSION DUTIES AND EXCEPT PARAGRAPH 11 AND ESCHEATS OR FORFEITURE **						
** TO THE CROWN UP TO THE DATE OF REGISTRATION WITH AN ABSOLUTE TITLE. **						
NY647545	1973/09/21	AGREEMENT				C
TR57844	2000/03/27	NOTICE		HER MAJESTY THE QUEEN IN RIGHT OF THE DEPARTMENT OF TRANSPORT CANADA		C
REMARKS: PEARSON AIRPORT ZONING REGULATION						
AT3003480	2012/04/30	TRANSFER		*** DELETED AGAINST THIS PROPERTY *** HIND, WILLIAM ARTHUR HIND, SIMONNE WHITE, PATRICIA MARGERATE HIND BOCKING, KATHRINE ELIZABETH ALCOCK, TERESA LYNN ALCOCK, CARL EDWARD	ROYAL LANE SHEPPARD NORTH LTD.	
REMARKS: PLANNING ACT STATEMENTS						
AT3039729	2012/06/07	APL (GENERAL)		SERGNESE, LINDA SERGNESE, ROSARIO		C
REMARKS: AMEND LEGAL DESCRIPTION						
AT3077252	2012/07/18	TRANSFER		*** DELETED AGAINST THIS PROPERTY *** SERGNESE, LINDA SERGNESE, ROSARIO	ROYAL LANE SHEPPARD NORTH LTD.	
REMARKS: PLANNING ACT STATEMENTS						
AT3175336	2012/11/15	APL CONSOLIDATE		ROYAL LANE SHEPPARD NORTH LTD.		C
66R26936	2013/07/23	PLAN REFERENCE				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.

* 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
AT3357602	2013/07/23	APL ABSOLUTE TITLE		ROYAL LANE SHEPPARD NORTH LTD.		C
AT5280903	2019/11/01	TRANSFER	\$6,040,000	ROYAL LANE SHEPPARD NORTH LTD.	10503452 CANADA INC.	C
AT5280904	2019/11/01	CHARGE		*** COMPLETELY DELETED *** 10503452 CANADA INC. KARIMOV, ASIF ASLANOVA, GUNEL	HILLMOUNT CAPITAL INC.	
AT5280905	2019/11/01	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** 10503452 CANADA INC. KARIMOV, ASIF ASLANOVA, GUNEL	HILLMOUNT CAPITAL INC.	
AT5361659	2020/02/11	TRANSFER OF CHARGE		*** DELETED AGAINST THIS PROPERTY *** HILLMOUNT CAPITAL INC.	HILLMOUNT CAPITAL MORTGAGE HOLDINGS INC.	
AT5364816	2020/02/14	NO ASSGN RENT GEN		*** DELETED AGAINST THIS PROPERTY *** HILLMOUNT CAPITAL INC.	HILLMOUNT CAPITAL MORTGAGE HOLDINGS INC.	
AT5664920	2021/03/01	CHARGE	\$4,670,000	10503452 CANADA INC.	DUCA FINANCIAL SERVICES CREDIT UNION LTD.	C
AT5664963	2021/03/01	NO ASSGN RENT GEN		10503452 CANADA INC.	DUCA FINANCIAL SERVICES CREDIT UNION LTD.	C
AT5665997	2021/03/02	DISCH OF CHARGE		*** COMPLETELY DELETED *** HILLMOUNT CAPITAL INC. HILLMOUNT CAPITAL MORTGAGE HOLDINGS INC.		
AT6358791	2023/06/21	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** TREGEBOV COGAN ARCHITECTURE LTD.		
AT6404817	2023/08/23	APL DEL CONST LIEN		*** COMPLETELY DELETED *** TREGEBOV COGAN ARCHITECTURE LTD.		
AT6441978	2023/10/17	NOTICE	\$2	KARIMOV, ORKHAN		C

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT6514558	2024/02/15	CONSTRUCTION LIEN	\$67,869	TREGEBOV COGAN ARCHITECTURE LTD.		C
AT6520108	2024/02/27	CERTIFICATE		TREGEBOV COGAN ARCHITECTURE LTD.		C
REMARKS: AT6514558						

This is Exhibit “M” referred to in the Affidavit of Ivan Bogdanovich, sworn by
Ivan Bogdanovich of the City of Toronto, in the Province of Ontario, before
me at the City of Toronto, in the Province of Ontario, on
April 5, 2024



A Commissioner for Taking Affidavits



TAX CERTIFICATE

Issued to:
Blaney McMurtry LLP
Hiuy Chan
1500-2 Queen Street East
Toronto ON M5C 3G

Your Ref. No.: 205676-0002
Statement Showing Taxes as at: March 11, 2024

5100 Yonge Street, Toronto ON M2N 5V7
Tel: 311 Outside city limits: (416) 392-CITY (2489) Fax: (416) 696-3640
(UNDER SECTION 352 OF THE MUNICIPAL ACT, 2001 S.O. 2001, C. 25 AND
SECTION 317 OF THE CITY OF TORONTO ACT, 2006, S.O. 2006, C. 11)

Assessment Roll Number
19-08-05-4-130-01910-0000-0 2

DESCRIPTION OF PROPERTY		
740-748 SHEPPARD AVE W PLAN 3062 PT LOT 6 RP 66R26936 PARTS 1 AND 2		
TAX SUMMARY		
2023	Taxes	42,057.46
2024	Interim	21,028.73

MESSAGES

OUTSTANDING TAXES

Year	Description	Taxes	Interest	Fees	Total	Related Roll Number
2024	Real Estate 2024	7,010.00	87.63	0.00	7,097.63	
	Total:	7,010.00	87.63	0.00	7,097.63	

Important Notice: PLEASE ADVISE YOUR CLIENT OF TAXES NOT YET DUE

FUTURE INSTALLMENTS

Due Date	Amount Due	Description	Related Roll Number
April 02, 2024	7,010.00	Real Estate 2024	
May 01, 2024	7,008.73	Real Estate 2024	
Total:	14,018.73		



CHANGE OF OWNERSHIP NOTICE

RCS-G16

Return To: City Of Toronto
Revenue Services
PO Box 4300, STN A
Toronto ON M5W 3B5
Fax: (416) 696-3640

Assessment Roll Number
19-08-05-4-130-01910-0000-0 2

Issued to:
Blaney McMurtry LLP
Hiuy Chan
1500-2 Queen Street East
Toronto ON M5C 3G

Your Ref. No.: 205676-0002

DESCRIPTION OF PROPERTY

740-748 SHEPPARD AVE W
PLAN 3062 PT LOT 6 RP
66R26936 PARTS 1 AND 2

MESSAGES

CHANGES

Owner(s)

Surname

Given Name

Surname

Given Name

Surname

Given Name

Mailing Address

Postal Code

Property Address

*** PLEASE RETURN THIS PART OF THE FORM AFTER THE DATE OF CLOSING - THANK YOU **

Closing Date

Signature



TAX CERTIFICATE

5100 Yonge Street, Toronto ON M2N 5V7
Tel: 311 Outside city limits: (416) 392-CITY (2489) Fax: (416) 696-3640
(UNDER SECTION 352 OF THE MUNICIPAL ACT, 2001 S.O. 2001, C. 25 AND
SECTION 317 OF THE CITY OF TORONTO ACT, 2006, S.O. 2006, C. 11)

Assessment Roll Number
19-08-05-4-130-01910-0000-0 2

Issued to:
Blaney McMurtry LLP
Hiuy Chan
1500-2 Queen Street East
Toronto ON M5C 3G

Your Ref. No.: 205676-0002
Statement Showing Taxes as at: March 11, 2024

DESCRIPTION OF PROPERTY		
740-748 SHEPPARD AVE W PLAN 3062 PT LOT 6 RP 66R26936 PARTS 1 AND 2		
TAX SUMMARY		
2023	Taxes	42,057.46
2024	Interim	21,028.73

I hereby certify that the above statement shows all arrears of taxes (prior years) and unpaid current year's taxes against the above lands, and proceedings have not been commenced under the *Municipal Tax Sales Act, 1990* or the *Municipal Act, 2001*, S.O. 2001, C.25, as amended and the *City of Toronto Act 2006* S.O. 2006, C.11, unless otherwise indicated below.

THIS CERTIFICATE IS ISSUED SUBJECT TO CHEQUES TENDERED IN
PAYMENT OF TAXES BEING HONOURED BY THE BANK
FEE PAID 76.43 for each separate parcel

Andrew Flynn
Controller, City of Toronto

Important Notes:

1. This Certificate covers levied Tax Arrears or Current Taxes.
2. There are a variety of services which may be added to the Collector's Roll and collected as Taxes. The most common are Water Services and Current Weedcutting. For further information you should contact Collections (416) 395-0174 for Water arrears; (416) 338-0338 for work orders arrears; and Sewer Impost Charges: (416) 392-7619. For Building and Inspection Charges please call (416) 338-0338. For Fire Charges, please call Fire Services at (416) 338-5625.
3. The amount of the levy does not include subsequent supplementary taxes that may be levied and added pursuant to Section 33 and 34 of the *Assessment Act*, R.S.O. 1990, as amended, nor does it include adjustments that may be made pursuant to Sections 357, 358 and 359 of the *Municipal Act, 2001*.S.O. 2001, c.25, as amended, Sections 323, 325 and 326 of the *City of Toronto Act, 2006*, S.O. 2006, C. 11, Section 40 of the *Assessment Act*,R.S.O. as amended, or any legislative amendments that provide for further adjustments. It is recommended that you contact the Municipal Property Assessment Corporation (MPAC) at 1-866-296-6722 to determine potential changes in assessment.
4. This Certificate is exclusive of any Local Improvement charges that have not been added to the Collector's Roll at the date of this Certification. Additional information may be obtained by calling (416) 395-6788.
5. This certificate is subject to any apportionment which may be made pursuant to Section 356 of the *Municipal Act, 2001*, S.O. 2001, c.25, as amended or Section 322 of the *City of Toronto Act, 2006*, S.O. 2006, C. 11.
6. This certificate is subject to any phase-in/capping recalculation made pursuant to Section 318 of the *Municipal Act, 2001*, S.O. 2001, c.25, as amended or Section 282 of the *City of Toronto Act, 2006*, S.O. 2006, C. 11.
7. An administrative fee will be added to the account when there is an ownership transfer. For more information please visit our website at www.toronto.ca/taxes/property_tax and click to our fees page for current charges.
8. This certificate may not include any Vacant Home Tax amount that is owing and which has not yet been added to the Collector's Roll at the date of this certification. Additional information may be obtained by calling 311 within Toronto or 416-392-CITY (2489) outside City limits.



CHANGE OF OWNERSHIP NOTICE

Cut Here
RCS-G16

Return To: City Of Toronto
Revenue Services
PO Box 4300, STN A
Toronto ON M5W 3B5
Fax: (416) 696-3640

Assessment Roll Number
19-08-05-4-130-01910-0000-0 2

Issued to:
Blaney McMurtry LLP
Hiuy Chan
1500-2 Queen Street East
Toronto ON M5C 3G

Your Ref. No.: 205676-0002

DESCRIPTION OF PROPERTY
740-748 SHEPPARD AVE W PLAN 3062 PT LOT 6 RP 66R26936 PARTS 1 AND 2
MESSAGES

CHANGES	
Owner(s)	Surname Given Name
	Surname Given Name
	Surname Given Name
Mailing Address	
Postal Code	
Property Address	

*** PLEASE RETURN THIS PART OF THE FORM AFTER THE DATE OF CLOSING - THANK YOU **

Closing Date

Signature

This is Exhibit “N” referred to in the Affidavit of Ivan Bogdanovich, sworn by
Ivan Bogdanovich of the City of Toronto, in the Province of Ontario, before
me at the City of Toronto, in the Province of Ontario, on
April 5, 2024



A Commissioner for Taking Affidavits

Properties

PIN10171 - 0602 LT

DescriptionPART OF LOT 6 PLAN 3062 DESIGNATED AS PARTS 1 AND 2 ON PLAN 66R-26936;
CITY OF TORONTO

Address740 748 SHEPPARD AVENUE WEST
TORONTO

Consideration

Consideration\$2.00

Applicant(s)

The notice is based on or affects a valid and existing estate, right, interest or equity in land

NameKARIMOV, ORKHAN

Address for Service118 Roseborough Crescent
Thornhill, ON L4J 4T9

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

Statements

This notice is pursuant to Section 71 of the Land Titles Act.

The land registrar is authorized to delete the notice on the consent of the following party(ies) KARIMOV, ORKHAN

Schedule: See Schedules

This document relates to registration number(s)AT5280903

Signed By

Eldar Babayev5050 Dufferin Street, Suite 206 acting for First 2023 10 16
Toronto Applicant(s) Signed
M3H 5T5

Tel416-661-2626

Fax416-661-2629

Eldar Babayev5050 Dufferin Street, Suite 206 acting for Last 2023 12 19
Toronto Applicant(s) Signed
M3H 5T5

Tel416-661-2626

Fax416-661-2629

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

Submitted By

ELDAR BABAYEV LAW PROFESSIONAL5050 Dufferin Street, Suite 206 2023 12 19
CORPORATION Toronto
M3H 5T5

Tel416-661-2626

Fax416-661-2629

Fees/Taxes/Payment

Statutory Registration Fee\$69.00

Total Paid\$69.00

File Number

Applicant Client File Number :004-01/23

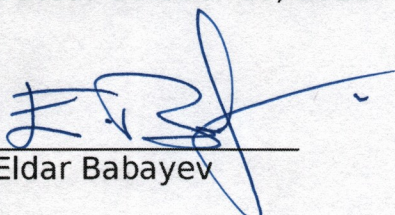
Land Titles Act,
Application to register Notice of an
unregistered estate, right, interest or equity
Section 71 of the Act

TO: The Land Registrar for the Land Titles Division of Metro Toronto (64 & 66)

1. I, Eldar Babayev, am the solicitor for Orkhan Karimov.
2. I confirm that the applicant has an unregistered estate, right, interest or equity in the land described as all of Parcel/PIN 10171-0602.
3. The lands are registered in the name of 10503452 CANADA INC. and I hereby apply under Section 71 of the *Land Titles Act* for the entry of a Notice in the register for the said parcels.
4. I hereby authorize the Land Registrar to delete the entry of this Notice from the said parcel register without notice or application with the consent of Orkhan Karimov.
5. The address for service of the applicant is:

118 Roseborough Crescent
Thornhill, ON L4J 4T9

Dated: October 16, 2023



Eldar Babayev

This is Exhibit "O" referred to in the Affidavit of Ivan Bogdanovich, sworn by
Ivan Bogdanovich of the City of Toronto, in the Province of Ontario, before
me at the City of Toronto, in the Province of Ontario, on
April 5, 2024



A Commissioner for Taking Affidavits

TRUST AGREEMENT (the "Agreement")

Between

ORKHAN KARIMOV
("Beneficiary")

-and-

10503452 CANADA INC.
Singing Authority
ASIF KARIMOV
("Trustee")

THIS TRUST AGREEMENT is made between **ORKHAN KARIMOV ("Orkhan")** and **10503452 CANADA INC. singing authority ASIF KARIMOV ("Asif")**.

WHEREAS the parties **Orkhan** and **10503452 Canada Inc.** purchased the property municipally known as **740-748 Sheppard Avenue West, Toronto, Ontario, Canada** and legally described as **PIN 10171-0602 (LT)**, Part of Lot 6, Plan 3062, Designated as Parts 1 and 2 on Plan 66R-26936; City of Toronto ("**the property**"). All parties have contributed to the property on the following terms:

1. 10503452 Canada Inc. will have 1/2 interest in the property based on 1/2 contribution and is solely responsible for making the mortgage payments on this property for instrument registration numbers AT5280904 and AT5361659.
2. Orkhan will have 1/2 interest in the property based on 1/2 contribution.
3. 10503452 Canada Inc. shall hold 50% of Property in trust for Orkhan.
4. 10503452 Canada Inc. is solely responsible for the instruments with registration numbers AT5280904, AT5280905, AT5361659 and AT5364816. 10503452 Canada Inc. and Orkhan are responsible for **all other** day to day needs of the property, to pay bills and any other carrying costs of the property equally 50-50.
5. This Agreement is construed in accordance with the laws of the province of Ontario and Canada.

AK O.K.

6. This Agreement shall not be modified in any manner except by instrument in writing executed by both parties.
7. This Agreement and everything contained herein shall be binding upon the parties hereto, their successors, heirs and permitted assigns.
8. Both parties must agree to sale, refinance or apply for any credit towards the property.
9. Party desiring the sale of the property must give the other party first right of refusal with 6 months' notice.
10. All profits and losses belong 50% to Orkhan and 50% to 10503452 Canada Inc.

Waiver of Independent Legal Advice

Each party acknowledges that he:

- a) has waived his right to independent legal advice;
- b) has read the agreement in its entirety and has full knowledge of the contents;
- c) understands the nature and the consequences of this Agreement; is entering into this Agreement without any undue influence, fraud or coercion whatsoever; and
- d) is signing this Agreement voluntarily.

AK O.K.

Collective Preparation of Agreement

Each party personally participated in the preparation of this Agreement. It must be construed as if the parties were collective authors and it will not be construed against one party as if that party or that party's lawyer (if applicable) were the sole or majority author of the Agreement.

Signed and dated at *North York* in the *City* of *Toronto*, this *22nd* day of *October*, 20*10*



ORKHAN KARIMOV



10503452 CANADA INC.
per director: ASIF KARIMOV

This is Exhibit “P” referred to in the Affidavit of Ivan Bogdanovich, sworn by
Ivan Bogdanovich of the City of Toronto, in the Province of Ontario, before
me at the City of Toronto, in the Province of Ontario, on
April 5, 2024



A Commissioner for Taking Affidavits

Lerners LLP

225 King Street West, Suite 1600
 Toronto, Ontario M5V 3M2
 Telephone: 416-867-3076
 Fax: 416-867-9192
 www.lerners.ca

LERNERS

Domenico Magisano
 Direct Line: 416.601.4121
 Direct Fax: 416.601.4123
 dmagisano@lerners.ca

January 16, 2024

FILE NUMBER 121178-00008

DELIVERED BY REGISTERED AND REGULAR MAIL

10503452 Canada Inc.
 477 Wilson Heights Blvd.
 Toronto, ON M3H 2V4

Attention: Orkhan Karimov and Asif Karimov

Dear Orkhan Karimov and Asif Karimov:

Re: DUCA Financial Services Credit Union Ltd. (“DUCA”) loan to 10503452 Canada Inc. (“105”);

We are counsel to DUCA in its capacity as secured creditor of 105.

Indebtedness to DUCA

105 is indebted to DUCA with respect to certain credit facilities (the “**Credit Facilities**”) made available by DUCA, pursuant to and under the terms of a commitment letter dated February 1, 2021 (as the same may have been amended, replaced, restated, modified, or otherwise supplemented from time to time, the “**Commitment Letter**”).

As security for its obligations under the Commitment Letter, 105 granted to DUCA (collectively, the “**Security**”):

1. security to DUCA over all of their present and after acquired property, assets, and undertakings pursuant to a General Security Agreement, dated February 23, 2021 (the “**GSA**”);
2. a collateral mortgage on the property municipally known as 740-748 Sheppard Avenue West, Toronto, Ontario, in the principal amount of \$4,670,000 on or around March 1, 2021, as same may have been amended, replaced, restated, or supplemented from time to time (the “**Mortgage**”);
3. an assignment of leases and rents dated March 1, 2021;
4. a cash collateral agreement dated February 23, 2021;
5. an environmental indemnity dated February 23, 2021;
6. an assignment of insurance interests dated February 23, 2021;

LERNERS

Page 2

7. an undertaking and agreement to fund cost overruns dated February 23, 2021;
8. an interest reserve pledge dated February 23, 2021; and
9. an agreement for security on shares and deposits limited to \$240,000.00.

105 is indebted to DUCA under the Credit Facilities in the amount of \$4,291,945.20 as of January 15, 2024.

As you are aware pursuant to the Non-Renewal letter dated December 1, 2023 (which is enclosed for reference), the Mortgage matured on January 1, 2024. The Mortgage was not repaid, constituting a default under the terms of the Mortgage and Commitment Letter.

Accordingly, we, on behalf of DUCA, demand payment of \$4,291,945.20, plus accruing interest and any and all costs and expenses (including, without limitation, legal and other professional fees) incurred by DUCA (the “**Indebtedness**”). Payment must be made immediately.

Immediate Payment Required

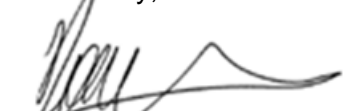
Given the foregoing, we, on behalf of DUCA, hereby demand immediate payment of the Indebtedness.

To that end, we, on behalf of DUCA, we enclose a Notice of Intention to Enforce Security delivered pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA Notice**”) together with a draft consent to early enforcement of DUCA’s security, should you desire to provide said consent.

DUCA hereby reserves its rights to initiate proceedings within the ten (10) day period set out in the BIA Notice, if circumstances warrant such proceedings.

If payment of the Indebtedness is not received immediately, DUCA shall take whatever steps it considers necessary or appropriate to collect and recover the amounts owing to it. These steps include, without limitation, steps to appoint an interim receiver, receiver, or receiver and manager of the property, assets, and undertakings of 105, in which case DUCA will also be seeking all costs incurred in doing so.

Yours truly,



Domenico Magisano
DNM/vlg

Enclosure

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

TO: 10503452 Canada Inc.
477 Wilson Heights Blvd.
Toronto, ON M3H 2V4

Attention: Orkhan Karimov and Asif Karimov

TAKE NOTICE THAT:

1. DUCA Financial Services Credit Union Ltd. ("**DUCA**"), a secured creditor, intends to enforce its security on the property, assets, and undertakings of 10503452 Canada Inc. ("**105**"), including, without limiting the generality of the foregoing:
 - (a) all the equipment, accounts, proceeds, books and records, inventory, leaseholds, and all other personal property interest of 105; and,
 - (b) the real property legally described as PART OF LOT 6 PLAN 3062 DESIGNATED AS PARTS 1 AND 2 ON PLAN 66R-26936; CITY OF TORONTO, and municipally known as 740-748 Sheppard Avenue West, Toronto, Ontario (the "**Real Property**").
2. The security that is to be enforced (the "**Security**") is in the form of, *inter alia*:
 - (a) a General Security Agreement between 105, and DUCA, dated February 23, 2021;
 - (b) a Charge/Mortgage, dated March 1, 2021, and registered on title the Real Property, as instrument number AT5664920 on March 1, 2021, in the Land Titles Office for Toronto (No. 66);
 - (c) a General Assignment of Rents, dated March 21, 2021, and registered on title to the Real Property, as instrument number AT5664963;
 - (d) an assignment of leases and rents dated March 1, 2021;
 - (e) a cash collateral agreement dated February 23, 2021;
 - (f) an environmental indemnity dated February 23, 2021;
 - (g) an assignment of insurance interests dated February 23, 2021;
 - (h) an undertaking and agreement to fund cost overruns dated February 23, 2021;
 - (i) an interest reserve pledge dated February 23, 2021; and
 - (j) an agreement for security on shares and deposits limited to \$240,000.00.
3. The total amount of the indebtedness secured by the Security is **\$4,291,945.20**, as at January 15, 2024, in principal and interest, plus accruing interest and recovery costs of DUCA (including, without limitation, DUCA's legal and other professional fees).

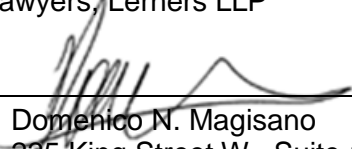
- 2 -

4. DUCA will not have the right to enforce the security until after the expiry of the ten (10) day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at Toronto, Ontario this 16th day of January 2024.

DUCA Financial Services Credit Union Ltd.
by its lawyers, Lerner LLP

Per: _____


Domenico N. Magisano
225 King Street W., Suite 1500
Toronto, ON M5V 3M2
416.601.4121

ACKNOWLEDGEMENT AND CONSENT

TO: DUCA Financial Services Credit Union Ltd. (“DUCA”)

We acknowledge the receipt and proper service on the ____ day of January, 2024 of a demand of payment and a Notice of Intention to Enforce Security pursuant to section 244 of the *Bankruptcy and Insolvency Act* from DUCA. We hereby consent to:

1. delivery of the demand letter and the notice of intention to enforce security pursuant of section 244 of the *Bankruptcy and Insolvency Act*,
2. the immediate enforcement by you of all security held in our property, assets, and undertakings, including the appointment of an interim receiver, receiver, or receiver and manager with respect to such property and assets; and
3. the immediate disposition of such property and assets at such price and on such terms and conditions as you deem appropriate, without further notice to or consent of the undersigned.

DATED the ____ day of January, 2024.

10503452 CANADA INC.

Per: _____

Name:

I have authority to bind the corporation

LETTER OF NON-RENEWAL

December 1, 2023

10503452 Canada Inc.
477 Wilson Heights Boulevard
Toronto, Ontario
M3H 2V4

Re: Account No. 551960468934

Dear Asif Karimov,

Please be advised that your mortgage matures on January 1, 2024, and DUCA will **not** be extending a renewal.

We hereby demand that you remit payment in full on or before January 1, 2024.

Assuming all payments due on/before January 1, 2024, are made and honoured, the amount required to pay out the mortgage at that time is as follows:

Principal outstanding	\$ 4,242,000.00
Accrued interest to January 1, 2024	\$ 0.00
Discharge Fee*	\$ 1,000.00
Total Amount Due	\$ 4,243,000.00

Per Diem Rate of Interest is \$ 1,109.89

*Any legal costs incurred by DUCA to process the discharge will be added to the Discharge Fee.

Please ensure that interest is paid to date of actual receipt by DUCA.

Should you wish to pay the mortgage in advance of that date, please contact DUCA to receive an up-to-date payout statement.

Should the mortgage not be paid in full by January 1, 2024, DUCA will take such further steps as it may deem necessary against the Borrower and/or the Guarantors to recover the indebtedness hereby demanded.

Yours truly,
DUCA Financial Services Credit Union Ltd.



Doug La
Director,
Commercial Banking & Construction

Lerners LLP

225 King Street West, Suite 1600
Toronto, Ontario M5V 3M2
Telephone: 416-867-3076
Fax: 416-867-9192
www.lerners.ca

LERNERS

Domenico Magisano
Direct Line: 416.601.4121
Direct Fax: 416.601.4123
dmagisano@lerners.ca

January 16, 2024

FILE NUMBER 121178-00008

DELIVERED BY REGISTERED AND REGULAR MAIL

Asif Karimov
477 Wilson Heights Blvd.
Toronto, ON M3H 2V4

Dear Asif Karimov:

**Re: DUCA Financial Services Credit Union Ltd. ("DUCA") loans to 10503452 Canada Inc. (the "Borrower");
Guarantee of Asif Karimov of the Borrower's Indebtedness**

We are counsel to DUCA in its capacity as secured creditor of the Borrower.

Today we have made formal demand for a repayment of the outstanding indebtedness of the Borrower, inclusive of interest accumulated to the date of payment. A copy of our letter to the Borrower is enclosed.

You guaranteed all present and future debts of the Borrower to DUCA pursuant to a guarantee dated February 23, 2021 (the "**Guarantee**"), guaranteeing all present and future debts of the Borrower to DUCA together with interest thereon from the date of demand for payment.

We find it necessary, on behalf of DUCA, to call upon the Guarantee, and accordingly hereby make demand for payment from you of \$4,291,945.20 representing your obligations with respect to the Borrower's indebtedness to DUCA as at January 15, 2024, together with all interest and enforcement costs (the "**Indebtedness**"). Please note that all interest and enforcement costs on the Indebtedness continues to accrue and said amounts are subject to the Guarantee. Payment is required immediately.

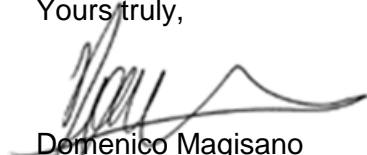
Under the terms of the Guarantee, you agreed to assign and postpone all debts and claims that you have against the Borrower in favour of DUCA and to hold such claims as trustee for DUCA. We hereby notify you that all monies collected from the Borrower are subject to such trust and should be forthwith paid over to DUCA.

LERNERS

Page 2

If payment of the Indebtedness is not received immediately, DUCA shall take whatever steps it considers necessary or appropriate to collect and recover the amounts owing to it. These steps include, without limitation, commencing legal proceedings against you for the Indebtedness, together with interest and costs.

Yours truly,

A handwritten signature in black ink, appearing to read 'D.M.', with a long, sweeping horizontal stroke extending to the right.

Domenico Magisano
DNM/vlg

Enclosure

8668556.1

Lerners LLP

225 King Street West, Suite 1600
 Toronto, Ontario M5V 3M2
 Telephone: 416-867-3076
 Fax: 416-867-9192
 www.lerners.ca

LERNERS

Domenico Magisano
 Direct Line: 416.601.4121
 Direct Fax: 416.601.4123
 dmagisano@lerners.ca

January 16, 2024

FILE NUMBER 121178-00008

DELIVERED BY REGISTERED AND REGULAR MAIL

10503452 Canada Inc.
 477 Wilson Heights Blvd.
 Toronto, ON M3H 2V4

Attention: Orkhan Karimov and Asif Karimov

Dear Orkhan Karimov and Asif Karimov:

Re: DUCA Financial Services Credit Union Ltd. (“DUCA”) loan to 10503452 Canada Inc. (“105”);

We are counsel to DUCA in its capacity as secured creditor of 105.

Indebtedness to DUCA

105 is indebted to DUCA with respect to certain credit facilities (the “**Credit Facilities**”) made available by DUCA, pursuant to and under the terms of a commitment letter dated February 1, 2021 (as the same may have been amended, replaced, restated, modified, or otherwise supplemented from time to time, the “**Commitment Letter**”).

As security for its obligations under the Commitment Letter, 105 granted to DUCA (collectively, the “**Security**”):

1. security to DUCA over all of their present and after acquired property, assets, and undertakings pursuant to a General Security Agreement, dated February 23, 2021 (the “**GSA**”);
2. a collateral mortgage on the property municipally known as 740-748 Sheppard Avenue West, Toronto, Ontario, in the principal amount of \$4,670,000 on or around March 1, 2021, as same may have been amended, replaced, restated, or supplemented from time to time (the “**Mortgage**”);
3. an assignment of leases and rents dated March 1, 2021;
4. a cash collateral agreement dated February 23, 2021;
5. an environmental indemnity dated February 23, 2021;
6. an assignment of insurance interests dated February 23, 2021;

LERNERS

Page 2

7. an undertaking and agreement to fund cost overruns dated February 23, 2021;
8. an interest reserve pledge dated February 23, 2021; and
9. an agreement for security on shares and deposits limited to \$240,000.00.

105 is indebted to DUCA under the Credit Facilities in the amount of \$4,291,945.20 as of January 15, 2024.

As you are aware pursuant to the Non-Renewal letter dated December 1, 2023 (which is enclosed for reference), the Mortgage matured on January 1, 2024. The Mortgage was not repaid, constituting a default under the terms of the Mortgage and Commitment Letter.

Accordingly, we, on behalf of DUCA, demand payment of \$4,291,945.20, plus accruing interest and any and all costs and expenses (including, without limitation, legal and other professional fees) incurred by DUCA (the “**Indebtedness**”). Payment must be made immediately.

Immediate Payment Required

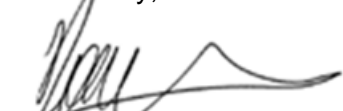
Given the foregoing, we, on behalf of DUCA, hereby demand immediate payment of the Indebtedness.

To that end, we, on behalf of DUCA, we enclose a Notice of Intention to Enforce Security delivered pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA Notice**”) together with a draft consent to early enforcement of DUCA’s security, should you desire to provide said consent.

DUCA hereby reserves its rights to initiate proceedings within the ten (10) day period set out in the BIA Notice, if circumstances warrant such proceedings.

If payment of the Indebtedness is not received immediately, DUCA shall take whatever steps it considers necessary or appropriate to collect and recover the amounts owing to it. These steps include, without limitation, steps to appoint an interim receiver, receiver, or receiver and manager of the property, assets, and undertakings of 105, in which case DUCA will also be seeking all costs incurred in doing so.

Yours truly,



Domenico Magisano
DNM/vlg

Enclosure

This is Exhibit “Q” referred to in the Affidavit of Ivan Bogdanovich, sworn by
Ivan Bogdanovich of the City of Toronto, in the Province of Ontario, before
me at the City of Toronto, in the Province of Ontario, on
April 5, 2024



A Commissioner for Taking Affidavits

COMMITMENT LETTER

March 20, 2024

10503452 Canada Inc.
c/o Oakbank Capital Group
477 Wilson Heights Blvd
Toronto, ON M3H 2V4

Attention: Asif Karimov and Jonah Brown

Dear Sirs,

Re: **VECTOR FINANCIAL SERVICES LIMITED** mortgage loan to 10503452 Canada Inc. upon the security of all property and assets comprising 740-748 Shappard Ave W, Toronto, Ontario as formally described in "Schedule E".

Vector Reference No. BC 24-03

We are pleased to submit herewith our agreement to provide mortgage financing (herein called the "**Loan**") for the Property (as defined herein), subject to receipt and satisfactory review by the Lender (as defined herein) of all deliveries and information required herein, and upon and subject to the terms and conditions set out in this letter and accompanying schedules (herein called this "**Commitment**"). This Commitment shall be read in conjunction with the Loan Documents (as defined in Section 22). In the event of any inconsistency between the terms of this Commitment and the terms of any of the Loan Documents, the Lender shall decide, in its sole discretion and at its option, which shall prevail.

Each Borrower Entity (as defined herein) acknowledges and agrees that the provisions of this Commitment shall constitute a binding and enforceable agreement amongst the Lender and each Borrower Entity made for valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each Borrower Entity). It shall be enforceable by the Lender against each Borrower Entity who shall be jointly and severally liable for the obligations and liabilities set out in this Commitment.

1. **LENDER** (the "**Lender**" or "**Vector**"):

Vector Financial Services Limited in trust for a group of lenders its successors and assigns in its capacity as Lender and not as Administrator.

2. **ADMINISTRATOR** (the "**Administrator**"):

Vector Financial Services Limited its successors and assigns in its capacity as Administrator and not as Lender.

3. **BORROWER(S)** (individually and collectively, the "**Borrower**"):

10503452 Canada Inc.

4. **BENEFICIAL OWNER(S)** (individually and collectively, the “**Beneficial Owner**”):

The Borrower owns and operates the Property for its own account, records the Property as an asset on its financial statements, and does not hold the Property as nominee or trustee on behalf of any other person.

5. **GUARANTOR(S)** (individually and collectively, the “**Guarantor**”):

Asif Karimov

Each of the Borrower, Beneficial Owner, and Guarantor(s), individually and collectively, shall be known as the “**Borrower Entity**”,

6. **WAIVER OF CONDITIONS:**

In addition to any other conditions set out in this Commitment, the Loan and the Lender’s obligation to make the initial advance of the Loan are subject to the review and approval by the Lender in its sole and unfettered discretion of the Pre-Funding Deliverables outlined in Section 23 below. Any such approval by the Lender shall be issued and communicated by the Lender to the Borrower in writing.

7. **LOAN AMOUNT** (the “**Loan Amount**” or “**Principal Amount**”):

FOUR MILLION FIVE-HUNDRED THOUSAND (\$4,500,000)

8. **PURPOSE OF LOAN & EXIT:**

(a) The Loan will be used to refinance the development of the real property(ies) formally described in Schedule ‘E’ (individually and collectively, the “**Property**”), which includes all related buildings, improvements, leases, rents, equipment, surveys, plans, development plans, agreements, permits, and other personal property of every nature and kind):

(b) The proposed development of the Property will include the construction of 9-storey mixed-use condominium with a Gross Floor Area of approximately 59,409 square feet (the “**Project**”). The property is zoned for the proposed development.

(c) Uses and Sources of Funds:

	Total
<u>Uses of Funds:</u>	
1st Mortgage - Refinance	\$4,242,000
Interest Reserve (9 Months)	\$421,000
Lender Fee	\$90,000
Broker Fee - Oakbank	\$45,000
Legal and Closing Costs	\$40,000
TOTAL	\$4,838,000
<u>Sources of Funds:</u>	
Vector Loan	\$4,500,000
Borrower's Equity	\$338,000
TOTAL	\$4,838,000

(d) The Loan shall be repaid out of the sale or refinancing of the Property.

9. **LOAN PRIORITY:**

Except as otherwise expressly provided herein, the Loan and all Loan Documents shall rank in **first priority** to or in respect of the interests of the Borrower Entity and, all other mortgagees and all other persons having any interest in the Property.

No subordinate financing to the Loan or subsequent encumbrance of the Property shall be permitted without the prior written consent of the Lender. The Borrower shall disclose to the Lender all existing or proposed financing related to the Project and shall not pledge or otherwise encumber its interest in any Properties or the Loan Documents to any party other than the Lender without the prior written consent of the Lender. This clause shall remain in effect for the term of the Loan. In the event of default under this clause, the Borrower consents that it shall be responsible for an amount of \$100,000, which will be added to the Loan Amount and collected at repayment of the Loan.

10. **CLOSING:**

The actual date upon which the full advance or Initial Advance (as herein defined) of the Loan occurs is called the “**Initial Advance Date**”, the “**Closing Date**”, “**Closing**” or other similar reference. As required by the context, “**Closing**” also means the successful completion of the Loan and the full or Initial Advance thereunder as the case may be.

The Closing shall occur on April 19, 2024 unless, prior thereto, the Borrower and the Lender agree in writing (which may be evidenced by one or more emails from or between the Borrower and/or the Lender and/or their respective solicitors) that the Closing shall occur on some other date. The date set out in this paragraph or such other date, is called the “**Scheduled Closing Date**”.

Each Borrower Entity acknowledges that the Loan may be syndicated by the Lender to one or more co-lenders, who will provide the Lender, prior to the Scheduled Closing Date, their respective shares of advances to be made under the Loan with the expectation that the Closing shall occur and that interest shall accrue from and after the Scheduled Closing Date. Each Borrower Entity acknowledges and agrees that interest shall accrue from and after the Scheduled Closing Date on the Loan Amount notwithstanding that, in order to comply with all of the terms and conditions of the Commitment, the actual Closing may not occur until after the Scheduled Closing Date.

The Closing shall take place no later than May 15, 2024 or such other date as agreed in writing by the Borrower and the Lender (the “**Expiry Date**”). Unless extended by an agreement in writing, this Commitment shall terminate at 5:00 p.m. EST on the Expiry Date, and the Lender shall have no obligation to make the full or Initial Advance of the Loan after such time.

11. **TERM & MATURITY:**

All Loan indebtedness shall become due and repayable in full on the 10th day of the month which is 13 (thirteen) calendar months after the Interest Adjustment Date (the “**Maturity Date**”).

Provided an Event of Default (defined herein) has never occurred during the Term, at the Lender’s sole and unfettered discretion, and upon receipt by the Lender of an extension fee equal to 1.0% of the outstanding Loan Amount (the “**Extension Fee**”), the Borrower shall have one (1) option to extend the Term for an additional six (6) months beyond the Maturity Date (the “**Extension Options**”). In the event that the first Extension Option is exercised, the Maturity Date shall be revised to the 10th day of the month, which is 19 (nineteen) calendar months after the IAD.

12. **INTEREST ADJUSTMENT DATE** (the “**Interest Adjustment Date**” or “**IAD**”)

The 10th day of the month next following the Closing Date.

13. **STEP-UP DATE (the “Step-Up Date”):**

The 10th day of the first calendar month immediately prior to the Maturity Date, or such earlier date as may be established pursuant to the Borrower’s election for prepayment pursuant to Section 17 hereof.

14. **INTEREST RATE (the “Interest Rate”):**

For the period from and including the Scheduled Closing Date to and including the day immediately preceding the Step-Up Date, the greater of: (i) 12.45% per annum, and (ii) the Prime Rate plus 5.25%; and

From and after the Step-Up Date and until the Loan indebtedness is repaid in full, the Interest Rate shall be the greater of: (i) 16.45% and (ii) the Prime Rate plus 9.25% (the “**Step Up Rate**”).

“**Prime Rate**” means the Prime Rate of interest announced from time to time by Royal Bank of Canada at its head office in Toronto, Ontario as a reference rate for determining interest rates on Canadian dollar commercial loans in Canada.

Each Borrower Entity acknowledges and agrees that the Step-Up Rate occurs solely by passage of time, and not as the result of the occurrence of any default or event of default.

The Interest Rate(s) shall be adjusted with fluctuations in the Prime Rate on the next business day following a change in the Prime Rate.

15. **AMORTIZATION:**

Not applicable (interest only loan).

16. **PAYMENT DATE:**

Interest payments are due monthly, on the 10th day of each month (or on the following business day if the 10th day of any month is not a business day) (herein called the “**Payment Date**”). Interest is calculated daily (on the basis of 360 days/year), not in advance, and compounded monthly on each Payment Date on the total of the Principal Amount plus any accrued interest outstanding on the Payment Date.

17. **PREPAYMENT:**

The Loan is closed and not open for prepayment in whole or in part prior to the 10th day of the sixth (6th) month after the IAD.

When not in default, and upon giving the Lender not less than 30 days prior written notice of the Borrower's intended date to do so (the **"Notice"**), and **upon payment of an additional 1-month's interest**, the Borrower may, between the 20th and 31st of the sixth (6th) month following the IAD, prepay the whole (but not part) of the then outstanding Principal Amount plus (i) all accrued, unpaid and compound interest calculated to and including the date of prepayment, plus (ii) all costs and expenses then due and payable to the Lender under the Loan Documents (as defined herein). From and after the giving such notice, the date of such prepayment selected by the Borrower shall become the Prepayment Date. In the event that repayment is not made on the Prepayment Date after giving Notice, the entire Loan indebtedness shall become due and payable forthwith at the option of and upon demand by the Lender, together with an additional 1 month's interest at the Step-Up Rate.

18. **PARTIAL DISCHARGES:**

No partial discharges shall be permitted.

19. **LOAN FEES, BROKERAGE FEES AND DISBURSEMENTS:**

As consideration for the time, effort, and expense incurred by the Lender, its officers and employees in reviewing the financial and other information, plans, development proposals, materials and other documents, and undertaking the investigations, inspections and other due diligence necessary to prepare and approve this Commitment, each Borrower Entity jointly and severally agrees to pay to the Lender the amount of **\$90,000** (the **"Commitment Fee"**) as follows:

- (a) **\$35,000** (the **"Earnest Fee"**) payable upon acceptance of this Commitment (and in respect of which the Lender acknowledges receipt of \$10,000 as a non-refundable deposit toward the Earnest Fee), subject to the following:
 - (i) if the documents and information submitted by the Borrower are determined by the Lender to be materially different than as originally represented, or if the Borrower fails to provide all documents and information as reasonably requested by the Lender to substantiate the Borrower's original representations to the Lender, the Earnest Fee shall be retained by the Lender even if it declines to issue the Funding Notice;
 - (ii) if the Lender issues the Funding Notice upon terms and conditions which are not materially different from those set out in this Commitment including, for greater certainty, terms and conditions set out in Section 23 below (and it is agreed that a change of the Scheduled Closing Date and/or the Expiry Date shall not be material), or upon terms and conditions which are materially different from those set out in this Commitment and which each Borrower Entity has accepted, the Earnest Fee shall be retained by the Lender; and

- (b) the balance of the Commitment Fee in the amount of **\$55,000** shall be deemed earned after issuance by the Lender of the Funding Notice upon terms and conditions which are not materially different from those set out in this Commitment including, for greater certainty, terms and conditions set out in Section 23 below (and it is agreed that a change of the Scheduled Closing Date and/or the Expiry Date shall not be material) or upon terms and conditions which are materially different from those set out in this Commitment and which each Borrower Entity has accepted. This amount shall be deducted from the Initial Advance or payable at the time of and on the Expiry Date, whichever shall first occur.

For greater clarity, if the Lender issues the Funding Notice upon substantially the same terms and conditions as this Commitment including, for greater certainty, terms and conditions set out in Section 23 below (and it is agreed that a change of the Scheduled Closing Date and/or the Expiry Date shall not be material), or upon terms and conditions which are materially different from those set out in this Commitment and which each Borrower Entity has accepted, and any Borrower Entity defaults under this Commitment prior to the full or Initial Advance or elects not to draw down on the Loan or any part thereof, or if the full or Initial Advance does not occur for any other reason through no fault of the Lender, the Earnest Fee shall be retained by the Lender and the balance of the Commitment Fee in clause (b) above as well as an amount equal to 6-months of Interest on the Loan, shall be deemed earned, due and payable forthwith to the Lender by each Borrower Entity, who shall each be jointly and severally liable for the same. Each Borrower Entity acknowledges and agrees that such payment of the Earnest Fee and the balance of the Commitment Fee in clause (b) above as well as an amount equal to 6-months of Interest on the Loan (together with any Legal Fees (as defined below)) is a reasonable and genuine pre-estimate of damages that will be incurred by the Lender in the event that any Borrower Entity defaults under this Commitment prior to the full or Initial Advance or elects not to draw down on the Loan or any part thereof, or if the full or Initial Advance does not occur for any other reason through no fault of the Lender.

The Borrower, and not the Lender, shall be responsible for payment of any brokerage or finder's fees, commissions or other compensation, plus applicable taxes (collectively, the "**Brokerage Fees**") payable to Oakbank Capital Group, FSRA Broker #13455 (the "**Mortgage Broker**") or any other person not affiliated with or contracted by the Lender in connection with the Loan and shall indemnify and hold the Lender and all related entities harmless in respect of same. The Commitment Fee does not include the Brokerage Fees. Such Brokerage Fees will have an impact on the total cost of borrowing and the Borrower acknowledges Brokerage Fees in the amount of **\$45,000** and hereby irrevocably authorizes and directs the Lender to deduct the Brokerage Fees from the Initial Advance and pay the same to the Mortgage Broker at Closing.

Whether or not the transaction contemplated herein is successfully completed the Borrower acknowledges and agrees to pay, in addition to all other fees and costs described in Section 19, the disbursements and fees, incurred by the Lender, listed on "**Schedule A**" attached hereto.

Whether or not the transaction contemplated herein is successfully completed, the Borrower agrees to pay, the reasonable legal fees and disbursements of the Lender's legal counsel, **Jonathan Freeman** of **Cassels Brock & Blackwell LLP** or such other legal counsel appointed by the Lender at any time (the "**Lender's Solicitors**"), for all customary or extraordinary legal services required by the Lender in connection with the Loan (the "Legal Fees"). The Borrower acknowledges that the Lender may engage its legal counsel upon signing of this Commitment Letter and they shall be responsible for same.

20. **LOAN ADMINISTRATION AND SPECIAL SERVICING FEES:**

Each Borrower Entity acknowledges and agrees that after Closing and at all times following the occurrence of any Event of Default (as defined in the Loan Documents including the failure to repay the Principal Amount by the Maturity Date), the Borrower will pay to the Administrator Default Administration Fees as defined in 'Schedule A' attached.

If the Borrower fails to repay the Principal Amount on the Maturity Date, the Borrower shall pay to the Administrator on a monthly basis an amount calculated at a rate of 0.25% per month multiplied by the then-outstanding Principal Amount for each month the Loan remains unpaid (the "**Special Servicing Fee**").

Each Borrower Entity further acknowledges and agrees that Default Administration Fees and Special Servicing Fees are fair and commercially reasonable costs, expenses and pre-estimates of damages incurred by the Administrator in connection with the Loan and do not constitute a fine, penalty, or default interest charged on arrears of principal or interest. Until paid by the Borrower to the Administrator all amounts payable on account of such fees (plus applicable taxes if any) will be costs within the meaning of the Loan Documents, and together with interest thereon at the applicable Interest Rate will be added to the Loan indebtedness monthly on the first day of the Lender's billing cycle and will be secured by the Loan Documents.

21. **ADVANCES:**

On the Closing Date, the full Loan Amount of **\$4,500,000** (the "**Initial Advance**") will be advanced to or for the benefit of the Borrower as follows:

- (a) the amount of \$55,000 will be deducted and paid to the Lender on account of the outstanding balance of the Commitment Fee;
- (b) the amount of \$45,000 will be deducted and paid to the Mortgage Broker on account of Brokerage Fees;
- (c) the amount of \$421,000 will be deducted and retained by the Lender or the Lender's Solicitors on account of the following loan reserve(s) (individually and collectively called the "**Loan Reserve**");

- (i) the amount of \$421,000 as and on account of an interest reserve (the **"Interest Reserve"**) to be used to fund the first eight (8) months and the last one (1) month of interest coming due under the Loan; and

The Borrower shall acknowledge that the Loan Reserve shall be deemed to have been fully advanced by the Lender to the Borrower and shall bear interest from and after the date of the Initial Advance at the Interest Rate(s) as set out in the Loan Documents. The Loan Reserve shall be pledged by the Borrower to the Lender as security for the Loan. All interest earned on the Loan Reserve shall be for the benefit of the Lender and the Lender shall not be required to separately account for these amounts to the Borrower. In the event the Loan is in default, the Lender shall be entitled to utilize and apply, as determined by the Lender in its sole and unfettered discretion, all or any part of the Loan Reserve toward payment of principal, interest, costs, and other monies owing under the Loan. To the extent that the Interest Reserve has been depleted while any part of the Loan indebtedness remains outstanding, each Borrower Entity will jointly and severally undertake to immediately replenish the Interest Reserve accordingly, and failure to do so shall constitute a default under the Loan.

- (d) the balance in the amount of **\$3,979,000** (after deducting an amount for 'Schedule A' related closing costs and interest from the Closing Date to the IAD) will be remitted to the Lender's Solicitors for the benefit of the Borrower to pay for closing costs (including outstanding realty taxes, and legal costs), acquisition or refinancing of the Property, and other costs pursuant to the provisions set out herein. See Section 8c above for a list of costs to be funded on closing.

22. **SECURITY:**

The Loan and all Loan indebtedness will be secured and supported by the documents listed in 'Schedule C' (the **"Loan Documents"**), each to be in form and substance satisfactory to the Lender and the Lender's Solicitors:

23. **PRE-FUNDING DELIVERABLES:**

Issuance of the Commitment and the advance of any funds by the Lender shall be subject to its receipt and satisfactory review in sole, absolute and unfettered discretion of each of the following items, which must be received no later than **7** days following acceptance of this Commitment in order to allow the Lender sufficient time to complete its review and intended syndication of the Loan:

- (a) the Earnest Fee or the unpaid balance thereof;
- (b) current and previous 2 years externally prepared financial statements for each Borrower Entity that is not an individual, and an opening balance sheet and trial balance for the most recent month-end of the Project (including a detailed list of costs to date);
- (c) current signed Net-Worth Statement for each Borrower Entity that is an individual, which fully discloses all assets currently owned (directly and indirectly) and all amounts currently owed by the individual;

- (d) a credit check and a corporate and personal due diligence check will be conducted by the Lender and is consented to by each Borrower Entity. The cost of the review shall be borne by the Borrower as outlined on 'Schedule A'.
- (e) a resume, summary, or biographical information detailing real estate development or other relevant business experience of the Borrower Entity and/or Guarantor;
- (f) evidence that, prior to the Initial Advance, there shall be not less than **\$2,000,000** of cash equity in the Property and/or the Project contributed by one or more Borrower Entities from their own resources and not from borrowed sources;
- (g) an organization chart showing the legal ownership interests of the Property amongst the Borrower, each Beneficial Owner (if any), and all shareholders, unit-holders, companies, partnerships or trusts that have a direct or indirect ownership interest in the Property (or Project) and identifies individuals that have a 10% or greater, direct or indirect ownership interest in the Property (or Project);
- (h) for each Borrower Entity that is a corporation, (i) copies of its articles of incorporation and all amendments thereto, and (ii) copy of the shareholders agreement and all amendments thereto and (iii) the full names of all officers, directors, and shareholders thereof, including number and class of shares;
- (i) If applicable, a copy of any joint venture agreements related to the Property;
- (j) for each Borrower Entity that is a partnership or trust, copies of the signed partnership or trust agreement as the case may be and any amendments thereof;
- (k) evidence that a segregated bank account has been opened in the name of the Borrower for transactions pertaining to the Property or Project;
- (l) copies of two pieces of identification for each Borrower Entity that is an individual, one of which must be government issued photo identification (i.e.: driver's license, passport etc.);
- (m) the following reports for each Property or Project, each prepared by a consultant acceptable to the Lender and, where required, a reliance letter addressed to the Lender stating that it may rely on such report:
 - i. appraisal report prepared within 12 months of the Initial Advance on an "As-Is" basis prepared by an AACI;
 - ii. current phase 1 environmental report;
 - iii. if necessary, current phase 2 environmental report;
 - iv. current geotechnical report and hydrogeological report (if applicable);
 - v. a planning report on the current zoning and status of any rezoning progress (if available);
 - vi. a current site plan and available architectural and engineering drawings (if available);
 - vii. if applicable, arborist or tree inventory report; and

- (n) the final Agreements of Purchase and Sale including all amendments thereto, entered into by the Borrower to acquire each Property;
- (o) if applicable, copies of all commitment letters, term sheets or loan agreements (including all amendments thereto) in respect of all encumbrances currently affecting the Property or Project;
- (p) if applicable, copies of all commitment letters, term sheets or loan agreements (including all amendments thereto) for any subsequent mortgages to be registered at Closing;
- (q) Copies of mortgage or discharge statements for all loans registered on title of the Property to be received by the Lender no later than **5** Business Days prior to Closing.
- (r) if applicable, the condominium disclosure statement (including, without limitation, the declaration, bylaws, proposed budgets and reserve fund studies) for each Property which is or is intended to be registered as a condominium;
- (s) detailed development budget(s) and schedule(s), indicating individual costs per line item broken out on a monthly basis;
- (t) a pro-forma profit statement for the Project;
- (u) a report by the Project Monitor acceptable to the Lender confirming that the budget(s) for the Project is/are sufficient to complete the same, and the proposed schedule for completion of the Project is realistic;
- (v) if applicable, evidence that the Borrower, or a related entity that will be constructing the Project, is registered as a builder under the Home Construction Regulatory Authority and the Tarion Warranty Program (Ontario);
- (w) if applicable, the letter of credit requirements and associated release requirements of each applicable municipal or other governmental authority;
- (x) evidence satisfactory to the Lender as to the source of the Borrower's required equity in each Property;
- (y) a current and up-to-date survey of each Property signed and certified by a duly qualified Ontario Land Surveyor and prepared in accordance with all applicable surveying standards and practices for real properties in Ontario (or evidence of Title Insurance acceptable to the Lender); and
- (z) satisfactory evidence that property and liability insurance has been obtained for the Property or Project in accordance with the particulars thereof set out on **'Schedule B'** attached hereto, and that all premiums in respect thereof have been paid in full. The Borrower will pay or reimburse the Lender for the fees, disbursements, and applicable taxes incurred by the Lender's insurance consultant for its reviews (both pre-funding and annual) of the insurance policies (**see 'Schedule A'**).

- (aa) Any other information or documentation that may reasonably be required by the Lender.

24. **SYNDICATION AND COMMITMENT CONFIRMATION:**

The Lender reserves the right to syndicate an interest in the Loan to one or more co-lenders who may or may not be related to the Lender. Each Borrower Entity consents to the disclosure by the Lender to any such prospective assignee/participant of all information and documents regarding the Loan, each Property, and each Borrower Entity that is in the possession or control of the Lender.

The Lender shall be allowed until its issuance of a funding notice (the "Funding Notice"), upon terms and conditions which are not materially different from those set out in this Commitment including, for greater certainty, terms and conditions set out in Section 23 above, or until such later time as may be provided by a Funding Notice upon terms and conditions which are materially different from those set out in this Commitment and which each Borrower Entity has accepted, to syndicate a portion or portions of the Loan, in an amount or amounts and upon terms to be determined by and satisfactory to the Lender in its sole discretion, failing which and upon written notice thereof given by the Lender to the Borrower, this Commitment will be terminated and at an end, the balance of the Commitment Fee will not be payable and the Earnest Fee shall be returned to the Borrower net of any and all disbursements incurred by or on behalf of the Lender for legal fees, third-party peer review, and any other reasonable disbursements incurred by the Lender in reviewing the Loan. For greater certainty, it is acknowledged and agreed that the Lender shall have no obligation to issue a Funding Notice.

25. **OPTION TO PROVIDE CONSTRUCTION FINANCING:**

The Borrower shall grant to the Lender:

- a) a right of first opportunity (the "Right of First Opportunity")

With respect to the Right of First Opportunity: prior to consulting with any lender with respect to any Further Financing, the Borrower shall provide to the Lender in writing a request for such Further Financing with all information necessary for the Lender to process the request and the Lender shall have a period of thirty (30) days after receipt of same (the "Opportunity Period") to provide the Borrower a mortgage commitment letter to provide the Further Financing. The Borrower hereby undertakes not to communicate to any other lender with respect to provision of the Further Financing during the Opportunity Period, and to fully cooperate with the Lender in good faith during the Opportunity Period to provide such further information as the Lender may require in pursuit of its Right of First Opportunity.

26. **INFORMATION UPDATES AND FINANCIAL REPORTING:**

Until repayment of the Loan, the Borrower(s) shall provide to the Lender, within 14 days after each request for the same, such updated information relating to any of the Project or condition precedent requirements as the Lender may request from time to time. Failure to provide items 26 (a) through 26 (c) may constitute a default in the Lender's sole discretion.

Until repayment of the Loan or upon request, each Borrower Entity shall provide to the Lender, within 120 days after the end of its fiscal year, the following:

- (a) Financial statements of each Borrower Entity that is not an individual, including a balance sheet and supporting schedules, a detailed statement of income and expenses and supporting schedules, and a statement of change in cash flow;
- (b) Updated net worth statements of each Borrower Entity that is an individual;
- (c) Notice to Reader financial statements in respect of the Property, including a balance sheet and supporting schedules and, if applicable, a detailed statement of income and expenses and supporting schedules;
- (d) If applicable, a current rent roll for the Property containing such detail as may be required by the Lender; and
- (e) If applicable, a budget for the Property for the next fiscal year, forecasting operating income, expenses, and capital expenditures.

27. **IDENTIFICATION OF BORROWER ENTITIES:**

Prior to Closing, each Borrower Entity will be required to produce certificates and identification acceptable to the Lender and the Lender's Solicitors for the purpose of compliance with the provisions of the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) and regulations thereunder. Such identification shall include clear and legible copies (both the front and back) of at least two identification documents (with at least one being a photo ID). Such identification shall be supported by a solicitor's certification confirming that the identity of all persons signing as or on behalf of each Borrower Entity have been properly identified and that their signatures are genuine. An Ontario Health Card is not an acceptable identification document.

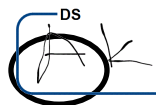
28. **REPRESENTATIONS AND ACKNOWLEDGEMENTS**

Each Borrower Entity acknowledges, represents and warrants that:

- (a) the Lender is a "Licensed Brokerage" (License No. 10160) and an "Administrator" (License No. 11205) under the Mortgage Brokerages, Lenders and Administrators Act (Ontario), and the Lender is not aware of any conflicts of interest in acting as lender herein and as a brokerage and administrator within the meaning of such Act, or as between the Lender and any Mortgage Broker (as defined above);

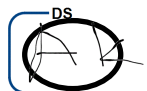
- (b) as of the date of the acceptance of this Commitment and as of the Closing Date, it has and will have the power, capacity, and authority to enter into this Commitment and the Loan Documents and to perform and complete the transaction contemplated herein, all of which has been duly authorized by all necessary corporate, partnership, and/or trust action(s) as applicable and the Commitment and the Loan Documents shall constitute legally binding obligations enforceable with their terms and that no third-party consents are necessary;
- (c) it has not withheld and will not withhold any information of a material nature relating to the Property, the Project or any Borrower Entity;
- (d) it has had an opportunity to consult its legal counsel, accountants, and other financial advisors;

Borrower Initial:



- (e) it has been informed of and has considered the risks involved in the Loan, including, without limitation, that (i) the Lender is not an institutional lender; (ii) the Interest Rate may be higher and more onerous than that of institutional lenders; (iii) the Loan will bear interest only and, except as otherwise provided, the entire outstanding Principal Amount, accrued and unpaid interest and costs will be due and payable in full on the Maturity Date; (iv) default under the Loan may result in the Borrower's equity being at risk; (v) each Guarantor or Borrower Entity may be called upon to repay the Loan in full and make good on shortfalls required to fully repay the Loan; (vi) the Borrower's ability to service and refinance the Loan may be dependent upon factors beyond the Borrower's control, including, but not limited to, the impairment of the sources of cash flow, the Lender's refusal to renew or extend the Loan on maturity thereof, the lack of other refinancing alternatives and/or adverse market conditions; and (vii) in the event any default under the Loan which is not cured within any time allowed therefor, the Lender will be entitled to enforce all remedies available by law including, without limitation, sale of or foreclosure upon any Property, appointment of a receiver, seizure of rents and income, obtaining a court judgment and entitlement to payment of 3 months of additional interest; and

Borrower Initial:



- (f) the Borrower's ability to repay the Loan will not be supported by insurance upon the life of any Borrower Entity. The Borrower is encouraged to consult with its' insurance professionals in such regard.

Borrower Initial:



29. **PRIVACY LEGISLATION AND POLICIES**

The Lender and all of its related or associated companies (collectively, the “**Vector Group**”) follow and comply with the Personal Information Protection and Electronic Documents Act (Canada). Vector Group's Privacy Policy is available at www.vectorfinancialservices.com. Each Borrower Entity confirms and represents that it has read, understands, and agrees to the Vector Group's Privacy Policy.

Each Borrower Entity has provided certain personal and financial information to the Lender. Each Borrower Entity consents to the Lender using the information so provided to ascertain the creditworthiness of the Borrower Entity, including, without limitation, obtaining credit reports; contacting the Borrower Entity's bank; verifying employment; and completing background, bankruptcy and criminal checks. Each Borrower Entity hereby grants permission to the Lender to obtain such credit reports.

The funds advanced under the Loan will likely come from a number of private participants who will each contribute to a portion of the Loan. The Mortgage Brokerages, Lenders and Administrators Act, 2006 (Ontario) requires that all lenders have access to financial information about a borrower's ability to meet mortgage payments. This information is provided in the required *Form 3.2 – Disclosure Statement for Investor/Lender in a Non-qualified Syndicated Mortgage*, which all participants in the Loan will receive.

30. **APPLICABLE LAW**

This Commitment shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated in all respects as an Ontario contract. Each party hereto irrevocably attorns to the jurisdiction of the courts of the Province of Ontario.

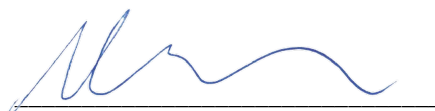
If the terms and conditions (including those outlined in 'Schedule D' of this Commitment are acceptable, please so indicate by signing the attached copy of this Commitment and return it to the writer's attention by **March 25, 2024**, together with the balance of the Earnest Fee of **\$25,000** as set out in Section 19 above.

Yours very truly,

VECTOR FINANCIAL SERVICES LIMITED



Noah Mintz
Managing Director
Lic. #: M08006173



Mitchell Oelbaum
President
Lic. #: M13001562

ACCEPTANCE


ACCEPTED on the terms and conditions herein provided this ____ day of _____, 20____.

10503452 Canada Inc. - As Borrower

DocuSigned by:

C0501DDFAF894E8...
Per: **Asif Karimov**

I have the sole authority to bind the corporation.

DocuSigned by:

C0501DDFAF894E8...
Asif Karimov- As Guarantor _____ **Witness:** _____

The Borrower’s solicitors for this transaction will be:	
Law Firm:	Khan law office
Name:	Asif Karimov
Phone No.:	+1 (647) 642-5426
Email:	faraz@khanllp.com

SCHEDULE "A" – DISBURSEMENT & FEE SCHEDULE

Item	Estimated Fee Amount	Comments
<u>Deducted From Initial Advance:</u>		
Credit Sterling BackCheck	\$35 per credit report \$155 (per guarantor)	<ul style="list-style-type: none"> To reimburse Lender for expenses incurred in ordering credit bureau and Sterling BackCheck investigations
Valuation Verification (Altus)	\$250 Per Loan	<ul style="list-style-type: none"> Valuation Verification
Lender Site Inspection	To be determined	<ul style="list-style-type: none"> To reimburse lender for all reasonable costs incurred as part of due diligence
Title Search (Teranet)	\$40 per PIN	<ul style="list-style-type: none"> To confirm title (as required)
Property Insurance Review	\$690 - \$1,750	<ul style="list-style-type: none"> Peer review of insurance coverage by the Lenders Insurance Consultant
Regulator Fee	\$750 per Loan	<ul style="list-style-type: none"> To reimburse Lender for expenses incurred in processing Loan with financial regulators
Environmental Site Assessment – Peer Review Report	\$500 - \$1,000 per Report	<ul style="list-style-type: none"> Peer review of subject property for hazardous materials and contaminants
Geotechnical Reports – Peer Review Report	\$500 - \$1,000 per Report	<ul style="list-style-type: none"> Peer review of subject property for site suitability
Cost Consultant Review	\$1,500 - \$2,500 per Report	<ul style="list-style-type: none"> Peer review of construction budget, work in place, and cost to complete
Third Party Market Study	\$1,500 per Report	<ul style="list-style-type: none"> Market feasibility & end unit valuation
Municipal Review	\$1,500 - \$4,000 per Report	<ul style="list-style-type: none"> Peer review of planned development
<u>Costs During Term of the Loan</u>		
Mortgage Information Statement	\$350 per Statement	<ul style="list-style-type: none"> For information purposes and audit verification
N.S.F. Cheque and/or Failed Debit under an EFT Plan	\$350 per occurrence	<ul style="list-style-type: none"> Borrower shall pay liquidated damages to cover the Lender's administrative costs
Insurance Coverage Change or Annual Review	\$350 per occurrence	<ul style="list-style-type: none"> Lapsed or cancelled insurance not reinstated or replaced by the Borrower. Lender shall have option to replace coverage without notice to borrower.
Subsequent Advance Review (Hard & Soft Costs)	\$500 - \$1,000	<ul style="list-style-type: none"> Deducted from the draw upon release of funds to the Borrower
Annual Review	\$500 per year	<ul style="list-style-type: none"> Confirmation of realty taxes, insurance coverage, and general project monitoring
Bank Processing Fee	\$500	<ul style="list-style-type: none"> On repayment of Loans over \$2 Million
Mortgage Discharge Statement	\$350 per statement	<ul style="list-style-type: none"> Pay off and discharge mortgage as requested by the Borrower.
<u>Default Administration Costs:</u>		
Default Letters	\$750 per occurrence	<ul style="list-style-type: none"> For each collection letter written whether in connection with one default or more
Default Administration	\$5,000 First month; \$10,000 Each month thereafter	<ul style="list-style-type: none"> \$5,000 for 1st default remaining uncured for 14 days, \$10,000 for all subsequent months the default remains uncured

SCHEDULE "B" - INSURANCE REQUIREMENTS (as applicable)

Insurance policies, certificates, and/or binders must be sent to the Insurance Consultant for review **as soon as possible and no later than two weeks prior to closing** in order to avoid delay of funding.

The Insurance Consultant is:

INTECH Risk Management Inc.
3 Church Street, Suite 400
Toronto, ON M5E 1M2

Phone: (416) 348-9111
E-mail: lenders@intechrisk.com

The name and address for Lender is:

Vector Financial Services Limited
245 Eglinton Avenue East, Suite 400
Toronto, Ontario M4P 3B7

Phone: (416) 483-8018
E-mail: admin@vectorfinancial.com

GENERAL REQUIREMENTS:

The insurance requirements outlined herein are guidelines and subject to revision by the Lender and/or the Lender's insurance consultant.

The insurance requirements contained herein are minimum requirements and, although they must be adhered to throughout the term of the loan, do not represent the Lender's opinion or advice as to the scope of insurance coverage a prudent Borrower would arrange to adequately protect its interest.

Insurance coverage, which conforms with the Insurance Requirements set out herein, must be maintained throughout the term of this loan until the Maturity Date, including any extensions or amendments to the terms of the loan. The Lender must be notified at least 30 days in advance of any changes to the insurance coverage terms or insurance providers. Any proposed new insurance coverage needs to be reviewed and approved by the Insurance Consultant prior to any existing insurance policies being cancelled.

If the Borrower fails to maintain insurance in accordance with the Lender's Insurance Requirements and provide evidence thereof to the Lender and its Insurance Consultant, the Lender may, but shall not be obligated to, take out and keep in force such insurance coverage for the benefit of the Lender, the cost of which would be at the sole expense of the Borrower.

At least 30 days prior to the expiration of each insurance policy relating to this loan, the Borrower must provide evidence the respective insurance policy has been renewed for a further 12 months, or other such term as approved by the Lender. All policy renewals and/or extensions must also conform to the Lender's Insurance Requirements. Failure to provide evidence that the insurance policy has been renewed may result in the Lender placing alternate insurance coverage on the Borrower's behalf, which would be at the sole expense of the Borrower.

Pursuant to Schedule "A" of this Commitment Letter, any fees charged by the Insurance Consultant to review the insurance coverage at the outset of this loan and for any extensions, renewals, or replacement coverage arranged during the term of this loan, will be at the sole expense of the Borrower.

POLICY REQUIREMENTS – ALL POLICIES:

The following applies to each insurance policy required pursuant to this Commitment Letter unless otherwise noted.

All policies of insurance required by the Lender shall be in a form and with insurers reasonably acceptable to the Lender. To be eligible to provide insurance, an Insurer must have a minimum current financial rating of not less than "A- VII" from A.M. Best, or S&P, or an equivalent rating from another rating agency approved by the Lender. All policies must be in effect and in force at all times during the term of the loan.

Confirmation of all limits and sub-limits insured must be indicated on the insurance evidence for the Subject Property and / or any collateral properties as defined in the Commitment.

All policies of insurance must provide the Lender with **thirty (30) days prior written notice of cancellation**, except for notice for non-payment, whereby the statutory notice period (15 days) applies. The Borrower will immediately act to replace any terminated insurance policy providing similar coverage with no cessation in coverage. The Lender will **not accept "endeavour to" language** with respect to notices of cancellation nor any waiver whatsoever of the insurer's obligation and or liability for its failure to send any notices of cancellation.

Commercial insurance policies are required. Personal Residential Homeowners policies are not acceptable to the Lender.

The **Borrower** must be shown as a Named Insured or Additional Named Insured under all policies of insurance in force pertaining to the Subject Property and any collateral properties.

The **location** of the Subject Property and any collateral properties must be shown as an insured location on the insurance documentation.

The insurers, policy numbers, policy limits, policy term, and **all applicable deductibles must be shown on the evidence of insurance.**

Deductibles, retentions, and waiting periods, where used, will be allowed only as they may be reasonably acceptable to the Lender and must be clearly indicated in the evidence of insurance.

The Lender retains the right to request additional insurances not described herein, which are deemed appropriate and which a prudent owner would maintain given the nature of the operations of the secured property. The Lender also retains the right to update and change the Insurance Requirements at any time during the term of the Loan by providing reasonable notice to the Borrower.

LIABILITY COVERAGE:

There must be evidence of Liability insurance with *a minimum limit* of liability in the amount of **\$5 Million** per occurrence and **\$5 Million** in the aggregate against loss imposed by law as the owner or landlord of the Subject Property and any collateral properties.

Lender must be named as an **Additional Insured** under the Liability Insurance covering this location with respect to claims arising out of the operations of the Insured.

LIABILITY COVERAGE (continued):

When Umbrella or Excess Liability is evidenced, the Umbrella or Excess Liability must follow form of the underlying liability coverage. Confirmation must include per occurrence, aggregate limits, and applicable SIR or deductibles.

The Liability coverage must include, if and as applicable:

- a) Personal injury, bodily injury, death and property damage
- b) Products and Completed Operations
- c) Severability of interest and Cross Liability
- d) Non-owned auto
- e) Contractual Liability
- f) Tenants Legal Liability – limits to be specified (if applicable)
- g) Waiver of Subrogation in favour of the Lender

PROPERTY & INCOME COVERAGE (if applicable):

There must be evidence of Property Insurance written on an **"All Risk" or "Broad Form"** basis.

Lender must be shown as **First Mortgagee** and **Loss Payee** under the Property and Boiler & Machinery Insurance, as the Lender will hold a first mortgage charge on the property/buildings, and improvements thereto, as well as an assignment of any rental income and a charge on any personal property owned by the Borrower located at the Subject Property and/or any collateral properties.

The **Standard Mortgage Clause** must be included.

There must be:

- a) evidence of **Full Replacement Cost** insurance on any and all buildings and the **Sum Insured** represents 100% of the full replacement cost of the building(s).
- b) a **Stated Amount** clause to waive the co-insurance conditions, or confirmation that there are no coinsurance restrictions applicable to the building coverage.
- c) evidence of full **By-laws** extensions, including: the increased cost of construction, to meet minimum by-laws that may be in force at the time of loss; the cost of demolition of the undamaged portion of the property; and resultant loss of income.
- d) evidence of **Earthquake, Flood, and Sewer Back Up** insurance with the full replacement cost limits and confirming if coverage is on an annual aggregate basis or for each and every loss.
- e) evidence of **Business Interruption** Insurance, with a minimum period of indemnity of **12 months**.
- f) evidence of **Standard Comprehensive Boiler & Machinery** insurance, covering all central HVAC and miscellaneous electronic, mechanical, and electrical equipment, for explosion, rupture, sudden and accidental losses. The insurance coverage may be evidenced on a separate policy or form part of the property policy.

Any **"same or adjacent site"** restriction from the Replacement Cost wording is not acceptable.

SCHEDULE 'C' - SECURITY

- (a) a first Charge/Mortgage of the Property in the principal amount of **\$4,500,000** securing all Loan indebtedness;
- (b) a First priority General Assignment of Leases and Rents in respect of the Property;
- (c) a first in priority General Security Agreement over all personal property of every nature and kind located at, used in connection with or relating to the Property and the Project which is owned by or leased to the Borrower or any Beneficial Owner;
- (d) an indemnity made by each Borrower Entity in favour of the Lender, in the Lender's standard form, for and in respect of: (i) unauthorized removal of any secured collateral from the Property; (ii) waste or damage to the Property (including unauthorized demolition of any structure on the Property prior to Closing) arising from intentional misconduct, willful neglect, or gross negligence of any Borrower Entity; (iii) any and all environmental matters; (iv) any claim that any amount paid from any Loan advance as a Loan Reserve or other reserve or on account of any Subsequent Advance(s) or costs has not been advanced or does not bear interest or is not secured by the Loan documents; (v) failure to comply with any requirements of the Loan Documents regarding new leases, renewal or extension of existing leases, or insurance of the Property; (vi) any fraud or material misrepresentation in connection with the Loan; (vii) misappropriation of rents, insurance proceeds, or expropriation proceeds; (viii) breach of restrictions relating to transfers or encumbrances of the Property; or (ix) breach of restrictions relating to redemption of or payment of dividends under any of the shares or units of any Borrower Entity or withdrawal of any proceeds, profits, capital, or other equity from the Project;
- (e) an unlimited joint and several guarantee and postponement of claim made by each Guarantor for all Loan indebtedness;
- (f) if applicable, an agreement by each Beneficial Owner consenting to the Loan, authorizing and directing the Borrower to enter into the Loan Documents, and confirming that the interests of each Beneficial Owner are subject and subordinate to the interests of the Lender under the Loan Documents;
- (g) an Assignment of Material Documents relating to the Project including, without limitation, all designs, plans, site plans, studies, reports, deposits and levies paid, consultants and construction contracts, management agreements, and all other agreements relating to the development and ongoing management of the Property or Project;

- (h) irrevocable directions to each governmental or quasi-governmental authority that has been provided any security deposit relating to the Project, and to the issuer of each letter of credit provided to satisfy any such security deposit, to pay to the Lender all monies representing such security deposit, or posted to secure such letter of credit forthwith upon partial or full release of the requirement for such security deposit and return of the applicable letter of credit as the case may be; and each such irrevocable direction shall be acknowledged by the holder of the security deposit or issuer of the letter of credit as the case may be;
- (i) an assignment and agreement in respect of the Loan Reserves in accordance with the provisions set out herein;
- (j) postponement by the shareholders of the Borrower and each Beneficial Owner which is a corporation of all loans owed to them by and all other claims which they have against such Borrower Entity;
- (k) if applicable, an assignment of all condominium voting rights held by the Borrower or related parties;
- (l) a first assignment of proceeds of all property and liability insurance policies;
- (m) a subordination and standstill agreement between the Lender and any approved subsequent mortgagees, in form and content satisfactory to the Lender and the Lender's Solicitors;
- (n) customary resolutions and officers' certificates in respect of each Borrower Entity that is not an individual;
- (o) one or more opinions provided by counsel for each Borrower Entity, each in form and substance satisfactory to the Lender and the Lender's Solicitors, confirming the existence, power, authorization and execution of the loan documents by each Borrower Entity that is not an individual and the enforceability of the loan documents against each Borrower Entity;
- (p) In order to secure the Lender's Further Financing Rights, the Borrower hereby authorizes the Lender and its solicitors to register on title to the Project a notice pursuant to Section 118 of the Land Titles Act restricting the Borrower from further charging the Project except upon consent of the Lender.
- (q) one or more title insurance policies insuring the Lender's interest in the Property; and
- (r) such other security, documents, acknowledgements, directions, undertakings, and other assurances as may be reasonably required by the Lender or the Lender's Solicitors.

SCHEDULE "D"**GENERAL CONDITIONS**

- (a) The Borrower agrees to at all times fully comply with all applicable federal, provincial, and municipal laws, statutes, regulations, rules, by-laws, orders, permits, licenses, authorizations, approvals, and all applicable common laws or equitable principles whether now or hereafter in force and effect and pertaining to the Property and each Borrower Entity;
- (b) If the Borrower intends to Lease any part of any Property, then the Lender must approve the tenant and its intended use. The Lender may require, in its sole discretion, a statutory declaration, signed by the Tenant, of its intended use. Estoppels certificates using the Lender's form will be required prior to Closing.
- (c) No distributions of any kind (including but not limited to dividends, payment of interest or principal on any shareholders loans, or management fees payable to any Borrower Entity) shall be permitted to be made to any Borrower Entity or any affiliate thereof or any of the respective directors, officers, and shareholders of them during the term of the Loan without the consent of the Lender, which consent may be arbitrarily withheld.
- (d) The Borrower shall operate a segregated bank account for the Property and/or the Project during the term of the Loan, and all receipts and payments for the Property and the Project must be deposited into and disbursed from such account. Such funds and account shall not be co-mingled with any funds from other projects, properties and/or entities of or related to any Borrower Entity.
- (e) Notwithstanding the satisfaction of all Loan conditions and/or any other event or circumstance of any kind, the Lender will not be required to advance the Loan and may terminate this Commitment at any time if it determines, in its sole discretion, that any event or circumstance has occurred which, in the opinion of the Lender in its sole discretion, either has or could reasonably be expected to have a material adverse effect on (i) the value or marketability of the Property (including without limitation, the physical, environmental, or financial condition of the Property or any tenant or lease of the Property), or (ii) the financial or other condition of any Borrower Entity or its ability to observe and perform any of its respective covenants and obligations to the Lender under or in respect of the Loan and the Loan documents when due.
- (f) In the event of the Borrower failing to pay any amount when due; being in breach of any covenant, term, condition of this Commitment or any Loan Document; if any representation made by or information provided by any Borrower Entity or its agent or representative is found to be untrue or incorrect; or if any default or Event of Default (as defined in the Loan Documents) occurs, the Borrower shall be in default of its obligations and the Lender may, at its option, declare the Loan indebtedness and any other amount due under this Commitment and the Loan Documents to be forthwith due and payable, or cease or delay further funding, and/or exercise any and/or all remedies available to it at law or in equity.

- (g) If the Lender deems that use of any Property is illegal, it shall inform any governmental authority of same without notice to the Borrower.
- (h) The Lender shall have the right to register a section 118 of The Land Titles Act, Ontario on title on Closing.
- (i) Until all Loan indebtedness is repaid in full, the Lender shall have the right, upon reasonable notice, to conduct inspections of each Property to ensure that it is properly maintained and that its intended use conforms to all laws.
- (j) Each Borrower Entity shall jointly and severally indemnify and save harmless the Lender and its directors, officers, shareholders', agents, trustees, employees, contractors, licensees, and other representatives from and against any and all losses, damages, injuries, expenses, suits, actions, claims, and demands of every nature and kind whatsoever arising out of the provisions of this Commitment and the Loan Documents, any letters of credit or letters of guarantee issued, and any sale or lease of any Property and/or the Project and/or the use or occupation thereof, including, without limitation, those arising from the right to enter any Property at any time and to carry out the various tests, inspections, and other activities permitted by this Commitment and the Loan Documents. In addition to the obligations and liabilities of each Borrower Entity under this Commitment and the Loan Documents, each Borrower Entity shall be jointly and severally liable for any and all of the Lender's costs, expenses, damages, or liabilities, including, without limitation, all reasonable legal fees, directly, or indirectly arising out of, or attributable to the use, generation, storage, release, threatened release, discharge, disposal, or presence on, under, or about any Property of any hazardous or noxious substances. The provisions of this subparagraph are (i) separate and distinct obligations from the other obligations of each Borrower Entity under this Commitment and the Loan Documents; (ii) survive the repayment of the Loan indebtedness and satisfaction of such other obligations and discharge of the Loan Documents; (iii) are not discharged or released by foreclosure by the Lender under the Loan Documents; and (iv) shall continue in effect after any transfer of any Property including, without limitation, transfer pursuant to any judicial or non-judicial foreclosure proceeding or by any transfer in lieu of foreclosure.
- (k) The Borrower and Guarantor(s) will provide the usual warranties and representations respecting: the accuracy of financial statements and that there has been no material adverse change in the financial condition or operations of any Borrower Entity as reflected in the financial statements used by the Lender to evaluate the Loan; title to each Property; the power and authority of each Borrower Entity to execute and deliver documents; the accuracy of documents delivered and representations made to the Lender; that there are no pending adverse claims, outstanding judgments or defaults under agreements relating to any Property and/or the Project; the payment of all taxes; that no consents, approvals or authorizations are necessary or, if required, that same have been obtained; the compliance with the Construction Lien Act (Ontario) as amended from time to time; the status of permitted encumbrances; that all necessary services are available to the Project; that no hazardous substances are used, stored, discharged, or present on any Property; and such other reasonable matters as the Lender or the Lender's Solicitors may require.

- (l) The voting and managerial control of the Borrower shall not be changed without the prior written consent of the Lender in its sole discretion.
- (m) The location(s) of the Borrower's offices and records shall not be changed without the prior written consent of the Lender acting reasonably.
- (n) Loan disbursement(s) shall take place only upon title to the Property being acceptable to the Lender's Solicitors and all matters in connection with the priority, validity, and enforceability of the Loan Documents and other documentation deemed necessary or advisable by Lender's Solicitors being complied with by each Borrower Entity as applicable.
- (o) The Borrower shall pay forthwith on demand all other reasonable fees and disbursements incurred or to be incurred in connection with the Loan Documents and all other documents, including, without limitation, registration costs, discharge costs, appraisal fees, surveyor's costs, and monitoring costs and costs itemized on **Schedule "A"** hereto.
- (p) Any mortgage statement issued by the Lender will be presumed to be correct absent manifest error, that the Lender is not required to accept payment or provide a discharge unless the mortgage statement is acknowledged by the Borrower Entity. The Borrower Entity further acknowledges that all discharge funds will be immediately distributed to the Lender's investors and there can be no adjustment of the payout amount once such distribution has taken place.
- (q) The express or implicit waiver by the Lender of any breach or default by any Borrower Entity under this Commitment or any Loan Document shall not be construed as a waiver of any other or subsequent breach or default by such Borrower Entity. Any failure by the Lender to exercise any of its rights or remedies shall not constitute or be construed as a waiver thereof.
- (r) This Commitment, the Loan, and the Loan Documents may be assigned, transferred, or otherwise disposed of by the Lender in whole or in part to any third party without the consent of any Borrower Entity.
- (s) This Commitment is not assignable by any Borrower Entity.
- (t) The Lender shall have the right to provide at its cost a sign, no greater than 4 feet x 6 feet, advertising the fact that the Lender provided the Loan financing. The sign shall be erected by the Borrower at its cost in a prominent location on or about the hording or construction fence at a location mutually agreed by the Borrower and the Lender.
- (u) This Commitment constitutes the entire agreement between the parties and there are no other representations, warranties, terms, or conditions pertaining to this Commitment or the subject matter hereof other than as herein set forth. All Schedules to this Commitment form a part hereof. No amendment or release of this Commitment shall be binding or enforceable unless made in writing signed by all of the parties hereto. Time is and shall remain of the essence under this Commitment, provided that the time for performing or completing any matter under or pursuant to this Commitment may be extended or abridged by an agreement in writing by the parties or their respective solicitors.

Failure by any party to strictly enforce any provisions hereof shall not operate as a waiver or limitation of such party's rights hereunder in respect of any subsequent default. If any provision of this Commitment or the application thereof to any person or circumstance is to any extent held or rendered invalid, unenforceable, or illegal, it shall be considered separate and severable here from and all other provisions of this Commitment shall remain in full force and effect and be binding upon the parties hereto. The headings set forth in this Commitment are inserted for convenience and reference only and shall not define or limit the intent or interpretation of any of the provisions hereof. This Commitment shall be read and construed with all changes of gender and number of the party or parties referred to in each case as required by the context, and the covenants and agreements of each party shall be deemed to be joint and several where such party is more than one person, firm, or corporation. Nothing in this Commitment shall constitute or be construed or deemed as creating the relationship of principal and agent, partnership, joint tenancy, or joint venture between or amongst the Lender and any Borrower Entity. All accounting terms not specifically defined herein shall be construed in accordance with generally accepted accounting principles applied on a consistent basis. All amounts referred to in dollars shall mean dollars in lawful money of Canada unless otherwise expressly provided herein.

- (v) Any mortgage statement issued by the Lender will be correct absent a manifest error.
- (w) The Lender shall not be required to accept payment or provide a discharge unless the mortgage statement is acknowledged by the Borrower.
- (x) The Borrower acknowledges that the discharge funds will be immediately distributed to the Lender's investors and there shall be no adjustment of the payout amount once such distribution has taken place.

SCHEDULE “E”

Legal/Property Description

Municipal Address	Legal Description	PIN
740-748 Sheppard Avenue West, Toronto Ontario	PART OF LOT 6 PLAN 3062 DESIGNATED AS PARTS 1 AND 2 ON PLAN 66R-26936; CITY OF TORONTO	10171-0602 (LT)

This is Exhibit "R" referred to in the Affidavit of Ivan Bogdanovich, sworn by
Ivan Bogdanovich of the City of Toronto, in the Province of Ontario, before
me at the City of Toronto, in the Province of Ontario, on
April 5, 2024



A Commissioner for Taking Affidavits

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

PROPERTY DESCRIPTION:LT 54 PL 3553 NORTH YORK; TORONTO (N YORK) , CITY OF TORONTO

PROPERTY REMARKS:

ESTATE/QUALIFIER:

FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:

RE-ENTRY FROM 10213-0656

PIN CREATION DATE:

2002/05/27

OWNERS' NAMES

8570442 CANADA INC.

CAPACITY SHARE

ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2002/05/24 **						
**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:						
** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *						
** AND ESCHEATS OR FORFEITURE TO THE CROWN.						
** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF						
** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY						
** CONVENTION.						
** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.						
**DATE OF CONVERSION TO LAND TITLES: 2002/05/27 **						
NY561629	1969/07/30	TRANSFER		*** DELETED AGAINST THIS PROPERTY ***	POWELL, ROY A.	
64BA1653	1980/04/25	PLAN BOUNDRIES ACT				C
REMARKS: RE: NY778097, PL11194						
TR57844	2000/03/27	NOTICE		HER MAJESTY THE QUEEN IN RIGHT OF THE DEPARTMENT OF TRANSPORT CANADA		C
REMARKS: PEARSON AIRPORT ZONING REGULATION						
AT5149491	2019/05/31	TRANSFER	\$1,155,000	POWELL, ROY ARTHUR	8570442 CANADA INC.	C
AT5149492	2019/05/31	CHARGE	\$924,000	8570442 CANADA INC.	HOME TRUST COMPANY	C

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

This is Exhibit “S” referred to in the Affidavit of Ivan Bogdanovich, sworn by
Ivan Bogdanovich of the City of Toronto, in the Province of Ontario, before
me at the City of Toronto, in the Province of Ontario, on
April 5, 2024



A Commissioner for Taking Affidavits

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

DUCA FINANCIAL SERVICES CREDIT UNION LTD.

Applicant

and

10503452 CANADA INC. and ASIF KARIMOV

Respondents

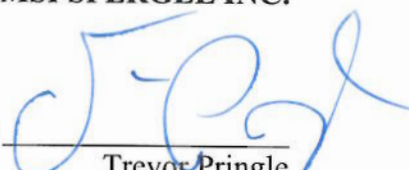
APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED

CONSENT TO ACT AS RECEIVER

TAKE NOTICE THAT msi Spergel Inc. hereby consents to act as receiver of 10503452 Canada Inc.

DATED at Toronto, Ontario this 11TH day of March, 2024

MSI SPERGEL INC.

Per: 
Trevor Pringle
Partner, CFE, CIRP, LIT

Court File No. CV-24-00716425-00CL

DUCA FINANCIAL SERVICES CREDIT UNION LTD.

-and-

10503452 CANADA INC. et al.

Applicant

Respondents

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT **TORONTO**

AFFIDAVIT OF IVAN BOGDANOVICH

BLANEY MCMURTRY LLP
 Barristers & Solicitors
 2 Queen Street East, Suite 1500
 Toronto ON M5C 3G5

Timothy R. Dunn (LSO #34249I)
 Tel: (416) 597-4880
 Email: tdunn@blaney.com

Alexandra Teodorescu (LSO #63889D)
 Tel: (416) 596-4279
 Email: ateodorescu@blaney.com

Lawyers for the Applicant

TAB 3

Court File No. CV-24-000716235-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE)	THURSDAY, THE 11 th
)	
JUSTICE)	DAY OF APRIL, 2024

DUCA FINANCIAL SERVICES CREDIT UNION LTD.

Applicant

- and -

10503452 CANADA INC. and ASIF KARIMOV

Respondents

ORDER
(Appointing Receiver)

THIS APPLICATION made by the Applicant, DUCA Financial Services Credit Union Ltd. (“**DUCA**”), for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the “**CJA**”) appointing msi Spergel Inc. as receiver (in such capacity, the “**Receiver**”) without security, of all of the assets, undertakings and properties of 10503452 Canada Inc. (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 READING the affidavit of Ivan Bogdanovich, sworn April 5, 2024 and the Exhibits thereto and on hearing the submissions of counsel for DUCA and counsel for the Debtor, no one appearing for any other party although duly served as appears from the affidavit of service of ● sworn ● and on reading the consent of msi Spergel Inc. to act as the Receiver,

SERVICE

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

APPOINTMENT

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

RECEIVER’S POWERS

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

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

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

(k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,

(i) without the approval of this Court in respect of any transaction not exceeding \$50,000.00, provided that the aggregate consideration for all such transactions does not exceed \$250,000.00; and

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

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

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

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

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

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

(p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the

foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;

- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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

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

to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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

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

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

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

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

12. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current

telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

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

EMPLOYEES

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

PIPEDA

15. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a “**Sale**”). Each prospective purchaser or bidder to

whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

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

LIMITATION ON THE RECEIVER’S LIABILITY

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

this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

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

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

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

FUNDING OF THE RECEIVERSHIP

21. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$100,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and

is hereby charged by way of a fixed and specific charge (the “**Receiver's Borrowings Charge**”) as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver’s Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

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

SERVICE AND NOTICE

25. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at https://www.ontariocourts.ca/scj/practice/regional-practice-directions/eservice-%20commercial/#Part_III_The_E-Service_List) 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 <https://www.spergelcorporate.ca/engagements>.

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

GENERAL

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

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

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

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

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

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

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that msi Spergel Inc., the receiver (the “**Receiver**”) of the assets, undertakings and properties of 10503452 Canada 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 (Commercial List) (the “**Court**”) dated the 11th day of April, 2024 (the “**Order**”) made in an action having Court file number CV-24-00716425-00CL, has received as such Receiver from the holder of this certificate (the “**Lender**”) the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

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__.

msi Spergel Inc., solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

Court File No. CV-24-00716425-00CL

DUCA FINANCIAL SERVICES CREDIT UNION LTD.

-and-

10503452 CANADA INC. et al.

Applicant

Respondents

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT **TORONTO**

ORDER

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 Barristers & Solicitors
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 Toronto ON M5C 3G5

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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. ~~—~~ CV-24-000716235-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE ~~—~~) ~~WEEKDAY~~ THURSDAY, THE #11th
)
 JUSTICE ~~—~~) DAY OF ~~MONTH~~ APRIL, ~~20YR~~ 2024

~~PLAINTIFF[†]~~

~~Plaintiff~~

DUCA FINANCIAL SERVICES CREDIT UNION LTD.

Applicant

- and -

~~DEFENDANT~~

~~Defendant~~

10503452 CANADA INC. and ASIF KARIMOV

Respondents

ORDER
(~~appointing~~ Appointing Receiver)

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

THIS ~~MOTION~~ APPLICATION made by the ~~Plaintiff~~² Applicant, DUCA Financial Services Credit Union Ltd. ("DUCA"), for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing ~~[RECEIVER'S NAME]~~ msi Spergel Inc. as receiver ~~[and manager]~~ (in such ~~capacities~~ capacity, the "Receiver") without security, of all of the assets, undertakings and properties of ~~[DEBTOR'S NAME]~~ 10503452 Canada Inc. (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 READING the affidavit of ~~[NAME]~~ Ivan Bogdanovich, sworn ~~[DATE]~~ April 5, 2024 and the Exhibits thereto and on hearing the submissions of counsel for ~~[NAMES]~~ DUCA and counsel for the Debtor, no one appearing for ~~[NAME]~~ any other party although duly served as appears from the affidavit of service of ~~[NAME]~~ sworn [DATE] and on reading the consent of ~~[RECEIVER'S NAME]~~ msi Spergel Inc. to act as the Receiver,

SERVICE

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

APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, ~~[RECEIVER'S NAME]~~ msi Spergel Inc. is hereby appointed Receiver, without security,

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.~~

of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "Property").

RECEIVER'S POWERS

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

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

- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings.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 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,

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

- (i) without the approval of this Court in respect of any transaction not exceeding \$~~_____~~50,000.00, provided that the aggregate consideration for all such transactions does not exceed \$~~_____~~250,000.00; 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

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.~~

on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;

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

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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

5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in

that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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

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

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

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

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

12. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including

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

RECEIVER TO HOLD FUNDS

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

EMPLOYEES

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

PIPEDA

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

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

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

LIMITATION ON THE RECEIVER'S LIABILITY

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

RECEIVER'S ACCOUNTS

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

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

20. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates

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".~~

and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

21. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$100,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the **"Receiver's Borrowings Charge"**) as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

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

SERVICE AND NOTICE

25. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the “Protocol”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at

~~<http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>~~[https://www.ontariocourts.ca/scj/practice/regional-practice-directions/eservice-%20commercial/#Part III The E-Service List](https://www.ontariocourts.ca/scj/practice/regional-practice-directions/eservice-%20commercial/#Part_III_The_E-Service_List)) 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 ~~<https://www.spergelcorporate.ca/engagements>~~.

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

GENERAL

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

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

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

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

31. **THIS COURT ORDERS** that ~~the Plaintiff~~DUCA 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~~DUCAs security or, if not so provided by ~~the Plaintiff~~DUCA's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

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

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that ~~[RECEIVER'S NAME]~~ msi Spergel Inc., the receiver (the "Receiver") of the assets, undertakings and properties ~~[DEBTOR'S NAME]~~ of 10503452 Canada 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 (Commercial List) (the "Court") dated the 11th day of April, 20 2024 (the "Order") made in an action having Court file number CV-24-00716425-00CL, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

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__.

~~[RECEIVER'S NAME]~~ msi Spergel Inc., solely
in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

Document comparison by Workshare Compare on Friday, April 5, 2024 11:14:44 AM

Input:	
Document 1 ID	file:///C:/Users/ateodore/Downloads/receivership-order-EN (17).doc
Description	receivership-order-EN (17)
Document 2 ID	file:///C:/Users/ateodore/OneDrive - Blaney McMurtry LLP/Desktop/3903045.1.doc
Description	3903045.1
Rendering set	Standard

Legend:	
<u>Insertion</u>	
Deletion	
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<u>Moved to</u>	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	80
Deletions	107
Moved from	0
Moved to	0
Style changes	0
Format changes	0
Total changes	187

Court File No. CV-24-00716425-00CL

DUCA FINANCIAL SERVICES CREDIT UNION LTD.

-and-

10503452 CANADA INC. et al.

Applicant

Respondents

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT TORONTO

APPLICATION RECORD

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